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If you have sold or otherwise transferred all of your Ordinary Shares please send this document and the accompanying Annual Report and Form of Proxy as soon as possible to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

J.P. Morgan Cazenove Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for LMS Capital plc and no-one else and will not be responsible to anyone other than LMS Capital plc for providing the protections afforded to clients of J.P. Morgan Cazenove Limited or for providing advice to any other person in relation to the contents of this document or on any other matter referred to in this document.

LMS Capital plc

(incorporated in England and Wales under the Companies Act 1985 with registered number 5746555)

Notice of Annual General Meeting including the proposed approval of waiver of mandatory offer provisions in The City Code on Takeovers and Mergers

This document should be read as a whole. Your attention is drawn to the letter from Jonathan Agnew, the non-executive Chairman of LMS Capital plc on pages 2 to 6 of this document in which the Directors (or the Independent Directors in the case of the Waiver Resolution) recommend that you approve the proposals described in this document by voting in favour of each of the Resolutions to be proposed at the Annual General Meeting referred to below.

Notice of the Annual General Meeting of LMS Capital plc to be held at 11.00 a.m. on Tuesday 19 May 2009 at Durrants Hotel, George Street, London W1H 5BJ is set out on pages 16 to 19 of this document.

A Form of Proxy for use by all Shareholders at the Annual General Meeting is enclosed with this document. To be valid, the accompanying Form of Proxy must be completed, signed and returned in accordance with the instructions printed thereon to the Company's registrars Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 11.00 a.m. on Sunday 17 May 2009.

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DEFINITIONS

The following definitions apply throughout this document and the accompanying Form of Proxy unless the context requires otherwise.

1985 Act	the Companies Act 1985
2006 Act	the Companies Act 2006
AIM	the AIM market operated by the London Stock Exchange
AIM Rules	the AIM Rules for Companies which set out the rules and responsibilities in relation to companies whose securities are admitted to AIM
Annual General Meeting	the annual general meeting of the Company which is due to be held at 11.00 a.m. on Tuesday 19 May 2009 at Durrants Hotel, George Street, London W1H 5BJ and notice of which is given at the end of this document
Annual Report	the report and financial statements of the Company for the year ended 31 December 2008
Board or Directors	the directors of the Company, whose names appear on page 2 of this document
Business Day	a day (other than a Saturday, Sunday or public holiday) when clearing banks are open for business in the City of London
City Code	The City Code on Takeovers and Mergers
the Company or LMS	LMS Capital plc, a company registered in England and Wales with company number 5746555 and registered office at Carlton House, 33 Robert Adam Street, London W1U 3HR
Concert Party	the group of Shareholders which the Panel has confirmed are deemed to be acting in concert for the purposes of the City Code, details of which are set out in Part 2 of this document
Director	a director of the Company whose name appears on page 2 of this document
Form of Proxy	the form of proxy to be used by Shareholders at the Annual General Meeting accompanying this document
Group	the Company and its subsidiaries and subsidiary undertakings from time to time
Independent Directors	the Directors excluding Robert Rayne
Independent Shareholders	the Shareholders other than any Shareholder who is a member of the Concert Party
J.P. Morgan Cazenove	J.P. Morgan Cazenove Limited
Market Purchase Authority	the authority to make general market purchases of Ordinary Shares to be sought by the Company pursuant to Resolution 12 set out in the Notice of Annual General Meeting
Official List	the Official List of the UK Listing Authority, a division of the Financial Services Authority, acting as competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
Ordinary Shares	the ordinary shares of 10p each in the capital of the Company
Panel	the Panel on Takeovers and Mergers
Resolutions	the resolutions to be proposed at the Annual General Meeting, the full text of which is set out in the Notice of Annual General Meeting set out at the end of this document
Rule 9 Waiver	the waiver of the obligation to make a general offer under Rule 9 of the City Code which has been granted to the Concert Party by the Panel subject to the passing of the Waiver Resolution
Shareholders	holders of Ordinary Shares
Waiver Resolution	the waiver of the obligation of the Concert Party to make a general offer under Rule 9 of the City Code sought by the Company pursuant to Resolution 13 set out in the Notice of Annual General Meeting

PART 1

LETTER FROM THE CHAIRMAN

LMS Capital plc

(incorporated in England and Wales under the Companies Act 1985 with registered number 5746555)

Directors

Jonathan Geoffrey William Agnew	<i>(Non-executive Chairman)</i>
Robert Anthony Rayne	<i>(Chief Executive Officer)</i>
Martin Andrew Pexton	<i>(Managing Director)</i>
Antony Charles Samuel Sweet	<i>(Chief Financial Officer)</i>
John Corbitt Barnsley	<i>(Senior Independent Non-Executive Director)</i>
Richard Christou	<i>(Non-executive Director)</i>
Bernard Jacques Duroc-Danner	<i>(Non-executive Director)</i>

Registered office

Carlton House
33 Robert Adam Street
London W1U 3HR

14 April 2009

To the holders of Ordinary Shares

Dear Shareholder,

Notice of Annual General Meeting and proposed approval of waiver of mandatory offer provisions in The City Code on Takeovers and Mergers

1 Introduction

The purpose of this document is to provide you with details of the resolutions to be proposed at the Annual General Meeting of the Company to be held on Tuesday 19 May 2009 at 11.00 a.m. and convened by the formal Notice of Annual General Meeting set out at the end of this document. In addition to the usual resolutions put to Shareholders at the Annual General Meeting, the Directors are also proposing a resolution seeking your authority for the approval of Independent Shareholders of the waiver of certain obligations which may arise under the City Code as a result of any exercise of the authority which is being sought to buy back Ordinary Shares.

In addition to highlighting the usual business to be transacted at the Annual General Meeting, this document explains the background to the resolutions which will be considered at the Annual General Meeting and why the Directors (or the Independent Directors in the case of the Waiver Resolution) consider the Resolutions to be in the best interests of Shareholders as a whole and why they recommend that you vote in favour of the Resolutions.

On 23 March 2009, the Company announced its preliminary results for the year ended 31 December 2008. A copy of the Annual Report for that period is enclosed with this document.

2 Information on the Company

LMS is a UK-based international investment company with stakes in public and private US and UK companies. Its Ordinary Shares are admitted to trading on AIM. The Company aims to achieve medium to long-term growth through investment and active management, and targets investments in sectors where management has prior experience.

The Company currently invests in the UK and the US through quoted securities, unquoted companies and funds and although the Company is a relatively small player in each of these areas, the Company believes that in pursuing its investment strategy, a key competitive advantage that will continue to drive performance is the Company's strategy to be a long-term supportive investor.

The Company continues to review investment opportunities consistent with the Company's strategy and in the short-to-medium term, the Company has funding flexibility to invest in attractive investment opportunities by utilising a combination of its cash balances and proceeds from realisations of existing investments.

3 Resolutions

3.1 Resolution 1 – Receipt of financial statements and reports

The Directors are required to lay before the Annual General Meeting the Company's financial statements and the reports of the Directors and the auditors for the year ended 31 December 2008.

3.2 Resolution 2 – Approval of the 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.

3.3 *Resolutions 3 to 5 – Re-appointment of Directors*

The Company's articles of association require a third of the Board to retire each year by rotation based on the date of their being appointed. Accordingly, John Barnsley, Richard Christou and Martin Pexton retire and, being eligible, are seeking re-appointment to the Board. Biographical details of each Director are set out on page 22 of the Annual Report. John Barnsley and Richard Christou are non-executive directors and Martin Pexton is an executive director. The Board considers that each of the Directors proposed for re-appointment makes an effective and valuable contribution and demonstrates commitment to the role. Accordingly, the Board recommends re-appointment of each Director.

3.4 *Resolutions 6 and 7 – 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 7 proposes that the Directors be authorised to determine the level of the auditors' remuneration.

3.5 *Resolution 8 – Company's investing strategy*

LMS is an investing company (as defined in the AIM Rules). Under Rule 8 of the AIM Rules, LMS is required to seek the consent of its shareholders for its investing strategy on an annual basis. The Company's investing strategy is described below and in the accompanying Annual Report.

The Company's objective is to deliver sustained medium to long-term growth for its Shareholders through a risk-diversified portfolio of investments in public and private companies.

The Company understands the drivers of demand in the sectors in which it invests and this enables it to recognise the potential of both new ideas and young companies requiring growth funding. These sectors currently include applied technology, energy, healthcare and medical, media and leisure and real estate. The Company does, however, retain the freedom to invest outside its core sectors in order to take advantage of opportunities when they arise.

Investments are principally in the UK and US, although the Company is not restricted from expanding into other markets.

A deep knowledge of the Company's chosen sectors acquired over many years allows it to invest in and with leading management teams. The Company undertakes rigorous inquiry and carries out full due diligence into new investments to understand the investee company's business, evaluate information on their marketplace and competition, meet their management, directors and existing shareholders and if necessary commission reports from external experts.

The Company also understands the cyclical nature of the sectors in which it is working and through taking long-term positions it is able to adjust its economic interest to reflect the longer holding period. One of the principal characteristics of LMS which differentiates it from other private equity investors is the time horizon over which it is able to invest. As an active, and supportive, long-term investor LMS is not constrained by the fixed investment periods of most private equity funds. It is not uncommon for the Company to hold investments for long periods of time where it believes that this will deliver greater shareholder value.

The Board will continue to manage the Company's portfolio in line with its overall objective. In this regard, the Company may make realisations from within the existing portfolio where it believes that the proceeds of realisation could generate better returns if deployed elsewhere.

3.6 *Resolution 9 – Authority for political donations and expenditure*

Resolution 9 concerns Part 14 of the 2006 Act and provides that political donations made by a company to political parties, to other political organisations and to independent election candidates nor political expenditure incurred by a company must be authorised in advance by shareholders.

It is not the policy of the Company to make donations (such as monetary donations, gifts and benefits in kind) to political parties, other political organisations and independent election candidates; or to incur political expenditure and the Directors have no intention of changing that policy. However, as a result of the wide definitions in the 2006 Act, certain expenditure (such as donations to charities whose objectives become a matter of major party political significance, expenditure on organisations concerned with matters of public policy, law reform and representation of the business community) and business activities (such as communicating with the Government and political parties at local, national and European level) might be construed as political expenditure or as a donation to a political party or other political organisations and fall within the restrictions of the 2006 Act.

If passed, Resolution 9 will allow the Company and its subsidiaries to make donations to political parties, other political organisations and independent election candidates and to incur political expenditure (as defined in the 2006 Act) up to an aggregate limit of £60,000 in the period expiring on the conclusion of the Company's Annual General Meeting to be held in 2010 in order to avoid, because of the uncertainty over the definitions used in the 2006 Act, inadvertent infringement of the 2006 Act. The Directors do not intend to use the authority to make political donations within the ordinary meaning of that expression and any political donation made or political expenditure incurred which is in excess of £200 will be disclosed in the Company's Annual Report for next year, as required by the 2006 Act.

3.7 *Resolution 10 – 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 90,871,229 Ordinary Shares for the period expiring on the conclusion of the Company's Annual General Meeting to be held in 2010, unless varied, renewed or revoked by the Company in general meeting before such expiry. The authority represents approximately 33.33 per cent. of the Company's issued ordinary share capital as shown in the Annual Report. This amount is within the limit required by the relevant institutional guidelines. The Company currently has no shares held in treasury. Although this authority is customary, the Directors have no present intention of issuing any relevant securities other than pursuant to employee share schemes.

3.8 *Resolution 11 – 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 13,632,047 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 2010, unless renewed, varied or revoked by the Company in general meeting before such expiry. The authority represents approximately 5 per cent. of the Company's issued ordinary share capital as shown in the Annual Report. This amount complies with relevant institutional guidelines. Although this authority is customary, the Directors have no present intention of exercising this authority.

3.9 *Resolution 12 – Share purchase authority*

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 would use such authority only if satisfied at the time that to do so would be in the best interests of Shareholders and at prices below the prevailing net asset value per Ordinary Share. Accordingly, use of this authority, if given, will ultimately depend upon market conditions and the Board's judgement of its likely effectiveness in increasing the Net Asset Value per Ordinary 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 (namely, 40,868,878 being approximately 14.99 per cent. of the Company's issued ordinary share capital as shown in the Annual Report), and the maximum and minimum price at which they may be bought. This authority will expire at the earlier of the conclusion of the Company's Annual General Meeting to be held in 2010 and 30 June 2010 (being the date which is six months after the Company's accounting reference date falling in 2009), unless renewed, varied or revoked by the Company in general meeting before such expiry.

3.10 *Resolution 13 – Waiver of Rule 9 of the City Code*

The Company is seeking approval of Independent Shareholders of the waiver of certain obligations which may arise under the City Code as a result of any exercise of the authority which is being sought to buy back shares.

Under Rule 9 of the City Code, any person who acquires an interest (as defined in the City Code) in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carries 30 per cent. or more of the voting rights of a company which is subject to the City Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

An offer under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the Company during the 12 months prior to the announcement of the offer.

Under Rule 37.1 of the City Code, when a company redeems or purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights of a person or group of persons acting in concert will be treated as an acquisition for the purpose of Rule 9 of the City Code. A person who comes to exceed the limits in Rule 9.1 in consequence of a company's redemption or purchase of its own shares will not normally incur an obligation to make a mandatory offer unless that person is a director, or the relationship of the person with any one or more of the Directors is such that the person is, or presumed to be, acting in concert with any of the Directors.

Under the City Code, a concert party arises where persons act together pursuant to an agreement or understanding (whether formal or informal) to co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. Control means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights of the company, irrespective of whether such interest, or interests, give *de facto* control.

Members of the extended Rayne family and associated trusts comprise a concert party for the purposes of the City Code. In total, the combined interest in Ordinary Shares of the Concert Party at the date of this document is 110,219,747 Ordinary Shares, representing approximately 40.43 per cent. of the Company's issued share capital as at 7 April 2009 (being the last practicable date prior to the posting of this document). Further details of the Concert Party are set out in paragraph 4.3 of Part 2 of this document.

Any buy back of shares pursuant to the Market Purchase Authority may therefore result in the Concert Party being obliged to make an offer for the Company. As referred to in paragraph 3.9 in relation to Resolution 12 above, it may be advantageous for the Company to purchase its own Ordinary Shares. As a result the Board has consulted with the Panel, which has agreed, subject to the Independent Shareholders voting on a poll at the Annual General Meeting to approve Resolution 13, to waive any obligation that would otherwise arise, under Rule 9 of the City Code for the Concert Party, as a result of any market purchases of Ordinary Shares by the Company pursuant to the authorities sought by Resolution 12, to make a general offer for the Ordinary Shares which they do not already hold. However, the waiver will only apply provided that the interests in Ordinary Shares of the Concert Party do not exceed 49.99 per cent. of the issued share capital of the Company immediately following any general market purchase of Ordinary Shares by the Company pursuant to the Market Purchase Authority.

The members of the Concert Party (including Robert Rayne) will not be entitled to vote on Resolution 13 at the Annual General Meeting.

On the basis that the issued share capital of the Company is 272,640,952 Ordinary Shares (being the issued share capital of the Company at 7 April 2009 (being the latest practicable date prior to the publication of this document)) and assuming that (i) Resolution 12 is passed at the Annual General Meeting, (ii) full use is made by the Company of the Market Purchase Authority, (iii) no member of the Concert Party disposes of any of its Ordinary Shares pursuant to the exercise of the Market Purchase Authority, and (iv) no person exercises any options or any other rights to subscribe for Ordinary Shares, the Concert Party's interest in Ordinary Shares would increase to 47.56 per cent. of the voting share capital of the Company. A table analysing the maximum interests of the members of the Concert Party is set out in paragraph 4.3 of Part 2 of this document.

The effect of the potential increase in the interest in Ordinary Shares of the Concert Party described in this paragraph 3.10 would mean that (for so long as members of the Concert Party continue to be treated as acting in concert) the Concert Party would be interested in Ordinary Shares carrying 30 per cent. or more of the Company's voting share capital but will not hold more than 50 per cent. of such voting rights and would be unable, without the Panel's consent, to acquire, either individually or together, an interest in any other Ordinary Shares without being required to make a general offer to Shareholders to acquire their Ordinary Shares.

4 Intentions of the Concert Party and the Directors

4.1 *Intentions of the Concert Party*

The Concert Party will have the ability to exercise a significant degree of influence over the future conduct of the Company.

Robert Rayne, in his capacity as a Shareholder, together with Withers Trust Corporation Limited (who are the trustees of the Rayne family trusts and, together with James McCarthy, are the Trustees of Lord Rayne's Will Trust), Lady Jane Rayne, The Rayne Trust and The Rayne Foundation have each confirmed that their present intention is to support the Company's current investing strategy and the Company's dividend policy and that they have no present intention to propose any changes to the Board. The combined voting rights in Ordinary Shares of Withers Trust Corporation Limited (together with James McCarthy), Lady Jane Rayne, The Rayne Trust, The Rayne Foundation and Robert Rayne is 85,505,940 Ordinary Shares, representing 31.36 per cent. of the Company's issued share capital as at 7 April 2009 (being the latest practicable date prior to the publication of this document).

4.2 *Intentions of the Directors*

The Directors intend to continue to conduct the business of the Company in the same manner as it is currently conducted and there are no plans to introduce any substantial change in the business of the Company.

Assuming that Resolution 12 (which relates to the Market Purchase Authority) in the Notice of Annual General Meeting is duly passed, the Directors will use such authority only if they believe, at the relevant time, that it is in the best interests of the Shareholders and would result in an increase in the Net Asset Value per Ordinary Share of the Company. The Board believes that the ability to make market purchases of Ordinary Shares is a valuable mechanism to enhance Shareholder value.

5 Annual General Meeting

You will find set out at the end of this document a notice convening the Annual General Meeting to be held at Durrants Hotel, George Street, London W1H 5BJ at 11.00 a.m. on Tuesday 19 May 2009.

Please also refer to the additional information set out in Part 2 of this document.

6 Action to be taken

Shareholders will find enclosed with this document a Form of Proxy with a reply-paid envelope for use in connection with the Annual General Meeting. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete and return the Form of Proxy.

If you wish to appoint a proxy, you are requested to complete and return the Form of Proxy as soon as possible and, in any event, so as to be received by Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 11.00 a.m. on Sunday 17 May 2009 (or if the Annual General Meeting is adjourned, 48 hours before the time of holding the adjourned meeting).

If you hold Ordinary Shares in CREST, you may appoint a proxy in relation to the Annual General Meeting by completing and transmitting a CREST proxy instruction to the Company's Registrars, Capita Registrars (CREST participant ID RA10), so that it is received by not later than 11.00 a.m. on Sunday 17 May 2009 (or, if the Annual General Meeting is adjourned, 48 hours before the time of holding the adjourned meeting).

Please note that Forms of Proxy may not be submitted via the LMS website or any email address set out on the LMS website.

Further information is set out in the notes to the Notice of Annual General Meeting on pages 18 and 19 of this document.

The return of the completed Form of Proxy or CREST proxy instruction will not affect your right as a Shareholder from attending the Annual General Meeting and voting in person if you wish to do so.

New Shareholders should note that, in order to have the right to attend and vote at the Annual General Meeting, their holding must be entered in the Company's register of members by 6.00 p.m. on Sunday 17 May 2009 (or, if the meeting is adjourned, in the register of members by 6.00 p.m. on the second day prior to the day of any adjourned meeting).

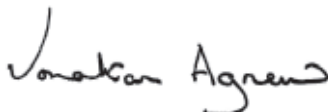
7 Recommendation

The Directors consider the Resolutions (other than the Waiver Resolution recommended below) to be in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions other than the Waiver Resolution to be proposed at the Annual General Meeting, as they intend to do in respect of their own personal beneficial shareholdings which they can vote amounting to, in aggregate, 9,794,541 Ordinary Shares, representing 3.59 per cent. of the issued share capital of the Company as shown in the Annual Report.

The Independent Directors, who have been so advised by J.P. Morgan Cazenove in respect of the Rule 9 Waiver, consider the Rule 9 Waiver to be fair and reasonable and in the best interests of the Company and the Independent Shareholders as a whole. In providing advice to the Independent Directors, J.P. Morgan Cazenove has taken into account the Independent Directors' commercial assessments. Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of the Waiver Resolution to be proposed at the Annual General Meeting, as they intend to do in respect of their own beneficial shareholdings amounting to, in aggregate, 1,946,185 Ordinary Shares, representing 0.71 per cent. of the issued share capital of the Company as at 7 April 2009 (being the latest practicable date prior to the publication of this document).

Robert Rayne is a member of the Concert Party and has therefore not participated in the Independent Directors' recommendation of the Waiver Resolution.

Yours faithfully,



Jonathan Agnew
Non-Executive Chairman

PART 2

ADDITIONAL INFORMATION

1 Responsibility

- 1.1 The Directors of the Company, whose names appear in paragraph 2 of Part 2 of this document, accept responsibility for the information contained in this document other than the recommendation and associated opinion attributed to the Independent Directors regarding Resolution 13 set out in paragraph 7 of Part 1 of this document and the information relating to the Concert Party contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Independent Directors accept responsibility for the recommendation and associated opinion attributed to them regarding Resolution 13 set out in paragraph 7 of Part 1 of this document. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 Robert Rayne accepts responsibility for the information relating to the Concert Party contained in this document. To the best of his knowledge and belief (having taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 Directors of the Company

The Directors of LMS and their principal functions are as follows:

Jonathan Geoffrey William Agnew	<i>Non-Executive Chairman</i>
Robert Anthony Rayne	<i>Chief Executive Officer</i>
Martin Andrew Pexton	<i>Managing Director</i>
Antony Charles Samuel Sweet	<i>Chief Financial Officer</i>
John Corbitt Barnsley	<i>Senior Independent Non-Executive Director</i>
Richard Christou	<i>Non-Executive Director</i>
Bernard Jacques Duroc-Danner	<i>Non-Executive Director</i>

3 Market quotations

The following table shows the closing middle market quotations of Ordinary Shares, as derived from the London Stock Exchange plc on the first business day of dealing of the six months immediately before the date of this document and 7 April 2009, being the latest practicable date prior to the posting of this document:

Date	Share price (p)
7 April 2009	42.50
1 April 2009	45.00
2 March 2009	40.25
2 February 2009	45.00
2 January 2009	45.25
1 December 2008	47.75
3 November 2008	52.50

4 Directors and other interests and dealings in Ordinary Shares

4.1 Directors' interests

As at 7 April 2009 (being the latest practicable date prior to publication of this document), the interests in Ordinary Shares of the Directors which: (i) have been notified by each Director to the Company; or (ii) are interests of the connected person of a Director (within the meaning of section 252 of the 2006 Act), the existence of which is known, or could with reasonable diligence be ascertained by the Director, were as follows:

	Number of Ordinary Shares	Percentage of issued share capital of the Company
Jonathan Agnew	291,058	0.11
Robert Rayne ⁽¹⁾	7,853,626	2.88
Martin Pexton	615,660	0.23
Antony Sweet	1,702	0.00
John Barnsley	317,000	0.12
Richard Christou	169,965	0.06
Bernard Duroc-Danner	550,800	0.20

(1) Robert Rayne is interested in Ordinary Shares in the following capacities:

Nature of interest	Trust name where applicable	Registered Holder(s)	Number of Ordinary Shares
Beneficial ⁽¹⁾		Barclays Nominees Limited	954,154
Beneficial		Robert Anthony Rayne	6,899,472
Trustee	The Rayne Trust	Nortrust Nominees Limited	6,765,623
Trustee	The Rayne Foundation	Nortrust Nominees Limited	14,817,277
Trustee	The Rayne Foundation	Chase Nominees Limited a/c Cazcap	65,671
Trustee		The Hon R A Rayne, J McCarthy, A P M Steele	100,000
			29,602,197

(1) Robert Rayne does not hold voting rights in respect of 5,270 of these Ordinary Shares

The interests of Robert Rayne's connected persons (as defined in section 252 of the 2006 Act) are disclosed in paragraph 4.3 below.

4.2 Substantial Shareholders' interests

So far as the Company is aware, as at 7 April 2009 (being the latest practicable date prior to publication of this document), the following persons have direct or indirect interests in three per cent. or more of the Company's voting rights:

	Number of Ordinary Shares	Percentage of issued share capital of the Company
Withers Trust Corporation Limited ⁽¹⁾	50,063,179	18.36
The Trustees of Lord Rayne's Will Trust ⁽²⁾	44,462,624	16.31
Schroders plc ⁽³⁾	35,476,480	13.01
Robert Anthony Rayne ⁽⁴⁾	29,596,927	10.86
Lady Jane Rayne ⁽⁵⁾	27,494,405	10.09
Taube Hodson Stonex Partners Limited	16,896,994	6.20
The Rayne Foundation ⁽⁶⁾	14,882,948	5.46
Mineworkers Pension Scheme ⁽³⁾	8,830,834	3.24
British Coal Staff Superannuation Scheme ⁽³⁾	8,410,952	3.08

Notes:

(1) Withers Trust Corporation Limited has interests in Ordinary Shares in the following capacities:

Nature of interest	Trust name where applicable	Registered Holder(s)	Number of Ordinary Shares
Trustee	The Trustees of Lord Rayne's Will Trust ⁽²⁾	Withers Trust Corporation Limited & James McCarthy	46,570,624
Trustee	The Rayne Family Second Trust	Withers Trust Corporation Limited a/c 2NDJOGR	175,254
Trustee	The Rayne Family Third Trust	Withers Trust Corporation Limited a/c 3RDJOGR	58,492
Trustee	The Rayne Family Second Trust	Withers Trust Corporation Limited a/c 2NDALR	477,957
Trustee	The Rayne Family Third Trust	Withers Trust Corporation Limited a/c 3RDDALR	688,620
Trustee	The Rayne Family Second Trust	Withers Trust Corporation Limited a/c 2NDDAMR	175,253
Trustee	The Rayne Family Third Trust	Withers Trust Corporation Limited a/c 3RDDAMR	296,009
Trustee	The Rayne Family Second Trust	Withers Trust Corporation Limited a/c 2NDNICR	477,957
Trustee	The Rayne Family Third Trust	Withers Trust Corporation Limited a/c 3RDNICR	623,038
Trustee	The Rayne Family Second Trust	Withers Trust Corporation Limited a/c 2NDJONR	175,254
Trustee	The Rayne Family Third Trust	Withers Trust Corporation Limited a/c 3RDJONR	60,265
Trustee	The Rayne Family Second Trust	Withers Trust Corporation Limited a/c 2NDMADR	207,113
Trustee	The Rayne Family Third Trust	Withers Trust Corporation Limited a/c 3RDMADR	264,103
Trustee	The Rayne Family Second Trust	Withers Trust Corporation Limited a/c 2NDMICR	31,861
Trustee	The Rayne Family Third Trust	Withers Trust Corporation Limited a/c 3RDMICR	58,492
Trustee	The Rayne Family Second Trust	Withers Trust Corporation Limited a/c 2NDARR	15,930
Trustee	The Rayne Family Third Trust	Withers Trust Corporation Limited a/c 3RDARR	54,947
Trustee	The Rayne Family Second Trust	Withers Trust Corporation Limited a/c 2NDJRR	63,725
Trustee	The Rayne Family Third Trust	Withers Trust Corporation Limited a/c 3RDJRR	62,923
Trustee	The Rayne Family Second Trust	Withers Trust Corporation Limited a/c 2NDSUSR	207,113
Trustee	The Rayne Family Third Trust	Withers Trust Corporation Limited a/c 3RDSUSR	264,103
Trustee	The Rayne Family Second Trust	Withers Trust Corporation Limited a/c 2NDTWR	477,957
Trustee	The Rayne Family Third Trust	Withers Trust Corporation Limited a/c 3RDTWR	684,189
			52,171,179

(2) The Trustees of Lord Rayne's Will Trust, have interests in Ordinary Shares in the following capacities:

Nature of interest	Trust name where applicable	Registered Holder(s)	Number of Ordinary Shares
Trustees	The Trustees of Lord Rayne's Will Trust	Withers Trust Corporation Limited & James McCarthy	46,570,624*

* The Trustees of Lord Rayne's Will Trust do not hold the voting rights in respect of 2,108,000 Ordinary Shares registered in the name of Withers Trust Corporation Limited & James McCarthy

(3) Schroders plc manages the shares for the Mineworkers Pension Scheme and British Coal Staff Superannuation Scheme and therefore these shares are included within their own interest

(4) Please see note (1) to paragraph 4.1 of this Part 2

(5) Lady Jane Rayne has interests in Ordinary Shares in the following capacities:

Nature of interest	Trust name where applicable	Registered Holder(s)	Number of Ordinary Shares
Beneficial		Lady Jane Rayne	4,697,801
Trustee		Lady Jane Rayne & Tamara Annabel Wood	1,031,589
Trustee	Lady Rayne Trust	Nortrust Nominees Limited	116,444
Trustee	The Rayne Trust	Nortrust Nominees Limited	6,765,623
Trustee	The Rayne Foundation	Chase Nominees Limited a/c Cazcap	65,671
Trustee	The Rayne Foundation	Nortrust Nominees Limited	14,817,277
			27,494,405

(6) The Rayne Foundation has interests in Ordinary Shares in the following capacity:

Nature of interest	Trust name where applicable	Registered Holder(s)	Number of Ordinary Shares
Charitable foundation	The Rayne Foundation	Nortrust Nominees Limited	14,817,277
		Chase Nominees Limited a/c Cazcap	65,671

4.2.1 Save as set out in this Part 2, the Company is not aware of any person who as at 7 April 2009 (being the latest practicable date prior to the publication of this document) is interested (within the meaning of the 2006 Act), directly or indirectly, in three per cent. or more of the issued share capital of the Company.

4.2.2 None of the Shareholders referred to in paragraph 4.2 above has different voting rights from any other holder of Ordinary Shares in respect of any Ordinary Shares held by them.

4.3 *Concert Party interests*

The Panel has deemed that the interests in relevant securities of Withers Trust Corporation Limited (together with James McCarthy), Lady Rayne, Robert Rayne and other Rayne family members comprise a concert party for the purposes of the City Code.

The following members of the Concert Party have significant interests in relevant securities:

- (a) Withers Trust Corporation Limited who are the trustees of the Rayne family trusts and, together with James McCarthy, are the Trustees of Lord Rayne's Will Trust and are the trustees of other Ordinary Shares. The beneficiaries of such Ordinary Shares are members of the extended Rayne family;
- (b) Robert Rayne, who is the late Lord Rayne's son and Chief Executive Officer of the Company;
- (c) Lady Jane Rayne, who is the late Lord Rayne's wife;
- (d) the Rayne Foundation, which is a charitable trust whose trustees include Robert Rayne and Lady Jane Rayne;
- (e) the Rayne Trust, which is a charitable trust whose trustees include Robert Rayne and Lady Jane Rayne;
- (f) Alexander Rayne, who is the late Lord Rayne's son;
- (g) Madeleine Rayner, who is the late Lord Rayne's daughter;
- (h) Susan Rubin, who is the late Lord Rayne's daughter;
- (i) Tamara Wood, who is the late Lord Rayne's daughter; and
- (j) Damian Rayne, who is the late Lord Rayne's grandson and son of Robert Rayne.

4.3.1 The interests in relevant securities of the members of the Concert Party as at the close of business on 7 April 2009 (being the latest practicable date prior to the publication of this document) are as follows:

Name	Number of Ordinary Shares	Percentage of issued share capital of the Company
Concert Party interests in relevant securities of 1,000,000 Ordinary Shares or above		
Withers Trust Corporation Limited ⁽¹⁾	52,171,179	19.13
The Rayne Foundation	14,882,948	5.46
Robert Anthony Rayne	7,848,356	2.88
The Rayne Trust	6,765,623	2.48
Alexander Rayne	5,726,989	2.10
Tamara Wood	5,053,352	1.85
Lady Jane Rayne	4,814,245	1.76
Susan Rubin	4,000,000	1.47
Madeleine Rayner	2,391,672	0.88
Damian Rayne	1,140,596	0.42
Lady Jane Rayne & Tamara Wood	1,031,589	0.38
Other Concert Party interests in relevant securities under 1,000,000 Ordinary Shares (19 individuals)	4,393,198	1.61
Total	110,219,747	40.43

(1) Please see note (1) to paragraph 4.2 of this Part 2

4.3.2 The interests in relevant securities of members of the Concert Party following the exercise of the Market Purchase Authority in respect of the maximum number of shares permitted under the Market Purchase Authority on the basis that the issued share capital of the Company is 231,772,074 and assuming no Ordinary Shares are bought back from the Concert Party would be as follows:

Name	Number of Ordinary Shares	Percentage of issued share capital of the Company
Concert Party interests in relevant securities of 1,000,000 Ordinary Shares or above		
Withers Trust Corporation Limited ⁽¹⁾	52,171,179	22.51
The Rayne Foundation	14,882,948	6.42
Robert Anthony Rayne	7,848,356	3.39
The Rayne Trust	6,765,623	2.92
Alexander Rayne	5,726,989	2.47
Tamara Wood	5,053,352	2.18
Lady Jane Rayne	4,814,245	2.08
Susan Rubin	4,000,000	1.73
Madeleine Rayner	2,391,672	1.03
Damian Rayne	1,140,596	0.49
Lady Jane Rayne & Tamara Wood	1,031,589	0.45
Other Concert Party interests in relevant securities under 1,000,000 Ordinary Shares (19 individuals)	4,393,198	1.89
Total	110,219,747	47.56

(1) Please see note (1) to paragraph 4.2 of this Part 2

4.3.3 The address of each of the members of the Concert Party is c/o Carlton House, 33 Robert Adam Street, London W1U 3HR.

4.4 Dealings in relevant securities

The dealings in relevant securities during the disclosure period are set out below.

4.4.1 Dealings in the relevant securities during the disclosure period by the Directors are as follows:

Name	Date	Transaction	Number of Ordinary Shares	Price (p)
Robert Rayne	03/12/08	Purchase	100,000	46.00
Robert Rayne	01/12/08	Purchase	150,000	60.25
Robert Rayne	26/11/08	Purchase	10,000	49.00
Robert Rayne	06/06/08	Transfer from Withers Trust Corporation Ltd	958,656	N/A

4.4.2 Robert Rayne's dealings in relevant securities during the disclosure period are set out in paragraph 4.4.1. Other dealings in relevant securities during the disclosure period by the members of the Concert Party are as follows:

Name	Date	Transaction	Number of Ordinary Shares	Price (p)
HSBC Global Custody Nominees (UK) Ltd a/c 813259	03/12/08	Sale	110,000	46.00
Withers Trust Corporation Ltd & James McCarthy	01/12/08	Sale	150,000	60.25
Chase Nominees Ltd a/c Cazcap	03/10/08	Receipt of shares from a will	65,751	N/A
HSBC Global Custody Nominees (UK) Ltd a/c 813259	26/09/08	Sale	96,721	59.75
HSBC Global Custody Nominees (UK) Ltd a/c 813259	04/09/08	Sale	95,000	59.00
HSBC Global Custody Nominees (UK) Ltd a/c 813259	28/08/08	Sale	60,000	59.13
HSBC Global Custody Nominees (UK) Ltd a/c 813259	26/08/08	Sale	25,000	59.00
HSBC Global Custody Nominees (UK) Ltd a/c 813259	11/06/08	Sale	140,000	71.03
HSBC Global Custody Nominees (UK) Ltd a/c 813259	11/06/08	Sale	6,250	72.25
Withers Trust Corporation Ltd a/c 3RDROBR	06/06/08	Transfer to Robert Rayne	751,543	N/A
Withers Trust Corporation Ltd a/c 2NDROBR	06/06/08	Transfer to Robert Rayne	207,113	N/A

5 General

Save as disclosed in this Part 2 and except for intra-Concert Party dealings:

- (a) no Director, any member of his immediate family, any related trusts (so far as the Directors are aware) any person connected with them nor any person who is their associate (within the meaning in the City Code) has any interests, rights to subscribe or short positions in relevant securities or has dealt in any relevant securities during the disclosure period;
- (b) no member or Director of the Concert Party, any person connected with them nor any person acting in concert with them has any interests, rights to subscribe or short positions in relevant securities or has dealt in any relevant securities during the disclosure period;
- (c) neither the Company or any of the Directors has any interests, rights to subscribe or short positions in any member of the Concert Party; and
- (d) neither:
 - (i) the Company, any associate of the Company, nor any pension fund or employee benefit trust of the Company or any of its associates nor, as far as the Company is aware, any connected adviser of the Company or any of its associates or a person acting in concert with the Company (including stockbrokers but excluding exempt market makers), including any person controlling, controlled by or under the same control as any such connected adviser; nor

- (ii) any discretionary fund manager (other than an exempt fund manager) connected with the Company,
has any interests, rights to subscribe or short positions in relevant securities or has dealt in any relevant securities during the disclosure period; and neither the Company nor any member of the Concert Party nor any person connected with them nor any person acting in concert with them or the Company has borrowed or lent relevant securities during the disclosure period.

6. Definitions for the purposes of this Part 2:

In Part 2 of this document:

- (a) "associate" means a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other (for this purpose, 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);
- (b) "control" means an interest in relevant shares carrying 30 per cent. or more of the voting rights attributable to the share capital of the Company which are currently exercisable at a general meeting, irrespective of whether the interest gives *de facto* control;
- (c) "connected" has the meaning given to it in section 252 of the 2006 Act;
- (d) "disclosure period" means the period commencing on 6 April 2008 and ending on 7 April 2009, being the latest practicable date prior to the publication of this document;
- (e) "connected adviser" means:
 - (i) in relation to the Company, an organisation which is advising the Company in relation to the Rule 9 Waiver and a corporate broker to the Company;
 - (ii) in relation to a person who is acting in concert with the Company, an organisation which is advising that person 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 associate of the Company, an organisation which is advising that person in relation to the Rule 9 Waiver; and
- (f) "relevant securities" means:
 - (i) Ordinary Shares or any other securities of the Company which carry voting rights;
 - (ii) equity share capital of the Company; and
 - (iii) any securities convertible into, or rights to subscribe for the securities of the Company described in paragraphs (i) and (ii) of this definition of relevant securities.

7 Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by a member of the Group within the two years immediately preceding the date of this document and are, or may be, material or have been entered into at any time by any member of the Group and contain provisions under which any member of the Group has an obligation or entitlement which is, or may be, material to the Group as at the date of this document:

7.1 *Nominated adviser agreements*

A nominated adviser agreement was entered into by the Company with Arbutnot Securities Limited on 30 August 2007, pursuant to which Arbutnot Securities Limited had agreed to act as the Company's nominated adviser for a retainer fee of £50,000 per annum. The agreement was ended on 11 September 2008.

On 11 September 2008 a nominated adviser agreement was entered into by the Company with J.P. Morgan Cazenove, pursuant to which J.P. Morgan Cazenove agreed to act as the Company's nominated adviser for a retainer fee of £50,000 per annum. The agreement can be terminated, by either party giving one month's written notice or (in certain specified circumstances) with immediate effect.

8 Directors' service contracts and letters of appointment

8.1 The executive directors have entered into service agreements with the Company, as follows:

Name	Date of contract	Notice period	Current annual salary
Robert Rayne	14 March 2007	One year's notice notifiable by the Company Six months' notice notifiable by Mr Rayne	£398,000
Martin Pexton	14 March 2007	One year's notice notifiable by the Company Six months' notice notifiable by Mr Pexton	£251,000
Antony Sweet	14 March 2007	One year's notice notifiable by the Company Six months' notice notifiable by Mr. Sweet	£197,750

Further details of the service agreements of each executive director, and their previous salary levels, are set out below:

- (a) Robert Rayne is entitled to life assurance, healthcare and personal accident benefits, a car allowance of £20,000 per annum and to discretionary bonuses. Mr Rayne was paid a bonus of £80,000 for 2008.
- (b) Martin Pexton is entitled to life assurance, healthcare and personal accident benefits, a car allowance of £15,000 per annum and to discretionary bonuses. Mr Pexton also receives contributions of a sum equal to 20 per cent. of his gross salary from the Company into an executive pension plan. Mr. Pexton was awarded a salary increase for 2009 of £7,000 (a 2.9 per cent. increase over his 2008 salary of £244,000) and was paid a bonus of £75,000 for 2008.
- (c) Antony Sweet is entitled to life assurance, healthcare and personal accident benefits, a car allowance of £15,000 per annum and to discretionary bonuses. Mr Sweet also receives contributions of a sum equal to 15 per cent. of his gross salary from the Company into an executive pension plan. Mr Sweet was awarded a salary increase for 2009 of £5,750 (a three per cent. increase over his 2008 salary of £192,000) and was paid a bonus of £40,000 for 2008.
- (d) Each service agreement is for an indefinite period terminable in accordance with the notice periods.
- (e) Each service agreement contains a change of control provision under which the executive director is entitled to a payment equivalent to 95 per cent. of the aggregate of his gross basic annual salary, car allowance, value of non-cash benefits, amounts payable under the Company's cash bonus scheme and (except in the case of Robert Rayne) the value of the executive director's pension entitlement, if within six months of a change of control of the Company his employment is terminated or he resigns. In addition, each executive director can be required to work for the Company as a consultant for a period of 12 months after the date of termination, subject to payment of a daily fee of £1,500, but such director cannot be obliged to provide a consultancy service on more than one day in each calendar month.

8.2 Non-executive directors have letters of appointment with the Company, on the following terms:

- (a) Jonathan Agnew is engaged pursuant to a letter of appointment dated 6 April 2009. He is currently appointed as Chairman. Under the terms of this letter of appointment, his services are terminable on not less than one month's notice and he is required to retire by rotation at least every three years by the Company's articles of association. He is entitled to a fee of £75,000 per annum and is entitled to be reimbursed for all reasonable incurred expenses. Mr Agnew does not participate in any bonus arrangements.
- (b) John Barnsley is engaged pursuant to a letter of appointment dated 6 April 2009. He is currently appointed as Senior Independent Non-Executive Director. Under the terms of this letter of appointment, his services are terminable on not less than one month's notice and he is required to retire by rotation at least every three years by the Company's articles of association. He is entitled to a fee of £45,000 per annum and is entitled to be reimbursed for all reasonable incurred expenses. Mr Barnsley does not participate in any bonus arrangements.
- (c) Richard Christou is engaged pursuant to a letter of appointment dated 6 April 2009. Under the terms of this letter of appointment, his services are terminable on not less than one month's notice and he is required to retire by rotation at least every three years by the Company's articles of association. He is entitled to a fee of £45,000 per annum and is entitled to be reimbursed for all reasonable incurred expenses. Mr Christou does not participate in any bonus arrangements.
- (d) Bernard Duroc-Danner is engaged pursuant to a letter of appointment dated 6 April 2009. Under the terms of this letter of appointment, his services are terminable on not less than one month's notice and he is required to retire by rotation at least every three years by the Company's articles of association. He is entitled to a fee of £40,000 per annum and is entitled to be reimbursed for all reasonable incurred expenses. Dr Duroc-Danner does not participate in any bonus arrangements.

Each of the non-executive directors' appointments is for the period until the next Annual General Meeting at which they are due to retire by rotation. The terms of the new letters of appointment will be the same as those stated above. As of the date of publication of this document the non-executive directors' are due to retire by rotation as follows:

Jonathan Agnew:	May 2011
John Barnsley:	May 2009
Richard Christou:	May 2009
Bernard Duroc-Danner:	May 2010

Assuming that John Barnsley and Richard Christou are both re-appointed at the Annual General Meeting in May 2009, they will be appointed for a period of three years or until the Annual General Meeting at which either of them has to retire by rotation, whichever is the earlier.

Where it is necessary for a non-executive director to seek independent professional advice necessary for the performance of his duties, he may, after consultation with the Company's Secretary, obtain at the Company's reasonable expense, independent professional advice, subject to compliance with the Board's procedure for obtaining independent professional advice, which may be varied from time to time.

- 8.3 Save as set out in this Part 2, there are no existing or proposed service agreements or letters of appointment between any Director and any member of the Group providing for benefits upon termination of employment.
- 8.4 Save as set out in this Part 2, no other service agreements or letters of appointment have been entered into by any Director and any member of the Group in the six months preceding the date of this document.
- 8.5 The Company entered into deeds of indemnity with each Director under which each of the Directors has the benefit of an indemnity in respect of any liability incurred for negligence, default, breach of duty or breach of trust in relation to their acting as Directors of the Company, provided that such persons will not be indemnified in circumstances where such indemnification would be void under relevant legislation.

9 Other information

- 9.1 No agreement, arrangement or understanding (including any compensation arrangement) exists in relation to a transfer of shares or otherwise between any member of the Concert Party or any person acting in concert with a member of the Concert Party and any of the Directors, recent Directors, Shareholders or recent Shareholders in the Company having any connection with or dependence upon the proposals set out in this document.
- 9.2 There has been no material change in the financial or trading position of the Company since the year ended 31 December 2008.
- 9.3 J.P. Morgan Cazenove has given and not withdrawn its written consent to the issue of this document with the inclusion herein of references to the name J.P. Morgan Cazenove in the form and context in which it appears.

10 Documents available for inspection

Copies of the following documents will be available for inspection at the offices of Clifford Chance LLP, 10 Upper Bank Street, Canary Wharf, London E14 5JJ during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted) from the date of this document until the time and date of the Annual General Meeting:

- (i) the audited consolidated accounts of the Company for the financial years ended 31 December 2008 and 31 December 2007;
- (ii) the written consent referred to in paragraph 9.3 of this Part 2;
- (iii) the material contracts referred to in paragraph 7 of this Part 2;
- (iv) the Directors' service contracts and letters of appointment referred to in paragraph 8 of this Part 2; and
- (v) the Company's memorandum and articles of association as at the date of this document.

Date 14 April 2009

NOTICE OF ANNUAL GENERAL MEETING LMS CAPITAL PLC

(incorporated in England and Wales under the Companies Act 1985 with registered number 5746555)

NOTICE IS HEREBY GIVEN that the third Annual General Meeting of LMS Capital plc (the "Company") will be held at 11.00 a.m. on Tuesday 19 May 2009 at Durrants Hotel, George Street, London W1H 5BJ 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 year ended 31 December 2008.
- 2 To approve the remuneration report for the year ended 31 December 2008.
- 3 To re-appoint John Barnsley, who is retiring by rotation in accordance with the Company's articles of association, as a Director.
- 4 To re-appoint Richard Christou, who is retiring by rotation in accordance with the Company's articles of association, as a Director.
- 5 To re-appoint Martin Pexton, who is retiring by rotation in accordance with the Company's articles of association, as a Director.
- 6 To re-appoint KPMG Audit Plc as auditors of the Company, to hold office from the conclusion of the meeting until the conclusion of the next general meeting at which accounts are laid before the Company.
- 7 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:

- 8 That the Company's investing strategy as set out in paragraph 3.5 of Part 1 of the circular to shareholders of the Company dated 14 April 2008 (the "Circular") be and is approved.
- 9 To authorise the Company and all companies that are its subsidiaries at any time during the period for which this resolution has effect for the purposes of section 366 of the Companies Act 2006 (the "2006 Act") to:
 - (a) make political donations to political parties or independent election candidates (as such terms are defined in sections 363 and 364 of the 2006 Act), not exceeding £20,000 in aggregate;
 - (b) make political donations to political organisations other than political parties (as such terms are defined in sections 363 and 364 of the 2006 Act), not exceeding £20,000 in aggregate; and
 - (c) to incur political expenditure (as such term is defined in section 365 of the 2006 Act), not exceeding £20,000 in aggregate,during the period beginning with the date of the passing of this resolution and expiring on the conclusion of the Company's Annual General Meeting to be held in 2010 (or, if earlier, close of business on 30 June 2010 (being six months after the Company's accounting reference date falling in 2009)) provided that the maximum amounts referred to in (a), (b) and (c) may comprise sums in different currencies which shall be converted at such rate as the Board may in its absolute discretion determine to be appropriate.
- 10 That the authority conferred upon the Directors by Article 4(B) of the Company's articles of association be and is hereby renewed for the period expiring on the conclusion of the Company's Annual General Meeting to be held in 2010, unless renewed, varied or revoked by the Company in general meeting before such expiry and for that period the "section 80 amount" shall be £9,087,122.

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

- 11 That, subject to the passing of resolution 10 above, the authority conferred upon the Directors by Article 4(C) of the Company's articles of association be and is hereby renewed for the period expiring on the conclusion of the Company's Annual General Meeting to be held in 2010, unless renewed, varied or revoked by the Company in general meeting before such expiry and for that period the "section 89 amount" shall be £1,363,204.

- 12 That the Company be and is hereby generally and unconditionally authorised for the purposes of section 166 of the Companies Act 1985 (the "1985 Act") to make market purchases (within the meaning of section 163(3) of the 1985 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 40,868,878;
 - (b) the maximum price at which an ordinary share may be so purchased is an amount equal to 105 per cent. 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 earlier of the conclusion of the Company's Annual General Meeting to be held in 2010 and 30 June 2010 (being the date which is six months after the Company's accounting reference date falling in 2009), 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.

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

- 13 That the waiver by The Panel on Takeovers and Mergers (the terms of which are referred to in paragraph 3.10 of Part 1 of the Circular) of any requirement under Rule 9 of the City Code on Takeovers and Mergers for the Concert Party (as defined in the Circular) (or any of them) to make a general offer to the shareholders of the Company, as a result of any market purchases by the Company of shares pursuant to the exercise by the Company of the authority granted to the Company pursuant to resolution 12 above, be and is hereby approved provided that, following any exercise by the Company of the authority granted pursuant to resolution 12 above, the interests in shares of the Concert Party do not exceed 49.99 per cent. of the issued share capital of the Company immediately following such exercise.

Registered office
Carlton House
33 Robert Adam Street
London W1U 3HR
Registered number 5746555

By order of the Board
Matthew Jones
Company Secretary

Dated 14 April 2008

Notes

Registered shareholders

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 p.m. on 17 May 2009 or, if the meeting is adjourned, in the register of members at 6.00 p.m. 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 p.m. on 17 May 2009 or, if the meeting is adjourned, in the register of members after 6.00 p.m. on the second day prior to the day of the adjourned meeting, shall be disregarded in determining the rights of any person to attend, speak or vote at the meeting or at any such adjournment.

Documents available for inspection

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. These documents will also be available for inspection at the place of the Annual General Meeting from 30 minutes prior to the meeting until its conclusion.

Proxies

A member of the Company is entitled to appoint a proxy to attend, speak and vote instead of him. The proxy need not be a member of the Company. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares.

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.

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 Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, 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, and replied paid envelope, are enclosed with this notice. Forms of proxy may not be submitted via the LMS website or via any email address set out on the LMS website.

CREST

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, and those CREST members who have appointed (a) voting service provider(s) should refer to their CREST sponsors 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 Euroclear UK & Ireland Limited'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 Application 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 Euroclear UK & Ireland Limited 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.

Corporate representatives

In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the chairman is being appointed as described in (i) above.

Voting by poll

It is intended that all resolutions at the Annual General Meeting will be voted on by poll.

Voting rights

At 7 April 2009 (being the latest practicable date prior to the publication of this notice) the issued share capital of the Company consists of 272,640,952 ordinary shares of 10p each, carrying one vote each. Therefore, the total voting rights in the Company as at 7 April 2009 are 272,640,952.

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