



## LMS Capital plc Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the first Annual General Meeting of LMS Capital plc ('the Company') will be held at the offices of JPMorgan Cazenove Limited, 20 Moorgate, London EC2R 6DA on Thursday 10 May 2007 at 10.00 am to transact the business set out below.

### Ordinary business

*To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:*

1. To receive the Company's financial statements and the reports of the directors and the auditors for the nine months ended 31 December 2006.
2. To approve the remuneration report for the nine months ended 31 December 2006.
3. To re-appoint Jonathan Agnew as a director.
4. To re-appoint Robert Rayne as a director.
5. To re-appoint Martin Pexton as a director.
6. To re-appoint Antony Sweet as a director.
7. To re-appoint John Barnsley as a director.
8. To re-appoint Richard Christou as a director.
9. To re-appoint Bernard Duroc-Danner as a director.
10. To re-appoint KPMG Audit Plc as auditors of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
11. To authorise the directors to determine the auditors' remuneration.

### Special business

*To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:*

12. THAT, in accordance with Section 347C of the Companies Act 1985 (the 'Act'), the Company (and any company which is a wholly-owned subsidiary of the Company during the period to which this resolution relates) be and is hereby authorised to make donations to EU political organisations and to incur EU political expenditure up to a maximum aggregate amount of £20,000 per annum (as such terms are defined in Section 347A of the Act) during the period commencing on the date of this resolution and expiring at the conclusion of the Annual General Meeting of the Company in 2008, unless renewed, varied or revoked by the Company in general meeting before such expiry.
13. THAT the authority conferred upon the directors by Article 4(B) of the Company's Articles of Association be and is hereby renewed for a period expiring on the conclusion of the Company's Annual General Meeting to be held in 2008, unless renewed, varied or revoked by the Company in general meeting before such expiry and for that period the 'section 80 amount' shall be £9,547,640.

*To consider and, if thought fit, to pass the following resolutions as special resolutions:*

14. THAT, subject to the passing of resolution 13 above, the authority conferred upon the directors by Article 4(C) of the Company's Articles of Association be and is hereby renewed for a period expiring on the conclusion of the Company's Annual General Meeting to be held in 2008, unless renewed, varied or revoked by the Company in general meeting before such expiry and for that period the 'section 89 amount' shall be £1,432,146.
15. THAT the Company be and is hereby generally and unconditionally authorised for the purposes of section 166 of the Companies Act 1985 to make market purchases (within the meaning of section 163 (3) of that Act) of ordinary shares of 10p each in its capital ('ordinary shares'), provided that:

- (a) the maximum aggregate number of ordinary shares which may be so purchased is 28,642,920;
- (b) the maximum price at which any ordinary share may be so purchased is an amount equal to 105% of the average of the middle market quotations for an ordinary share taken from the London Stock Exchange for the five business days immediately preceding the day of purchase and the minimum price is 10p per ordinary share; and
- (c) this authority shall expire at the conclusion of the Company's Annual General Meeting to be held in 2008, unless renewed, varied or revoked by the Company in general meeting before such expiry, save that the Company may, before such expiry, make contracts for purchases of ordinary shares which would or might be completed wholly or partly after such expiry and may make a purchase of ordinary shares in pursuance of any such contract.

Registered office  
Carlton House  
33 Robert Adam Street  
London  
W1U 3HR

Registered number 5746555

Dated: 5 April 2007

By order of the Board  
Edis-Bates Associates Limited  
Company Secretary

#### Explanatory notes

##### *Resolution 1 – Financial statements and reports*

The directors are required to lay before the general meeting the Company's financial statements and the reports of the directors and the auditors for the nine months ended 31 December 2006.

##### *Resolution 2 – Remuneration report*

UK listed companies on the Official List are required to prepare a remuneration report. Although not a requirement for AIM-listed companies, the Board considers it a matter of good practice to prepare such a report and put a resolution to approve the report to the shareholders at the Annual General Meeting. The report is contained in full within the annual report. In line with the legislation requiring companies to put an annual resolution to shareholders on directors' pay, this vote will be advisory.

##### *Resolutions 3 to 9 – Re-appointment of directors*

The Company's Articles of Association require any director newly appointed by the Board to retire at the first Annual General Meeting following their appointment. Since this Annual General Meeting will be the first Annual General Meeting following the appointment of each of the current directors, all the directors are retiring and, being eligible, are seeking re-appointment to the Board. Biographical details of each of the directors are set out in the annual report on page 24. Robert Rayne, Martin Pexton and Antony Sweet are executive directors and Jonathan Agnew, John Barnsley, Richard Christou and Bernard Duroc-Danner are non-executive directors. The Board and the Chairman consider that each of the directors proposed for re-appointment makes an effective and valuable contribution and demonstrates commitment to the role. Accordingly, the Board unanimously recommends re-appointment of each director.

***Resolutions 10 and 11 – Re-appointment and remuneration of the auditors***

The Company is required to appoint auditors at each general meeting at which accounts are laid before the Company. The appointed auditors are to hold office until the next such meeting. Following the recommendation of the Audit Committee, the directors propose that KPMG Audit Plc be re-appointed as auditors of the Company. Resolution 11 proposes that the directors be authorised to determine the level of the auditors' remuneration.

***Resolution 12 – Authority for EU political donations and expenditure***

It is the Company's policy not to make political donations to political parties. However, the law regulating political donations changed with effect from 2001 and, as a result, payments and activities which would not previously have been regulated may now be prohibited, unless they have shareholder approval. The implication could extend to routine activities undertaken by the Company in the ordinary course of business that are not considered to be 'political' or 'party political' in any common sense meaning. To avoid inadvertent infringement, the Board is seeking shareholders' approval for the Company and any wholly-owned subsidiary to make 'donations' to 'EU political organisations' and to incur 'EU political expenditure' of up to an aggregate limit of £20,000 (each as defined in the Act). This authority will expire on the conclusion of the Company's Annual General Meeting to be held in 2008, unless renewed, varied or revoked by the Company in general meeting before such expiry. Any donations in excess of £200 falling within the ambit of the Act will be disclosed in the next annual report in compliance with the Act.

***Resolution 13 – Authority to allot shares***

Under the Company's Articles of Association, the directors have general authority to allot relevant securities up to an amount and for a period permitted by section 80 of the Companies Act 1985. This resolution proposes that the directors be authorised to allot up to 95,476,400 ordinary shares for the period expiring on the conclusion of the Company's Annual General Meeting to be held in 2008, unless varied, renewed or revoked by the Company in general meeting before such expiry. The authority represents approximately 33% of the Company's current issued ordinary share capital. This amount complies with relevant institutional guidelines. The Company currently has no shares held in treasury. The directors have no present intention of issuing any relevant securities other than pursuant to employee share schemes.

***Resolution 14 – Disapplication of pre-emption rights***

The directors are currently authorised to allot equity securities for cash without first offering them to existing shareholders in proportion to their holdings. This resolution proposes that such authority be renewed and that the directors be authorised to allot up to 14,321,460 ordinary shares for cash without a pre-emptive offer being made for the period expiring on the conclusion of the Company's Annual General Meeting to be held in 2008, unless renewed, varied or revoked by the Company in general meeting before such expiry. The authority represents approximately 5% of the Company's current issued ordinary share capital. This amount complies with relevant institutional guidelines. The directors have no present intention of exercising this authority other than pursuant to employee share schemes.

***Resolution 15 – Authority to purchase own shares***

In certain circumstances, it may be advantageous for the Company to purchase its own ordinary shares and this resolution seeks authority from shareholders to do so. The Board has no present intention of exercising this authority, but will keep the matter under review. The Board would use such authority only if satisfied at the time that to do so would be in the best interests of shareholders and would lead to an increase in the Company's earnings per share. The Company may either cancel or hold in treasury shares purchased in this way. The resolution specifies the maximum number of shares that may be acquired (approximately 10% of the Company's current issued ordinary share capital) and the maximum and minimum price at which they may be bought. This authority will expire on the conclusion of the Company's Annual General Meeting to be held in 2008, unless renewed, varied or revoked by the Company in general meeting before such expiry.

## General notes

1. Copies of the executive directors' employment contracts and the non-executive directors' letters of appointment are available for inspection at the Company's registered office during normal business hours on each business day from the date of this notice until the close of the Annual General Meeting and will be available for inspection at the place of the Annual General Meeting from 30 minutes prior to the meeting until its conclusion.
2. A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. The proxy need not be a member of the Company.
3. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting or adjournment of the meeting.
4. To be effective, the instrument appointing a proxy and any authority under which it is executed (or a copy of such authority notarially certified or certified in some other way approved by the Board) must be deposited with the Company's registrar, Capita Registrars, Proxy Processing Centre, Telford Road, Bicester OX26 4LD, not less than 48 hours before the time for holding the meeting or, in the event of an adjournment, not less than 48 hours before the time of the adjournment. A form of proxy is enclosed with this notice.
5. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders entered in the register of members of the Company as at 6.00 pm on 8 May 2007 or, if the meeting is adjourned, in the register of members at 6.00 pm on the second day prior to the day of any adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after 6.00 pm on 8 May 2007 or, if the meeting is adjourned, in the register of members after 6.00 pm on the second day prior to the day of the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting or at any such adjournment.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored 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.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCo's 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 Company's agent, Capita Registrars (CREST participant ID RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that CRESTCo 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 provider(s) are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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.