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If you are in any doubt about the contents of this document or as to the action you should take, you are recommended immediately to seek your own independent financial advice from your stockbroker, bank manager, accountant or other appropriately qualified independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your shares in Lok'nStore Group Plc, (the '**Company**') please send this document and the accompanying Form of Proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, such documents should not be forwarded to, or transmitted in or into, any jurisdiction where to do so might violate the relevant laws and regulations in that jurisdiction.

Panmure Gordon (UK) Limited ('**Panmure**'), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for the Company and for no-one else in connection with the matters set out in this document and will not be responsible to anyone other than the Company for providing the protections to customers of Panmure nor for providing advice in connection with the matters set out in this document or any other transaction or arrangement referred to in this document.

Lok'nStore Group Plc

(Incorporated with limited liability in England and Wales with registered number 4007169)

PROPOSED APPROVAL OF WAIVERS OF MANDATORY OFFER PROVISIONS IN THE CITY CODE and NOTICE OF ANNUAL GENERAL MEETING

Action to be taken by Shareholders is set out on page 7.

Notice of an Annual General Meeting to be held at 11 am on 29 November 2013 at the offices of Maclay Murray & Spens LLP, 12th Floor, One London Wall, London EC2Y 5AB is set out at the end of this document. To be valid for use at such meeting, the accompanying Form of Proxy enclosed with this document must be completed and returned so as to be received by the Company's Registrars, Capita Asset Services, Proxies Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 11 am on 27 November 2013.

5 November 2013

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Definitions

The following definitions apply throughout this document, unless the context requires otherwise:

'Act'	the Companies Act 2006, as amended;
'Annual General Meeting' or 'AGM'	the annual general meeting of the Company convened at 11 am on 29 November 2013 (or any adjournment thereof), notice of which is set out at the end of this document;
'Annual Report'	the report and financial statements of the Group for the year ended 31 July 2013;
'Articles'	the articles of association of the Company as at the date of this document;
'Board' or 'Directors'	the Directors of the Company listed on page 4 of this document;
'City Code'	the City Code on Takeovers and Mergers;
'Company' or 'Lok'nStore'	Lok'nStore Group Plc;
'Company Share Option Plan' or 'CSOP'	the approved share option scheme adopted by Lok'nStore Limited on 2 June 2010 and assumed by Lok'nStore with effect from 28 June 2010;
'EMI Plan'	the Company's enterprise management incentive share option plan;
'Form of Proxy'	the form of proxy accompanying this document, for use by Shareholders at the AGM;
'Group'	Lok'nStore and its subsidiary undertakings;
'Independent Directors'	the Directors other than Andrew Jacobs, Colin Jacobs and Simon Thomas;
'Independent Shareholders'	all Shareholders other than the Major Shareholders;
'Major Shareholders'	Andrew Jacobs' and Simon Thomas' concert parties, who in respect of Andrew Jacobs comprises Andrew Jacobs LLP, his wife, his brother Colin Jacobs (including the Aylestone Pension Fund to which Colin Jacobs is a beneficiary), his sister-in-law Katie Jacobs and The Jacobs Family Directors Pension Scheme and in respect of Simon Thomas comprises Simon Thomas LLP, his brother Rhys Warren-Thomas and The Thomas Family Directors Pension Scheme, as set out at paragraph 5.3 and 5.5 of Part II of this document;
'Options'	the options to subscribe for Ordinary Shares which have been granted or conditionally granted to the Major Shareholders pursuant to the terms of the Share Option Schemes, further details of which are set out in paragraphs 3.2 and 5.5 of Part II of this document;
'Ordinary Shares'	ordinary shares of 1 pence each in the capital of the Company;
'Panel'	The Panel on Takeovers and Mergers;
'Panel Waivers'	the Repurchase Waiver;
'Panmure'	Panmure Gordon (UK) Limited;
'Repurchase Resolution'	the special resolution numbered 11 as set out in the notice of AGM at the end of this document;
'Repurchase Waiver'	the waiver which has been granted by the Panel, conditional upon the approval by the Independent Shareholders of special resolution numbered 11 on a poll, of any obligation which would otherwise be imposed on the Major Shareholders, either individually or collectively, under Rule 9 of the City Code, as a result of the Share Purchase Authority;
'Resolutions'	the resolutions set out in the notice of AGM at the end of this document;
'Rule 9'	Rule 9 of the City Code;
'Shareholders'	holders of Ordinary Shares;
'Share Option Schemes'	the CSOP and the EMI Plan;
'Share Purchase Authority'	the authority, to be proposed at the AGM, for the Company to make market purchases of Ordinary Shares up to an overall maximum of 6,680,430 Ordinary Shares; and
'Waiver Resolution'	the ordinary resolution numbered 12 set out in the notice of AGM at the end of this document.

Part I: Letter from the Independent Directors of Lok'nStore Group Plc

Lok'nStore Group Plc (Registered in England No. 4007169)

Directors

Simon Thomas (Chairman)
Andrew Jacobs (Chief Executive)
Ray Davies (Finance Director)*
Colin Jacobs (Acquisitions Director)
Richard Holmes (Non-Executive Director)*
Edward Luker (Non-Executive Director)*
Charles Peal (Non-Executive Director)*
Douglas Hampson (Non-executive Director)*

* *Independent Directors*

Registered Office

One London Wall
London
EC2Y 5AB

To Shareholders and, for information purposes only, to holders of the options and holders of options under the Share Option Schemes

5 November 2013

Dear Shareholder

1. Introduction

The Annual General Meeting of the Company is to be held at 11 am on 29 November 2013 at the offices of Maclay Murray & Spens LLP, 12th Floor, One London Wall, London EC2Y 5AB and is convened by the formal notice of meeting set out at the end of this document. In addition to the usual resolutions put to Shareholders at the AGM, the Directors are also proposing a resolution to renew the Company's authority to buy back shares and also a resolution for the Independent Shareholders to approve a waiver of certain obligations arising under the City Code, which may otherwise apply to the Major Shareholders as a result of any future repurchases by the Company of Ordinary Shares in the market pursuant to the Share Purchase Authority (Resolution 12).

The authority of the Company to purchase Ordinary Shares is only intended to be utilised in circumstances where the Directors believe this to be in the best interests of Shareholders as a whole.

In addition to highlighting the usual business to be transacted at the AGM, the purpose of this document is to explain to you the background to the Resolutions which will be considered at the AGM, why the Directors consider Resolution 11 to be in the best interests of the Shareholders as a whole, why the Independent Directors consider Resolution 12 to be in the best interests of Independent Shareholders and the Company as a whole and why the Directors and Independent Directors respectively recommend that you vote in favour of them.

2. Election of Directors

Ray Davies and Charles Peal, who retire by rotation under the provisions of the Company's Articles, are standing for re-election at the AGM. Douglas Hampson, who was appointed to the Board following last years' annual general meeting is also required to stand for re-election. In addition, Richard Holmes, who has over nine years tenure as a Non-Executive Director of the Company, is required to offer himself for re-election and will therefore also be standing for re-election at the AGM.

3. Dividends

The Directors are recommending payment of a final dividend of 4.33 pence per Ordinary Share in respect of the year ended 31 July 2013, subject to shareholder approval. The final dividend will be paid on 16 December 2013 to all Shareholders registered in the Company's share register on 15 November 2013. The Ordinary Shares will become ex-dividend on 13 November 2013. Thus, Resolution 8 will be proposed as an ordinary resolution to declare a final dividend of 4.33 pence per Ordinary Share for the year ended 31 July 2013.

4. Share Capital

Under the Act, directors of companies may not allot new shares (or grant rights over shares) unless authorised to do so by shareholders in a general meeting.

Accordingly, the ordinary resolution set out as Resolution 9 in the notice of AGM seeks to renew for a further period, expiring at the conclusion of the annual general meeting to be held in 2014, the authority previously granted to the Directors to allot new Ordinary Shares (or grant rights over Ordinary Shares) up to an aggregate nominal amount of £83,102, representing approximately one third of the existing issued ordinary share capital of the Company.

Furthermore, a company proposing to allot new equity securities (within the meaning of the Act) for cash may not do so before first offering them to existing shareholders, subject to certain exceptions. As in previous years, the Directors believe that it is in the best interests of the Shareholders that the Directors should have limited authority to allot Ordinary Shares (or grant rights to convert into or subscribe for Ordinary Shares) for cash without first having to offer such shares to existing Shareholders in proportion to their holdings.

Accordingly, the special resolution set out as Resolution 10 in the notice of AGM proposes that power be granted to allot securities for cash on a non-pre-emptive basis up to a maximum nominal amount equal to £24,930 (representing approximately ten per cent. of the existing issued ordinary share capital of the Company). This resolution also disapplies the pre-emption rights to the extent necessary in connection with the allotment of Ordinary Shares to facilitate rights issues, open offers and similar transactions. The authority will expire on the earlier of 28 March 2015 and the conclusion of the next annual general meeting of the Company following the AGM.

5. Purchase of Own Shares

Resolution 11 is a special resolution to grant authority to the Directors to make purchases of its Ordinary Shares through the market. The authority would expire at the conclusion of the next annual general meeting of the Company following the AGM. The maximum aggregate number of Ordinary Shares which may be purchased pursuant to this authority would be 6,680,430, which represents approximately 26.80 per cent. of the Company's existing issued ordinary share capital (excluding treasury shares).

Any Ordinary Shares purchased under the authority sought by Resolution 11 will either be cancelled, and the number of Ordinary Shares in issue reduced accordingly, or will be held in treasury.

The Directors will only exercise the authority sought by Resolution 11 after taking account of the overall financial position of the Company and in circumstances where they believed that to do so would result in an increase in earnings per share and be in the best interests of Shareholders as a whole.

6. City Code on Takeovers and Mergers

Under Rule 9 of the City Code, when any person acquires, whether by a series of transactions over a period of time or not, an interest (as defined in the City Code) in shares which, when taken together with shares in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, such person or persons, is or are normally required to make a general offer to all other shareholders in that company to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will be required if he or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested.

An offer under Rule 9 of the City Code must be in cash and at the highest price paid, within the preceding 12 months, for any interest in shares in the company by the person required to make the offer or any person acting in concert with him.

Under Rule 37 of the City Code, when a company purchases its own voting shares, the resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9 of the City Code (although a shareholder who is neither a director nor acting in concert with a director will not normally incur an obligation to make an offer under Rule 9 in these circumstances).

7. Current and potential shareholdings of the Major Shareholders

For the purposes of the City Code, as Andrew Jacobs and Simon Thomas are both Directors and beneficial holders of Ordinary Shares in the Company and are also trustees of certain pension funds (further details of which are set out in Part II of this document) they collectively, together with their close relatives and related trusts are deemed to be acting in concert.

The Major Shareholders and their respective concert parties currently hold, in aggregate, 8,021,925 Ordinary Shares, representing 32.18 per cent. of the Company's issued ordinary share capital (excluding treasury shares) as at the date of this document. Accordingly, any further increase in the Major Shareholders' aggregate interest in Ordinary Shares (including, as mentioned above pursuant to a share buy back) would be subject to the provisions of Rule 9 of the City Code (to the extent not previously approved by the Independent Shareholders).

In addition, the Major Shareholders hold a total of 1,295,000 Options, with Andrew Jacobs and his concert parties (as detailed herein) collectively holding Options over 720,000 Ordinary Shares and Simon Thomas and his concert parties (as detailed herein) collectively holding Options over 575,000 Ordinary Shares. At the Company's annual general meetings in December 2009 and November 2012, the Independent Shareholders approved ordinary resolutions to waive the obligation that would otherwise arise on the Major Shareholders under Rule 9 as a result of the exercise of the Options provided that their interests do not exceed 49.99 per cent. in aggregate of the issued share capital of the Company as a result thereof. No further options have been granted to the Major Shareholders since those resolutions were passed and any increase in the interests of the Major Shareholders in Ordinary Shares as a result of the exercise of the Options would not result in their interests exceeding 49.99 per cent. of the issued share capital of the Company. Accordingly, the Company continues to rely on those previous Rule 9 waivers and no additional waiver of the obligation that would otherwise arise on the Major Shareholders under Rule 9 as a result of the exercise of the Options is being sought at this year's AGM.

Further details of the effect of the Share Purchase Authority and the exercise of the Options on the Major Shareholders are set out in paragraphs 8 (a) and (b) below.

8. Resolution 12 - The Repurchase Waiver Resolution

As mentioned in paragraph 7 above, given that the Major Shareholders currently hold more than 30 per cent. of the voting rights of the Company, any further increase in the Major Shareholders' aggregate interest in Ordinary Shares (which includes any increase caused by way of a share buy back) would have the effect of triggering Rule 9 of the City Code and result in the Major Shareholders being under an obligation to make a general offer to all Shareholders.

Your Board has consulted with the Panel, which has agreed that, subject to approval of the Independent Shareholders on a poll at the AGM, it will grant the Repurchase Waiver. The effect of the Repurchase Waiver, if approved by the Independent Shareholders, would be that the Major Shareholders would not be required to make a general offer under Rule 9 of the City Code that would otherwise arise due to the increase in the aggregate holding of the Major Shareholders resulting from the purchase by the Company of its own Ordinary Shares pursuant to the Share Purchase Authority.

Resolution 12 is subject to the approval of the Independent Shareholders on a poll, where each Independent Shareholder will be entitled to one vote for each Ordinary Share. The Major Shareholders are not entitled to vote on this poll as they are not considered to be independent.

Set out below are details of the maximum percentage of the Company's voting rights which would be held by the Major Shareholders under two separate scenarios.

Scenario 1

In the event that:

- the Independent Shareholders approve the Repurchase Waiver;
- the Repurchase Resolution is passed and the maximum number of Ordinary Shares are repurchased by the Company under the Share Purchase Authority;
- none of the Directors (or any persons connected with them within the meaning of sections 252–255 of the Act) agree to participate in the buy back;
- there are no sales of Ordinary Shares by the Major Shareholders; and
- the Options are not exercised,

the combined shareholding of the Major Shareholders of 8,021,925 Ordinary Shares would represent 43.96 per cent. of the then issued ordinary share capital of the Company of 18,250,150 Ordinary Shares.

Scenario 2

In the event that:

- the Independent Shareholders approve the Repurchase Waiver;
- the Repurchase Resolution is passed and the maximum number of Ordinary Shares are repurchased by the Company under the Share Purchase Authority;
- none of the Directors (or any persons connected with them within the meaning of sections 252–255 of the Act) agree to participate in the buy back;
- there are no sales of Ordinary Shares by the Major Shareholders; and
- the Options are exercised,

the combined shareholding of the Major Shareholders of 9,316,925 Ordinary Shares would represent 47.67 per cent. of the then issued ordinary share capital of the Company of 19,545,150 Ordinary Shares.

Shareholders should note that any further increase in the interests of the Major Shareholders in the Ordinary Shares of the Company, which increases the percentage of the voting rights in which they are interested, either collectively or individually other than as a result of the purchase of Ordinary Shares pursuant to the Share Purchase Authority or the exercise of the Options, will be subject to the provisions of Rule 9.

Furthermore, if the Waiver Resolution is approved by the Independent Shareholders and both the Share Purchase Authority is fully utilised and the Options are fully exercised, Andrew Jacobs and his concert parties will have a 32.61 per cent. interest in the then issued share capital of the Company of 19,545,150 Ordinary Shares (as detailed above and also in paragraph 5.4 of Part II of this document). Therefore, any transfer of shares of the Company by any member of Simon Thomas' concert parties to any member of Andrew Jacobs' concert parties, which has the effect of maintaining the Major Shareholders' aggregate interests but increases the percentage of shares carrying voting rights in which Andrew Jacobs and his concert parties are individually interested will also be subject to the provisions of Rule 9.

9. Approval of Transactions involving the Directors

Section 190 of the Act provides that a company may not enter into an arrangement under which (i) a director of the company or a person connected with a director (which includes companies connected with that director) acquires or is to acquire from the company a substantial non-cash asset or (ii) the company acquires or is to acquire a substantial non-cash asset from the director (or connected person) unless the arrangement has been approved by a resolution of the shareholders of the company.

Resolution 13 seeks approval under section 190 of the Act for the purchase by the Company of any Ordinary Shares held by Directors and persons connected with them which may be purchased by the Company pursuant to the Repurchase Resolution.

10. General Meeting

A notice convening the AGM to be held at the offices of Maclay Murray & Spens LLP, 12th Floor, One London Wall, London EC2Y 5AB, is set out at the end of this document.

As mentioned above, due to their interest in the Waiver Resolution, the Major Shareholders will not be voting on Resolution 12 (which relates to the Repurchase Waiver) in respect of their combined interests of 8,021,925 Ordinary Shares representing 32.18 per cent. of the Company's issued ordinary share capital as at the date of this document.

11. Action to be Taken

You will find enclosed with this document a reply-paid form of proxy for use by Shareholders at the AGM. Whether or not you intend to be present at the AGM, you are requested to complete this form in accordance with the instructions printed on it as soon as possible. To be valid, completed forms of proxy must be received by Capita Asset Services, Proxies Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive not later than 11 am on 27 November 2013.

Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM if you so wish.

New Shareholders should note that, in order to have the right to attend and vote at the meeting, their holding must be entered on the Company's share register by close of business on 27 November 2013.

12. Recommendation

Repurchase Resolution

The Directors consider that the Share Purchase Authority is fair and reasonable and is in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Directors recommend all Shareholders to vote in favour of the Repurchase Resolution to be proposed at the AGM, as they intend to do in respect of their own beneficial holdings of Ordinary Shares which, in aggregate, amount to 11,974,347 Ordinary Shares representing approximately 48.03 per cent. of the existing issued ordinary share capital of the Company, as the Directors consider the proposals to be in the best interests of the Company and its members as a whole and are most likely to promote the success of the Company for the benefit of its members as a whole.

Waiver Resolution

The Independent Directors, who have been so advised by Panmure, consider that the Repurchase Waiver is fair and reasonable. In addition, the Independent Directors consider that the purchase of Ordinary Shares pursuant to the Share Purchase Authority is in the best interests of the Independent Shareholders and the Company as a whole.

In providing advice to the Independent Directors, Panmure has taken into account the Independent Directors' commercial assessments.

Accordingly, the Independent Directors recommend all Independent Shareholders to vote in favour of the Waiver Resolution to be proposed at the AGM, as they intend to do in respect of their own beneficial holdings of Ordinary Shares which, in aggregate, amount to 4,613,962 Ordinary Shares, representing approximately 18.51 per cent. of the existing issued ordinary share capital of the Company.

As stated above, the Major Shareholders are considered to be interested in the outcome of the Repurchase Waiver. Accordingly, Andrew Jacobs, Colin Jacobs and Simon Thomas have not participated in the Board's recommendation and the Major Shareholders will not vote on Resolution 12.

Yours sincerely

Ray Davies, Richard Holmes, Edward Luker, Charles Peal and Douglas Hampson
The Independent Directors

Part II: Additional Information

1. Responsibility

The Directors, whose names appear in paragraph 2 of this Part II, accept responsibility for the information contained in this document (provided that the non-Independent Directors have no responsibility for the recommendation made in respect of the Waiver Resolution). To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Directors

The names and functions of the Directors are as follows (including a brief resume of Andrew Jacobs, Simon Thomas, Ray Davies and Colin Jacobs):

Andrew Jacobs (54) – Chief Executive

Andrew founded the Company in February 1995 after eight years' experience as a stockbroker, most notably as an Executive Director of Nomura International. He has an MPhil in Economics from Cambridge University and BSc in Economics from the London School of Economics.

Simon Thomas (53) – Chairman

Simon has been an Executive Director of Lok'nStore since 1997 after a career in the publishing and finance sectors. Simon co-founded the emerging markets investment trust business at LCF Edmond de Rothschild. He has also worked at Swiss Bank Corporation, Nomura International and Reed International.

Ray Davies (56) – Finance Director

Ray, a chartered accountant, has held a number of senior finance positions in the construction and health & fitness sectors. In 1992, he was appointed Group Finance Director and Company Secretary of Dragons Health Clubs Plc during a period of rapid and sustained growth. Following its acquisition by Crown Sports Plc in 2000, he was appointed Finance Director of Crown Sports Clubs Division and Company Secretary of Crown Sports Plc, a listed company. From 1984 to 1992 Ray was Group Finance Director and Company Secretary of Mark Scott Constructions Group. Ray has been an Executive Director of Lok'nStore since January 2004.

Colin Jacobs (49) – Director

Colin has been with Lok'nStore since its inception in 1995. Prior to joining Lok'nStore, he worked in a sales and marketing role for Courts, the furniture retailer.

Richard Holmes (53) – Non-Executive Director

Edward Luker (64) – Non-Executive Director

Charles Peal (58) – Non-Executive Director

Douglas Hampson (67) – Non-Executive Director

The registered office of the Company is One London Wall, London, EC2Y 5AB and the business address of the Directors is 112 Hawley Lane, Farnborough, Hants GU14 8JE.

3. Disclosure of Interests and Dealings

In this document 'disclosure period' means the period commencing 5 November 2012 being the period of 12 months prior to the publication of this document and ending on 4 November 2013, being the latest practicable date prior to the posting of this document. As at 4 November 2013, the Company had 24,930,580 Ordinary Shares in issue (excluding 2,466,869 shares held in treasury).

- 3.1 As at 4 November 2013 (being the latest practicable date prior to the publication of this document), the interests of the Directors and their immediate families in the share capital of the Company which (i) have been notified to the Company in accordance with sections 252-255 and Schedule 1 of the Act, or which (ii) are required to be entered in the register, or which (iii) are interests of a person connected (within the meaning of section 252 of the Act) with a Director which would, if the connected person were a Director, be required to be disclosed under (i) or (ii) above, and the existence of which is known to or could with reasonable diligence be ascertained by that Director, were as follows:

	Number of Ordinary Shares Beneficial	Number of Ordinary Shares Non-beneficial	Percentage held
A Jacobs (Notes 1, 2 and 4)	5,254,000	60,000	21.07
S Thomas (Notes 1, 2 and 4)	2,106,385	–	8.45
R Davies	42,753	–	0.17
C Jacobs (Note 3)	5,000	–	0.02
R Holmes	268,500	–	1.08
E Luker	13,800	–	0.06
C Peal	255,000	–	1.02
D Hampson	4,033,909	–	16.18

Note 1

Andrew Jacobs is a designated member of Andrew Jacobs LLP, which holds the 5,254,000 Ordinary Shares as detailed above and Simon Thomas is a designated member of Simon Thomas LLP, which holds the 2,106,385 Ordinary Shares as detailed above.

Note 2

Andrew Jacobs is a beneficiary of "The Jacobs Family Directors Pension Scheme" that holds 310,350 Ordinary Shares and Simon Thomas is a beneficiary of "The Thomas Family Directors Pension Scheme" that holds 261,190 Ordinary Shares. The figures set out in the table above do not include the Ordinary Shares held in these pension funds.

Note 3

Colin Jacobs (Andrew Jacobs' brother) is a beneficiary of Aylestone Pension Fund, which holds 20,000 Ordinary Shares. The figures set out in the table above do not include the Ordinary Shares held by such pension fund.

Note 4

Andrew Jacobs and Simon Thomas in 2007 granted a fixed charge over an aggregate of 4,069,768 Ordinary Shares in favour of The Royal Bank of Scotland plc securing personal borrowing facilities.

3.2 In addition to the interests in Ordinary Shares referred to in paragraph 3.1 above, the Directors have the following options to subscribe for Ordinary Shares.

EMI Plan

Option holder	Date of Grant	Ordinary Shares	Exercise Ordinary price (pence)	Date exercisable
C Jacobs	29/07/05	31,414	152	29/07/08 to 29/07/15

Unapproved Share Options

Option holder	Date of Grant	Ordinary Shares	Exercise price (pence)	Date exercisable
A Jacobs	20/01/04	50,000	102	20/01/07 to 20/01/14
	30/07/04	50,000	113	30/07/07 to 30/07/14
	29/07/05	50,000	152	29/07/08 to 29/07/15
	31/07/06	50,000	156	31/07/09 to 31/07/16
	31/07/07	50,000	213.5	31/07/10 to 31/07/17
	31/07/08	50,000	130.5	31/07/11 to 31/07/18
	31/07/10	50,000	85.0	31/07/13 to 31/07/20
	31/07/11	50,000	107	31/07/14 to 31/07/21
	31/07/12	50,000	108.5	31/07/15 to 31/07/22
S Thomas	29/07/05	50,000	152	29/07/08 to 29/07/15
	31/07/06	50,000	156	31/07/09 to 31/07/16
	31/07/07	50,000	213.5	31/07/10 to 31/07/17
	31/07/08	50,000	130.5	31/07/11 to 31/07/18
	31/07/10	50,000	85.0	31/07/13 to 31/07/20
	31/07/11	50,000	107	31/07/14 to 31/07/21
	31/07/12	50,000	108.5	31/07/15 to 31/07/22
R Davies	30/07/04	50,000	113	30/07/07 to 30/07/14
	29/07/05	100,000	152	29/07/08 to 29/07/15
	31/07/06	100,000	156	31/07/09 to 31/07/16
	31/07/07	50,000	213.5	31/07/10 to 31/07/17
	31/07/08	50,000	130.5	31/07/11 to 31/07/18
	31/07/09	20,000	56.5	31/07/12 to 31/07/19
	31/07/10	26,470	85.0	31/07/13 to 31/07/20
	31/07/11	50,000	107	31/07/14 to 31/07/21
	31/07/12	50,000	108.5	31/07/15 to 31/07/22

Option holder	Date of Grant	Ordinary Shares	Exercise price (pence)	Date exercisable
C Jacobs	16/05/05	25,000	148	16/05/08 to 16/05/15
	29/07/05	18,586	152	29/07/08 to 29/07/15
	28/11/06	25,000	205	28/11/09 to 28/11/16
	24/04/07	25,000	269.5	24/04/10 to 24/04/17
	31/07/08	45,000	130.5	31/07/11 to 31/07/18
	31/07/09	25,000	56.5	31/07/12 to 31/07/19
	31/07/10	255	85.0	31/07/13 to 31/07/20
	31/07/11	25,000	107	31/07/14 to 31/07/21
	31/07/12	25,000	108.5	31/07/15 to 31/07/22
E Luker	31/07/09	15,000	56.5	31/07/12 to 31/07/19
C Peal	31/07/09	10,000	56.5	31/07/12 to 31/07/19
R Holmes	31/07/09	10,000	56.5	31/07/12 to 31/07/19

CSOP

Option holder	Date of Grant	Ordinary Shares	Exercise price (pence)	Date exercisable
C Jacobs	31/07/2010	24,745	85.0	31/07/13 to 31/07/20

- 3.3 Save as disclosed above, none of the Directors has any interest in the share capital or loan capital of the Company nor does any person connected with the Directors (within the meaning of section 252 of the Act) have any such interests, whether beneficial or non-beneficial.
- 3.4 Save as disclosed in paragraph 3.2 above, there were no options granted to or exercised by Directors in the 12 months preceding the date of this document.
- 3.5 Save as disclosed in this document, Lok'nStore is not aware of any persons who directly or indirectly, jointly or severally exercise or could exercise control over it.
- 3.6 The Group operates an employee benefit trust ('**EBT**') under settlement dated 8 July 1999 between Lok'nStore Limited and Lok'nStore Trustees Limited, constituting an employee share scheme. As at the date of this document, the EBT holds 623,212 Ordinary Shares. These shares are held to satisfy awards made under the Group's share incentive plan.
- 3.7 Save as disclosed in paragraphs 3 and 5 of Part II of this document:
- none of the Major Shareholders has any interest in, right to subscribe in respect of or short position in relation to any relevant securities;
 - none of the Major Shareholders has dealt in relevant securities during the disclosure period ending on 4 November 2013 being the latest practicable date prior to the publication of this document;
 - none of the Major Shareholders has borrowed or lent any relevant securities;
 - none of:
 - the Directors or any of their close relatives or related trusts;
 - any associated company of the Company;
 - any pension fund or employee benefit trust of the Company or any associated company of the Company;
 - any connected adviser to the Company, or any company which is an associated company of the Company, or to a person acting in concert with the Directors; or
 - any person controlling, controlled by or under the same control as any connected adviser falling within (iv) above (except for an exempt principal trader or exempt fund manager);
- has at 4 November 2013 (being the latest practicable date prior to the publication of this document) any interest in, right to subscribe in respect of or short position in relation to any relevant securities;
- neither the Company nor any person acting in concert with the Directors has borrowed or lent any relevant securities (save for any borrowed relevant securities which have either been on lent or sold);
 - none of the Major Shareholders has any indemnity or option arrangement, or any agreement or understanding, formal or informal, of whatever nature, with any other person relating to relevant securities which may be an inducement to deal or refrain from dealing.

In this paragraph 3.7 reference to:

- (1) 'relevant securities' means Ordinary Shares and securities carrying conversion or subscription rights into, options (including traded options) in respect of or derivatives referenced to, Ordinary Shares;
- (2) 'derivatives' include any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security but which does not include the possibility of delivery or such underlying security;
- (3) 'short position' means a short position, whether conditional or absolute and whether in money or otherwise, and includes any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;
- (4) 'associated company' means in relation to any company, that company's parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies. For these purposes, ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status;
- (5) 'connected adviser' means:
 - (i) in relation to the Company, (a) an organisation which is advising the Company in relation to the Panel Waiver; and (b) a corporate broker to the Company;
 - (ii) in relation to a person who is acting in concert with Andrew Jacobs or Simon Thomas or with the Directors, an organisation (if any) which is advising that person either (a) in relation to the Panel Waiver; or (b) in relation to the matter which is the reason for that person being a member of the relevant concert party; and
 - (iii) in relation to a person who is an associated company of Andrew Jacobs or Simon Thomas or with the Directors, an organisation (if any) which is advising that person in relation to the Panel Waiver;
- (6) 'control' means a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding, or holdings, gives de facto control; and
- (7) 'dealing' or 'dealt' includes the following:
 - (i) the acquisition or disposal of securities;
 - (ii) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any securities;
 - (iii) subscribing or agreeing to subscribe for securities;
 - (iv) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights;
 - (v) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities;
 - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell securities; and
 - (vii) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position.

For the purposes of this paragraph 3.7 a person is treated as 'interested' in securities if he has long economic exposure, whether absolute or conditional, to changes in the price of those securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person is treated as 'interested' in securities if:

- (i) he owns them;
- (ii) he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
- (iii) by virtue of any agreement to purchase, option or derivative, he
 - (a) has the right or option to acquire them or call for their delivery; or
 - (b) is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
- (iv) he is party to any derivative;
 - (a) whose value is determined by reference to their price; and
 - (b) which results, or may result, in his having a long position in them.

4. Directors' Service Agreements

The Directors' current service agreements will be available for inspection as set out in paragraph 13 below. There are no other service contracts between the Directors and the Company or any of its subsidiaries and no service contracts have been entered into nor have existing service contracts been amended during the period of six months prior to the date of this document. The particulars of the service contracts required to be disclosed herein by the City Code are as follows:

- 4.1 Simon Thomas' service agreement is dated 25th March 1997. The agreement continues until terminated by the Company giving one year's notice in writing or Mr Thomas giving 6 months' notice in writing. Mr Thomas is entitled to an annual salary of £49,141 and in addition, he may be entitled to an annual bonus of such amount as the Board may determine (which for the present financial year stands at £4,378). Further, Mr Thomas holds the Options as set out in paragraphs 3.2 and 5.5 of this Part II. Mr Thomas is entitled to join the Company's pension scheme (although he has not done so) and death in service scheme on a non-contributory basis. He participates, at the Company's expense, in a private medical insurance scheme established by the Company for himself and for his spouse and dependent children (if any).
- 4.2 Andrew Jacobs' service agreement is dated 25th March 1997. The agreement continues until terminated by the Company giving one year's notice in writing or Mr Jacobs giving 6 months' notice in writing. Mr Jacobs is entitled to an annual salary of £196,564 and in addition, he may be entitled to an annual bonus of such amount as the Board may determine (which for the present financial year stands at £20,010). Further, Mr Jacobs holds the Options as set out in paragraphs 3.2 and 5.5 of this Part II. Mr Jacobs is entitled to join the Company's pension scheme (although he has not done so) and death in service scheme on a non-contributory basis. He participates, at the Company's expense, in a private medical insurance scheme established by the Company for himself and for his spouse and dependent children (if any).
- 4.3 Ray Davies' service agreement is dated 6 July 2005. The agreement continues until terminated by the Company giving one year's notice in writing or Mr Davies giving 6 months' notice in writing. Mr Davies is entitled to an annual salary of £100,000 and in addition, he may be entitled to an annual bonus of such amount as the Board may determine (which for the present financial year stands at £6,000). Further, Mr Davies holds the Options as set out in paragraphs 3.2 and 5.5 of this Part II. Mr Davies is entitled to a contribution to an existing approved pension scheme in an amount equal to 3% of his annual salary, payable by the Company (contributions in the year to 31 July 2013 amounted to £30,047). He participates, at the Company's expense, in a private medical insurance scheme for himself and for his spouse and dependent children (if any).
- 4.4 Colin Jacobs' service agreement is dated 25th March 1997. The agreement continues until terminated by the Company giving one year's notice in writing or Mr Jacobs giving 6 months' notice in writing. Mr Jacobs is entitled to an annual salary of £56,700 and in addition, he may be entitled to an annual of such amount as the Board may determine bonus (which for the present financial year stands at £3,000). Further, Mr Jacobs holds the Options as set out in paragraphs 3.2 and 5.5 of this Part II. Mr Jacobs is entitled to join the Company's pension scheme (although he has not done so) and death in service scheme on a non-contributory basis. He participates, at the Company's expense, in a private medical insurance scheme established by the Company for himself and for his spouse and dependent children (if any).

5. Major Shareholders

- 5.1 The Major Shareholders comprise Andrew Jacobs' and Simon Thomas' concert parties (as set out in paragraphs 5.3 and 5.5 below).
- 5.2 Simon Thomas' and Andrew Jacobs' business address is 112 Hawley Lane, Farnborough, Hants GU14 8JE.
- 5.3 Full details as at 4 November 2013, being the latest practicable date prior to the publication of this document, of the Major Shareholders' shareholding is set out below:

	Number of Ordinary Shares	Percentage Held
Andrew Jacobs (Note 3):		
Shares held by Andrew Jacobs LLP	5,254,000	21.07
Shares held by Andrew Jacobs' wife	60,000	0.24
Shares held by his pension fund (Note 1)	310,350	1.24
Colin Jacobs – Andrew Jacobs' brother:		
Shares held in his own name	5,000	0.2
Shares held by his pension fund (Note 2)	20,000	0.08
Katie Jacobs – Andrew Jacobs' sister-in-law		
Shares held in her own name	5,000	0.02
Andrew Jacobs and connected persons	5,654,350	22.68
Simon Thomas (Note 3):		
Shares held by Simon Thomas LLP	2,106,385	8.45
Shares held by his pension fund (Note 1)	261,190	1.05
Total Ordinary Shares held by Major Shareholders	8,021,925	32.18

Note 1

Andrew Jacobs is a beneficiary of "The Jacobs Family Directors Pension Scheme" that holds 310,350 Ordinary Shares and Simon Thomas is beneficiary of "The Thomas Family Directors Pension Scheme" that holds 261,190 Ordinary Shares.

Note 2

Colin Jacobs is a beneficiary of the Aylestone Pension Fund which holds 20,000 Ordinary Shares.

Note 3

Andrew Jacobs and Simon Thomas in 2007 granted a fixed charge over an aggregate of 4,069,768 Ordinary Shares in favour of The Royal Bank of Scotland plc securing personal borrowing facilities.

5.4 As at 4 November 2013, being the latest practicable date prior to the publication of this document, the interests in Ordinary Shares held by the Major Shareholders were as set out in the table below. The table also shows the maximum potential percentage interest assuming the repurchase of the maximum number of 6,680,430 Ordinary Shares pursuant to the Share Purchase Authority, the exercise of the Options held by the Major Shareholders in full and assuming no sales by the Major Shareholders.

	Number of Ordinary Shares currently in issue (Note 1)	% of current issued share capital (Note 1)	Assuming full utilisation of the Share Purchase Authority, the Major Shareholders do not participate in the share buy back nor sell any Ordinary Shares and the Options are not exercised		Assuming full utilisation of the Share Purchase Authority, the Major Shareholders do not participate in the share buy back nor sell any Ordinary Shares and the full exercise of the Options (Note 2)	
			Number of Ordinary Shares	% of current issued share capital	Number of Ordinary Shares	% of current issued share capital
Andrew Jacobs (beneficially)	5,254,000	21.07	5,254,000	28.79	5,704,000	29.18
Andrew Jacobs' wife	60,000	0.24	60,000	0.33	60,000	0.31
Andrew Jacobs' pension fund	310,350	1.24	310,350	1.70	310,350	1.59
Colin Jacobs	5,000	0.02	5,000	0.03	275,000	1.41
Colin Jacobs' pension fund	20,000	0.08	20,000	0.11	20,000	0.10
Katie Jacobs	5,000	0.02	5,000	0.03	5,000	0.03
Andrew Jacobs and connected persons (aggregate)	5,654,350	22.68	5,654,350	30.98	6,374,350	32.61
Simon Thomas (beneficially)	2,106,385	8.45	2,106,385	11.54	2,456,385	12.57
Simon Thomas' pension fund	261,190	1.05	261,190	1.43	261,190	1.34
Simon Thomas and connected persons (aggregate)	2,367,575	9.50	2,367,575	12.97	2,942,575	15.06
Total held by Major Shareholders	8,021,925	32.18	8,021,925	43.96	9,316,925	47.67

Note 1

Being the latest date prior to publication of this document.

Note 2

The full exercise of the Options held by the Major Shareholders includes those disclosed in paragraph 5.5 below.

5.5 In addition to the interests in Ordinary Shares disclosed in paragraph 5.3 above, Rhys Warren-Thomas (Simon Thomas' brother who is deemed to be acting in concert with Simon Thomas as detailed herein) holds the following options to subscribe for Ordinary Shares:

EMI Plan

Date of Grant	Ordinary Shares	Exercise price (pence)	Date exercisable
29/07/05	31,414	152	29/07/08 to 29/07/15

Unapproved Share Options

Date of Grant	Ordinary Shares	Exercise price (pence)	Date exercisable
29/07/05	18,586	152	29/07/08 to 29/07/15
31/07/06	50,000	156	31/07/09 to 31/07/16
31/07/07	25,000	213.5	31/07/10 to 31/07/17
31/07/08	25,000	130.5	31/07/11 to 31/07/18
31/07/10	255	85.0	31/07/13 to 31/07/20
31/07/11	25,000	107	31/07/14 to 31/07/21
31/07/12	25,000	108.5	31/07/15 to 31/07/22

CSOP

Date of Grant	Ordinary Shares	Exercise price (pence)	Date exercisable
31/07/2010	24,745	85.0	31/07/13 to 31/07/20
Total	225,000		

5.6 Save as disclosed in this document, none of the Major Shareholders has dealt for value in Ordinary Shares in the 12 months

preceding the date of this document.

- 5.7 The Major Shareholders have confirmed to the Board that, following purchases of Ordinary Shares by the Company pursuant to the Share Purchase Authority, the current intention of the Major Shareholders is that the business of the Company will be continued in substantially the same manner as at present. Further, the Major Shareholders have confirmed the following:
- (a) that there are no plans in place which will affect either the employees or the locations of Lok'nStore's places of business;
 - (b) that the existing employment rights of the employees (including management) of the Company and its subsidiaries will be fully safeguarded and there will be no material change in the conditions of employment;
 - (c) that there will be no redeployment of the fixed assets of the Company; and
 - (d) that all transactions and relationships between Lok'nStore and the Major Shareholders will be conducted at arm's length and on a normal commercial basis.
- 5.8 There is no agreement, arrangement or understanding between the Major Shareholders and any Director or Shareholder of Lok'nStore or any person having any connection with or dependence on, or which is conditional on, the outcome of the proposed purchase and cancellation of shares.
- 5.9 There is no agreement, arrangement or understanding by which the beneficial ownership of any Ordinary Shares acquired by the Company pursuant to the Share Purchase Authority will be transferred to any other person.
- 5.10 Save as disclosed in paragraphs 5.3 and 5.5 of Part II of this document, the Major Shareholders do not have any interests, rights to subscribe or short positions in the Ordinary Shares.

6. Options

As at 4 November 2013 (being the latest practicable date prior to the publication of this document), the total number of outstanding options to subscribe for new Ordinary Shares was 2,297,469 representing approximately 9.22 per cent. of the Company's existing issued ordinary share capital (less treasury shares).

Assuming the repurchase of 6,680,430 Ordinary Shares, the total number of outstanding options to subscribe for new Ordinary Shares would represent approximately 12.59 per cent. of the Company's then issued ordinary share capital.

7. Repurchases made by the Company within the last 12 months

In the period from 6 November 2012 to 4 November 2013 (being the latest practicable date prior to the publication of this document), the Company made no purchases of Ordinary Shares for cancellation.

8. Material Contracts

The following material contracts have been entered into by the Company or any of its subsidiaries within the period of two years prior to the posting of this document and are, or may be, material:

- 8.1 As part of a collaborative arrangement between Lok'nStore Limited and Lodge SS Limited to develop and operate a new self storage centre in Aldershot.
- (a) An LLP agreement dated 27 July 2012 between (1) Tornabi Properties Limited, (2) Mark Shaw and (3) Lok'nStore Limited;
 - (b) an agreement for lease dated 1 June 2012 between (1) Lodge SS Limited, (2) Aldershot Self Storage LLP, (3) Lok'nStore Limited and (4) Mark Shaw and Tornabi Properties;
 - (c) a loan agreement dated 27 July 2012 between (1) Lodge SS Limited and (2) Aldershot Self Storage LLP;
 - (d) a project advisory agreement dated 27 July 2012 between (1) Aldershot Self Storage LLP and (2) Lok'nStore Limited; and
 - (e) a management advisory agreement dated 27 July 2012 between (1) Ash Road SS Limited and (2) Lok'nStore Limited.
- 8.2 As part of arrangements between Lok'nStore Limited and Ellingham Limited to operate a new self storage centre in Crawley, a fit out agreement, management services agreement and a loan facility agreement, all dated 23 July 2012 and entered into between (1) Lok'nStore Limited and (2) Ellingham Limited.
- 8.3 An agreement dated 30 July 2012 entered into between (1) Lok'nStore Limited and (2) the administrators of Alburn Investments Limited, pursuant to which Lok'nStore Limited agreed to purchase the freehold of the Group's existing Swindon East store for a consideration of £925,000. The consideration required to purchase the freehold was financed from the Group's existing revolving credit facility.
- 8.4 An agreement dated 28 March 2013 between (1) Lok'nStore Limited and (2) Alpha Real Capital to sell Lok'nStore Limited's Ashford store; together with a management services agreement of the same dated between (1) Self Storage LLP and (2) Lok'nStore Limited.
- 8.5 An agreement dated 16 October 2013 between (1) Lok'nStore Limited and (2) Taylor Wimpey (West London) to sell its site at Reading, Berkshire for £2.9 million.

9. Major Interests in Ordinary Shares

In so far as it is known to the Company, as at 4 November 2013 (being the latest practicable date prior to the publication of this document), the following persons were interested, directly or indirectly, in 3 per cent. or more of the issued ordinary share capital of the Company:

	Number of existing Ordinary Shares	Percentage of existing issued ordinary share capital
Andrew Jacobs*	5,254,000	21.07
Douglas Hampson	4,033,909	16.32
Simon Thomas*	2,106,385	8.45
Cavendish Asset Management	2,102,200	8.43
Miton Capital Partners	1,361,530	5.46
Charles Stanley Stockbrokers	1,270,111	5.09

* Andrew Jacobs is a beneficiary of a pension fund that holds 310,350 Ordinary Shares and Simon Thomas is a beneficiary of a pension fund that holds 261,190 Ordinary Shares. The figures set out in the table above do not include the Ordinary Shares held by these pension funds.

10. Significant and Material Changes in the Financial or Trading Position

There has been no significant change in the financial or trading position of the Group since the publication of the Annual Report and Accounts for the year ended 31 July 2013, being the last financial period for which audited financial statements of the Group have been published.

11. Middle Market Quotations

The middle market quotations for an Ordinary Share on the first business day of each of the six months immediately preceding the date of this document and on the latest available date prior to the publication of this document as derived from the Stock Exchange Daily Official List, were as follows:

Date price	Pence
4 November 2013	213.0
1 November 2013	213.5
1 October 2013	170.0
3 September 2013	148.0
1 August 2013	136.0
2 July 2013	130.0
3 June 2013	131.5

12. General

Panmure has given, and has not withdrawn, its written consent to the inclusion herein of the references to its name in the form and context in which they appear.

13. Documents Available for Inspection

Copies of the following documents will be available for inspection, free of charge, at the offices of Maclay, Murray & Spens LLP, 12th Floor, One London Wall, London EC2Y 5AB during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and also at http://www.loknstore.com/investor_announcements_and_documentation.asp. The documents will be available from the date of this document until the date of the AGM and at the AGM from 15 minutes prior to its commencement until its conclusion:

13.1 the memorandum of association and the Articles of the Company;

13.2 the audited consolidated accounts for Lok'nStore for the two financial years ended 31 July 2012 and 2013 (a copy of the 2013 audited consolidated accounts accompanies this document);

13.3 the Directors' service agreements referred to in paragraph 4 of this Part II above; and

13.4 the consent letter from Panmure referred to in paragraph 12 of this Part II above;

13.5 this document.

5 November 2013

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the members of Lok'nStore Group Plc (the "**Company**") will be held at the offices of Maclay, Murray & Spens LLP, 12th Floor, One London Wall, London EC2Y 5AB on 29 November 2013 at 11 am for the following purposes:

To consider and, if thought fit, pass the following resolutions:

Ordinary Business

1. To approve the financial statements, the Directors' and the auditors' reports for the year ended 31 July 2013.
2. To re-elect Ray Davies as a Director of the Company, who retires from office in accordance with Article 98 of the Company's articles of association.
3. To re-elect Charles Peal as a Director of the Company, who retires from office in accordance with Article 98 of the Company's articles of association.
4. To re-elect Richard Holmes as a Director of the Company, who retires from office in accordance with Article 98 of the Company's articles of association.
5. To re-appoint Douglas Hampson as a Director of the Company, who is required to stand for re-election in accordance with Article 103 of the Company's articles of association.
6. To re-appoint Baker Tilly as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
7. To authorise the Directors of the Company (the "**Directors**") to determine the remuneration of the auditors of the Company.
8. To declare a final dividend of 4.33 pence per ordinary share for the financial year ended 31 July 2013.

Special Business

9. (*Ordinary Resolution*)

THAT the Directors, in place of any existing authority conferred upon them, be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the "**Act**") to exercise all powers of the Company to allot and to make offers or agreements to allot shares or convert any securities into shares up to an aggregate nominal amount of £83,102 provided that this authority (unless previously revoked, varied or renewed) shall expire at the conclusion of the earlier of 28 March 2015 and the next annual general meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

10. (*Special Resolution*)

THAT, conditional upon the passing of resolution 9 above, the Directors be and they are hereby empowered in accordance with sections 570 and 573 of the Act to allot equity securities (as defined in section 560(1) of the Act) pursuant to the authority conferred by resolution 9 above and to sell treasury shares as if section 561(1) of the Act did not apply to such allotment or sale, provided that this power shall be limited to:

- (i) the allotment or sale of equity securities for cash in connection with or pursuant to an offer to the holders of equity securities and other persons entitled to participate in proportion (as nearly as may be) to their then holdings of equity securities (or, as appropriate, the numbers of such securities which such other persons are for those purposes deemed to hold) subject only to such exclusions or other arrangements as the Directors may feel necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body of, or any stock exchange in, any territory; and
- (ii) the allotment (otherwise than pursuant to sub-paragraph 9(i) hereof) or sale of equity securities for cash up to a maximum nominal value of £24,930,

and shall expire at the earlier of the conclusion of the next annual general meeting of the Company and 28 March 2015, save that the Company may at any time before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted or sold after such expiry and the Directors may allot or sell equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

11. (*Special Resolution*)

THAT, in substitution for any existing authority, the Company be and is hereby generally and unconditionally authorised pursuant to section 701 of the Act to make market purchases (within the meaning of section 693 of the Act) of its ordinary shares of 1p each ("**Ordinary Shares**") up to an aggregate of 6,680,430 Ordinary Shares at a price per Ordinary Share of not less than 1p and not more than 5 per cent. above the average of the middle market quotations for an Ordinary Share as derived from the Daily Official List of The London Stock Exchange for the five business days immediately preceding the day on which the purchase is made (in each case exclusive of expenses), provided that the authority conferred by this resolution shall (unless previously revoked, varied or renewed) expire at the conclusion of the next annual general meeting of the Company except that the Company may prior to the expiry of such authority make a contract to purchase Ordinary Shares which will or may be executed wholly or partly after the

expiry of such authority, and may make a purchase of Ordinary Shares in pursuance of any such contract, as if such authority had not expired.

12. *(Ordinary Resolution)*

THAT the waiver by the Panel on Takeovers and Mergers (the “**Panel**”) of any obligation which might otherwise arise on the Major Shareholders (as defined in the circular of the Company dated 5 November 2013 (the “**Circular**”)), collectively and/or individually, to make a general offer to Shareholders of the Company pursuant to Rule 9 of the City Code on Takeovers and Mergers (the “**Code**”) as a result of any market purchases of Ordinary Shares by the Company pursuant to the Share Purchase Authority (as defined in the Circular), which (assuming the Options (as defined in the Circular) are exercised in full, Resolution 11 is passed, the Share Purchase Authority is fully utilised but there is no participation by the Directors (or persons connected with them within the meaning of sections 252–255 of the Act) and there are no sales of Ordinary Shares by the Major Shareholders) would have the effect of increasing the Major Shareholders’ aggregate interest in shares of the Company to a maximum of 47.67 per cent. of the voting rights of the Company, be and is hereby approved.

13. *(Ordinary Resolution)*

THAT the purchase by the Company of Ordinary Shares from a Director or a person connected with him (within the meaning of sections 252–255 of the Act) pursuant to the authority referred to in resolution 10 above be and is hereby approved for the purposes of section 190 of the Act.

By order of the Board:
Maclay Murray & Spens LLP
Company Secretary

Registered Office:
One London Wall
London EC2Y 5AB

5 November 2013

Notes

- (i) As a member, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise the rights attached to any one share.
- (ii) A form of proxy accompanies this notice. If you have not received one, or if you require additional proxy forms, please contact the Company’s registrars (see Note xii).
- (iii) To be valid, your form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be returned either by post in the pre-paid envelope provided, courier or by hand to the Company’s registrars at Capita Asset Services PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than 11 am on 27 November 2013.
- (iv) If you appoint a proxy, this will not prevent you attending the meeting and voting in person if you wish to do so. Your proxy appointment will automatically be terminated if you vote in person.
- (v) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (vi) In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (“**EUI**”) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer’s agent, Capita Asset Services (whose CREST ID is RA 10) by 11 am on 27 November 2013. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
- (vii) CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (viii) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- (ix) Any corporation which is a member can authorise one or more person(s) to act as its representative(s) at the meeting.
- (x) In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, to have the right to attend and vote at the meeting a member must first have his or her name entered in the Company’s register of members by no later than 6:00 pm on 27 November 2013 or, if this meeting is adjourned, at 6:00 pm on the day two days prior to the adjourned meeting. Changes to entries on that register after that time shall be disregarded in determining the rights of any member to attend and vote at the meeting.
- (xi) Copies of Directors’ service contracts and letters of appointment will be available for inspection for at least 15 minutes prior to the meeting and during the meeting.
- (xii) If you have any queries about the meeting, please contact the Company’s registrars, Capita Asset Services, on telephone number 0871 664 0300 (calls cost 10p per minute plus network extras) from within the UK or on +44 208 639 3399 if calling from outside the UK. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Lines are open 8.30 am – 5.30 pm Mon-Fri. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the transaction nor give any financial, legal or tax advice.
- (xiii) The final dividend is proposed to be paid out to all Shareholders registered in the Company’s share register on 15 November 2013.
- (xiv) Resolution 12 will be taken on a poll by Independent Shareholders (as defined in the Circular).

