

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains Resolutions to be voted on at a General Meeting of the Company to be held at One Vine Street, London, W1 0AH at 11.00 a.m. on 30 November 2011. If you are in any doubt about the contents of this document and/or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction. This document does not constitute an offer for the sale of any Ordinary Shares.

If you have sold or otherwise transferred all of your Ordinary Shares, you should immediately send this document, but not the accompanying personalised Form of Proxy, 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. If you have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain these documents. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction.

Quayle Munro Limited, which is authorised and regulated in the United Kingdom by the FSA, is acting as financial adviser exclusively for the Company and for no one else in connection with the contents of this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Quayle Munro Limited or for providing advice in relation to the matters described in this Circular.

LMS CAPITAL PLC

(a company incorporated under the laws of England and Wales under registration number 05746555)

Recommended proposals for the managed wind-down of the Company; and consideration of Robert Rayne's position as a director

and

Notice of General Meeting

This document should be read as a whole. Your attention is drawn to the letter from John Barnsley, the Senior Independent Director which is set out on pages 4 to 8 of this document in which the Board recommends that you vote IN FAVOUR of the first and second resolutions and AGAINST the third resolution to be proposed at the General Meeting referred to below.

A notice of the General Meeting to be held at One Vine Street, London, W1 0AH at 11.00 a.m. on 30 November 2011 is set out at the end of this document. A Form of Proxy for use at the General Meeting is enclosed with this document and should be completed, signed and returned in accordance with the instructions thereon, as soon as possible but, in any event, so as to be received by the Company's Registrar, Capita Registrars, at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by no later than 11.00 a.m. (London time) on 28 November 2011. If you have registered, you may complete the proxy form online via your portfolio at www.capitalshareportal.com so that the Form of Proxy is received by Capita Registrars by no later than 11.00 a.m. (London time) on 28 November 2011.

If you hold your Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual to the Company's Registrars, Capita Registrars, under CREST participant ID number RA10, so that it is received by no later than 11.00 a.m. (London time) on 28 November 2011.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	7 November 2011
Latest time and date for receipt of Forms of Proxy and CREST Proxy Instructions	11.00 a.m. on 28 November 2011
General Meeting	11.00 a.m. on 30 November 2011
Results of General Meeting announced	30 November 2011

Notes:

- (1) The above dates and times are based on the Company's expectations. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by an announcement through a Regulatory Information Service.
- (2) All references in this document are to London time unless otherwise stated.

PART I
LETTER TO SHAREHOLDERS

LMS CAPITAL PLC

(a company incorporated under the laws of England and Wales under registration number 05746555)

Directors:

Robert Rayne (*Chairman*)
Glenn Payne (*Chief Executive Officer*)
Tony Sweet (*Chief Financial Officer*)
John Barnsley (*Senior Independent Non-Executive Director*)
Richard Christou (*Non-Executive Director*)
Bernard Duroc-Danner (*Non-Executive Director*)
Mark Sebba (*Non-Executive Director*)
David Verey (*Non-Executive Director*)

Registered Office:

LMS Capital plc
100 George Street
London
W1U 8NU

7 November 2011

To all Shareholders and, for information only, to nominated persons

Dear Shareholder

Recommended proposals for the managed wind-down of the Company; and consideration of Robert Rayne's position as a director

1. Introduction

A General Meeting is being called to approve a change to the Company's investment policy as set out in the announcement made by the Company on 10 October 2011.

The Company subsequently received, on 17 October 2011, a requisition on behalf of the Rayne Concert Party which represents approximately 37 per cent. of the Ordinary Shares, requiring a general meeting to be held and that two of its own resolutions be put to Shareholders.

Accordingly, in summary, the resolutions to be proposed are:

1. That a revised investment policy with the objective of conducting an orderly realisation of the assets of the Company be effected in a manner that seeks to achieve a balance between an efficient return of cash to Shareholders and maximising the value of the Company's investments.
2. That:
 - (i) the Company distribute surplus cash periodically to Shareholders in a tax efficient manner with due regard to Shareholders' tax circumstances;
 - (ii) the Company manage its affairs such that existing capital commitments are ultimately eliminated;
 - (iii) the Company pursue a policy of asset realisation with a view to returning capital to members over as short a time period as practicable, having due regard to the maximisation of Shareholder value;
 - (iv) the Company refrain from committing capital to any new investments; and
 - (v) the Board have discretion to make additional investments in existing assets in order to protect shareholder value.

3. That Robert Rayne remain on the Board as a director of the Company.

The Resolutions are not inter-conditional.

Further details of both the Company's resolution and the Rayne Concert Party's resolutions are set out in this document, together with the background to and reasons for the general meeting of the Company to be held on 30 November 2011. The Circular also sets out the recommendations of the Board that Shareholders vote IN FAVOUR of the first and second resolutions and AGAINST the third resolution to be proposed at the General Meeting.

2. Background and New Strategy

The Board was first made aware of the Rayne Concert Party's opposition to the Company's investment strategy on 17 May 2011, when a letter was received from the Rayne Concert Party's advisers stating that the Rayne Concert Party had been advised that Shareholders' interests may be best served by a strategy that would allow Shareholders to realise value from the Company, and that this may be best achieved through a break-up of the Company at maximum price.

The Rayne Concert Party was proposing that a break-up of the Company should take place as quickly as possible and in any event over a period of not more than 12 months. An independent committee, comprising the non-executive directors excluding Robert Rayne (the "**Committee**") and under the Chairmanship of John Barnsley, was formed to consider this request. The Committee was unable to support it.

The Committee informed the Rayne Concert Party that in its view, a break-up over such a short period of time would not be in the best interests of Shareholders and it was of the opinion that an accelerated break-up of the Company would not achieve an acceptable return for Shareholders. The majority of the Company's equity investments are minority stakes in small and medium-sized unquoted companies, or investments in private equity funds which, by their nature, entail a higher level of risk and lower liquidity than investments in large quoted companies. The equity investments in small and medium-sized unquoted companies in the Company's portfolio are also generally less valuable unless all or the majority of shareholders agree to sell alongside each other. Furthermore, current market conditions are unlikely to be conducive to an accelerated asset realisation strategy.

On 6 September 2011 the Company announced that it had received an approach by the Rayne Concert Party, requesting that the Company be broken-up in the short term. Following such announcement the Company, with its advisers, consulted with Shareholders to discuss the future strategy of the Company.

One of the options explored at this time by the Company, through its advisers, was an exit for the Rayne Concert Party's shareholding. It was not possible, however, to establish a price at which it appeared the Rayne Concert Party members would be willing to sell their holdings and at which a buyer or buyers for those shares could be found in market conditions prevailing at the time.

The Rayne Concert Party has indicated that, having had access to relevant information, it would expect a wind-down to be conducted over an appropriate time period but has not informed the Board what that period would be.

After further consultation with Shareholders, the Committee announced on 10 October 2011 that it no longer believed that the status quo was sustainable given the wide discount at which the Company's shares traded (along with the shares of other similar companies) and with in excess of one third of the Company's shares held by the Rayne Concert Party, which was emphatic that the Company must pursue a realisation strategy. In consequence the Committee was willing to support an orderly wind-down of the Company, so as to achieve a balance between an efficient return of cash to Shareholders whilst maximising the value of the Company's investments. Subsequently, as announced on 17 October 2011, the Company received a requisition on behalf of the Rayne Concert Party requiring a general meeting to be convened to consider two resolutions. The full text of the requisition is set out in Part III of this document.

As explained above, the Board is proposing a resolution to approve a revised investment policy, being the first resolution set out in the notice of the General Meeting at the end of this document (the “**Investment Policy Resolution**”). Although the resolution put forward by the Rayne Concert Party is consistent with an orderly wind-down of the type which the Committee announced on 10 October 2011, the Board is proposing the Investment Policy Resolution to ensure compliance with Chapter 15 of the Listing Rules. Chapter 15 of the Listing Rules requires that the Company has a published investment policy that contains information about the policies that the Company will follow relating to asset allocation, risk diversification and gearing and that any change to the published investment policy requires Shareholder approval. The resolution put forward by the Rayne Concert Party would not be sufficient on its own to effect an amendment to the published investment policy which would satisfy the requirements of Chapter 15. As the principles for an orderly wind-down of the Company put forward by the Rayne Concert Party are acceptable, they are reflected in the revised investment policy which is being proposed for approval by Shareholders by the first resolution.

It is not practicable to provide definitive guidance on the timeframe for any orderly wind-down if approved by Shareholders. As the portfolio realisation will be an ongoing process, the Board intends to provide Shareholders with 6-monthly updates on the estimated timetable in the Company’s annual and half-yearly reports. The Board expects the first distribution to take place within the next 12-18 months.

If the Company’s Investment Policy Resolution is not passed but the Rayne Concert Party’s resolution is, any attempt to comply with the principles contained in the Rayne Concert Party’s resolution would constitute a breach of the Listing Rules. In these circumstances, in order to effect a wind-down a further general meeting of the Company would have to be convened and an appropriate resolution amending the Company’s investment policy passed.

Accordingly, the Board is recommending that shareholders vote IN FAVOUR of the first and second resolutions.

3. Background to and reasons for the consideration of Robert Rayne’s position as a Director of the Company

The requisition submitted on behalf of the Rayne Concert Party includes a resolution that Shareholders be asked whether they agree that Robert Rayne should remain on the Board as a director of the Company. This is proposed as the third resolution in the notice of the General Meeting set out at the end of this document. This resolution will legally have no effect on Robert Rayne’s position as a director regardless of how Shareholders vote, but the Board is legally required to put this resolution to Shareholders. Even though the resolution is technically ineffective, the Listing Rules require the Board to provide a recommendation as to the voting action Shareholders should take and to indicate whether the resolution is, in the Board’s opinion, in the best interests of Shareholders as a whole.

If the new investment policy is approved at the General Meeting, the non-executive directors will supervise the executive management’s wind-down of the Company. The Board does not believe that Robert Rayne remaining on the Board would be in the best interest of Shareholders as a whole.

Messrs Bernard Duroc-Danner and Mark Sebba dissented from the above decision.

The Board is recommending that Shareholders vote AGAINST the third resolution.

The Company has received written confirmation from 10 institutional shareholders representing approximately 28 per cent. of the Company’s issued share capital and representing approximately 44 per cent. of shares held by Shareholders independent of the Rayne Concert Party including the Company’s largest single Shareholder, Schroder Investment Management, of their intention to vote against the resolution that Robert Rayne should remain on the Board as a director of the Company.

4. Board Composition

As referred to in section 2 above, on 10 October 2011 the Independent Directors set out a proposed new strategy for the Company, reflected in the proposals set out in this document.

In that announcement, it was stated that Robert Rayne had been asked to resign from the Board so as to ensure the full independence of the Board. Furthermore, three of the independent directors indicated that if the objectives set out in the announcement, including ensuring the full independence of the Board, were not achieved, they would stand down from the Board.

Robert Rayne has not resigned. That notwithstanding, the three directors in question confirm their intention to remain on the Board following the General Meeting because 13 institutional shareholders representing approximately 32 per cent. of the issued shares of the Company and representing approximately 50 per cent. of shares held by Shareholders independent of the Rayne Concert Party including the Company's largest single Shareholder, Schroder Investment Management, have confirmed their support in writing for the three directors remaining in place.

Furthermore, on 17 October 2011, Withers Trust Corporation announced that Robert Rayne intended to stand down as Chairman once a capital realisation strategy had been put in place and so that a suitably qualified independent Chairman may be brought in to oversee the orderly wind-down strategy. The Independent Directors welcome Robert Rayne standing down as Chairman and the Board will oversee the orderly wind-down including the appointment of Robert Rayne's replacement as Chairman. Robert Rayne has said he intends to remain on the Board.

The Independent Directors consider it essential that the wind-down be overseen by an independent Board acting in the best interests of all Shareholders.

Recognising the change of investment strategy and in the interests of keeping fixed overheads at a proportionate level as assets are realised and monies returned to Shareholders, it is envisaged that over time the Board will be reduced in number.

5. Management Incentive Arrangements

If Shareholders approve the new investment policy, the Company proposes, as announced on 10 October 2011, that the existing executive management team be charged with putting it into effect against a streamlined cost structure and with appropriate management incentive arrangements. The management incentive arrangements will align management's interests with those of Shareholders during the wind-down process and will, if required, be subject to Shareholder approval. The terms of the management incentive arrangements have yet to be finalised but are expected to be based upon the principle that the Company's executives will be incentivised to maximise returns to Shareholders by receiving a performance fee once an agreed amount, which would increase at a fixed annual compounding rate, has been returned to Shareholders in cash.

6. Listing Rules Requirements

The Board has no current intention of cancelling the Company's listing. The Board confirms that at such time as a de-listing of Ordinary Shares becomes appropriate it will be carried out in accordance with the requirements of the Listing Rules.

In the event that the third resolution is not passed, the Board does not intend to convene a further general meeting specifically to allow Shareholders to vote on the removal of Robert Rayne from the Board.

7. Recommendation

The Board considers the first and second resolutions to be proposed at the General Meeting to be in the best interests of Shareholders as a whole.

Accordingly, the Board, which has been advised by Quayle Munro Limited, recommends Shareholders vote IN FAVOUR of the first and second resolutions to be proposed at the General Meeting.

The Board considers the third resolution to be proposed at the General Meeting not to be in the best interests of Shareholders as a whole.

Accordingly, the Board, which has been advised by Quayle Munro Limited, recommends Shareholders vote AGAINST the third resolution to be proposed at the General Meeting.

The Company has received written confirmation from 10 institutional shareholders representing approximately 28 per cent. of the Company's issued share capital and representing approximately 44 per cent. of shares held by Shareholders independent of the Rayne Concert Party, including the Company's largest single Shareholder, Schroder Investment Management, of their intention to vote against the resolution that Robert Rayne should remain on the Board as a director of the Company.

8. Action to be Taken

Shareholder approval is required for the Resolutions. Accordingly, you will find set out at the end of this document a notice convening the General Meeting to be held at 11.00 a.m. on 30 November 2011.

Shareholders are requested to complete and return the enclosed Form of Proxy for use at the General Meeting in accordance with the instructions printed thereon so as to arrive at the Company's Registrar, Capital Registrars, at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible and in any event not later than 11.00 a.m. on 28 November 2011.

If you hold your Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual to the Company's Registrars, Capita Registrars, under CREST participant ID number RA10, so that it is received by no later than 11.00 a.m. on 28 November 2011.

Shareholders wishing to complete their paper Form of Proxy in line with the Board's recommendations should

- with respect to the resolution numbered 1, place an 'X' in the box under the heading 'For'
- with respect to the resolution numbered 2, place an 'X' in the box under the heading 'For'
- with respect to the resolution numbered 3, place an 'X' in the box under the heading 'Against'

Any Shareholder needing assistance with the completion of their Form of Proxy or transmission of a Proxy Voting Instruction should contact the Registrars' helpline on 0871 664 0300.

Completion and return of a Form of Proxy or a Proxy Voting Instruction will not prevent you from attending the General Meeting and voting in person should you so wish.

Yours faithfully

John Barnsley
on behalf of the Board

PART II

EXISTING AND REVISED INVESTMENT POLICY

1. Existing Investment Objective and Policy

The Company's existing investment objective is to deliver sustained medium to long-term growth by acquiring direct investments in growing, profitable businesses where its senior management can use their expertise to contribute to the growth and performance of those businesses. This focus is primarily in the energy, consumer and business services sectors where the Company's investment team has demonstrable expertise. Realisations from the existing quoted, direct and fund investments would be expected to provide the liquidity required to implement this strategy in the medium term.

2. Revised Investment Objective

The Board is proposing that the investment objective be restated as follows:

“The investment objective of the Company is to conduct an orderly realisation of the assets of the Company, to be effected in a manner that seeks to achieve a balance between an efficient return of cash to Shareholders and maximising the value of the Company's investments.”

3. Revised Investment Policy

The Board is proposing that the investment policy be restated as follows:

“The Company's investments will be realised in an orderly manner that seeks to achieve a balance between an efficient return of cash to Shareholders and maximising the value of the Company's investments. The Company will distribute surplus cash periodically to shareholders in a tax efficient manner with due regard to shareholders' tax circumstances and will manage its affairs such that existing capital commitments are ultimately eliminated.”

The Company may not make any new investments save that (a) investments may be made to honour commitments made at the time of the initial investment and/or to which it is contractually obligated; (b) further investment may be made into the Company's existing portfolio companies in order to protect or enhance the value of such investments or facilitate the orderly realisation of such investments; and (c) cash (including realised cash) may be invested in liquid cash-equivalent securities, including short-dated corporate bonds, government bonds or cash funds, or in bank cash deposits and/or in other permitted investments as set out above, pending its return to Shareholders in accordance with the Company's investment objective.

The Company will maintain a sufficient cash reserve in order to fund any further investments falling within sub-paragraphs (a) and (b) above and to meet anticipated contractual commitments. The Board currently estimates that this reserve will not exceed £25 million, but will be subject to downward change throughout the realisation process.

It is not the Company's current intention to use gearing during the wind-down and the Board will not borrow unless required to do so for short term working capital purposes (for example, where the cash reserve is not sufficient to meet a contractual commitment).

4. Risks Associated with Amendments to the Investment Policy

Only those risks which are material and currently known to the Company are disclosed below. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems to be immaterial, may also have an adverse effect on the Company.

There is no guarantee that the change to the Company's investment objective and policy will provide the returns or realise the capital implied by the Net Asset Value. There can be no guarantee that the Company will achieve its new investment objective.

The majority of the Company's equity investments are minority stakes in small and medium-sized unquoted companies, or investments in private equity funds, which by their nature entail a higher level of risk and lower liquidity than investments in large quoted companies. The equity investments in small and medium-sized unquoted companies in the Company's portfolio are also generally less valuable unless all or the majority of shareholders agree to sell alongside each other.

As investments are sold it is likely that the portfolio will become less diverse and more concentrated in fewer sectors.

The proposed change of investment strategy would result in the Company becoming reliant on the investment team's ability to dispose of investments in order to realise capital for Shareholders.

Events such as economic recession or general fluctuations in stock markets and interest rates may affect the valuation of investee companies, the timing of the wind-down and consequently the distribution of cash to Shareholders.

PART III

TEXT OF THE REQUISITION

The content of the requisition of general meeting from the Concert Party is set out below:

To: The Board of LMS Capital Plc
100 George Street
London
W1U 8NU

17 October 2011

Dear Sirs

LMS Capital Plc (the 'Company')
Company number: 5746555

We, the undersigned, being members representing at least 5 per cent. of the total voting rights of all the members entitled to vote at general meetings of the Company, require the directors to call a general meeting of the Company.

The purpose of the meeting will be to consider the strategy to be pursued by the Company and the position of the Hon. Robert Rayne as a director of the Company.

We require that members are asked to decide whether they agree that the Company should:

- (i) distribute surplus cash periodically to shareholders in a tax efficient manner with due regard to shareholders' tax circumstances;
- (ii) manage its affairs such that existing capital commitments are ultimately eliminated;
- (iii) pursue a policy of asset realisation with a view to returning capital to members over as short a time period as practicable, having due regard to the maximisation of shareholder value;
- (iv) refrain from committing capital to any new investments; and
- (v) give the board discretion to make additional investments in existing assets in order to protect shareholder value.

In addition, we require that members are asked whether they agree that Mr Rayne should remain on the board as a director of the Company.

At the meeting, shareholders should be asked to indicate by way of vote whether they agree or disagree with each of the above propositions. We require voting by way of poll and proxy voting to be available in the usual way.

Yours faithfully

Authorised signatory
HSBC Global Custody Nominee (UK) Limited
Acting as nominee for and on behalf of Withers Trust Corporation Limited and James McCarthy as trustees of the Lord Rayne Will Trust

Authorised signatory
HSBC Global Custody Nominee (UK) Limited
Acting as nominee for and on behalf of Withers Trust Corporation Limited as trustee of the Lord Rayne 2nd Family Settlement

Authorised signatory
HSBC Global Custody Nominee (UK) Limited
Acting as nominee for and on behalf of Withers Trust Corporation Limited as trustee of the Lord Rayne
3rd Family Settlement

PART IV
DEFINITIONS

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

“Board”	the board of directors of the Company
“Circular”	this document
“Committee”	has the meaning given in section 2 of Part I of the Circular
“Company”	LMS Capital plc
“Company’s Registrar”	Capita Registrars, the Company’s registrar
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
“Euroclear”	Euroclear UK & Ireland Limited
“Form of Proxy”	the Form of Proxy for use at the General Meeting or at any adjournment thereafter
“FSA”	the UK Financial Services Authority
“General Meeting”	the General Meeting of the Company convened and to be held at 11.00 a.m. on 30 November 2011, notice of which is set out at the end of this document
“Independent Directors”	the Company’s directors other than Robert Rayne
“Investment Policy Resolution”	has the meaning given in section 2 of Part 1 of the Circular
“Listing Rules”	the listing rules made by the FSA under section 73A of the Financial Services and Markets Act 2000 (as amended from time to time)
“Net Asset Value”	the value of the assets of the Company less its liabilities determined in accordance with the accounting policies and principles adopted by the Company and set out in its annual report
“Ordinary Shares”	ordinary shares of 10 pence each in the share capital of the Company
“Rayne Concert Party”	means Withers Trust Corporation, Robert Rayne the Chairman of the Company, certain members of his family and related trusts and certain other shareholders, together holding, in aggregate, approximately 37 per cent. of the Ordinary Shares
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the notice of General Meeting at the end of this document
“Regulatory Information Service”	any information service authorised from time to time by the FSA for the purpose of disseminating regulatory announcements
“Shareholders”	holders of Ordinary Shares

LMS CAPITAL PLC

(a company incorporated under the laws of England and Wales under registration number 05746555)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of LMS Capital plc (the “**Company**”) will be held at **One Vine Street, London, W1 0AH** at 11.00 a.m. (London time) on 30 November 2011 for the purposes of considering and, if thought fit, adopting the following resolutions of the Company at the General Meeting or any adjournment thereof:

ORDINARY RESOLUTIONS

1. THAT the proposed revised investment policy set out in paragraphs 2 and 3 of Part II of the Company’s Circular dated 7 November 2011 be and is hereby approved and adopted with immediate effect as the Company’s investment policy in place of the Company’s existing investment policy.
2. THAT
 - (i) the Company distribute surplus cash periodically to shareholders in a tax efficient manner with due regard to shareholders’ tax circumstances.
 - (ii) the Company manage its affairs such that existing capital commitments are ultimately eliminated.
 - (iii) the Company pursue a policy of asset realisation with a view to returning capital to members over as short a time period as practicable, having due regard to the maximisation of shareholder value.
 - (iv) the Company refrain from committing capital to any new investments.
 - (v) the Board have discretion to make additional investments in existing assets in order to protect shareholder value.
3. THAT Robert Rayne should remain on the Board as a director of the Company.

By order of the Board

Matthew Jones
Secretary

7 November 2011

Registered Office:
100 George Street
London
W1U 8NU

A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend and vote in his or her stead. A proxy need not also be a member of the Company. To be effective, forms of proxy must be lodged with the Company’s Registrar, Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not less than 48 hours before the time appointed for holding the meeting. Lodgement of the form of proxy will not preclude a shareholder from attending the meeting and voting in person.

The resolutions are ordinary resolutions. This means that for the resolutions to be passed, a simple majority of the votes cast must be in favour of the resolution.

NOTES

1. 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 28 November 2011 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 and 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 28 November 2011 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.
2. Voting at the meeting will be done by poll. On a poll, each shareholder has one vote for every share he or she holds. The results of the voting on the Resolutions shall be made available on the Company's website www.lmscapital.com and via a Regulatory Information Service.
3. As at 4 November 2011 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 272,674,285 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 4 November 2011 are 272,674,285.
4. Members are entitled to appoint a proxy, or if the member is a corporation, a corporate representative, to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy or corporate representative in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's registrar, Capita Registrars at PXS, The Registry, 34 Beckenham Road, Beckenham Road, Kent, BR3 4TU.
5. To be valid, any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand to the Company's registrar, Capita Registrars at PXS, The Registry, 34 Beckenham Road, Beckenham Road, Kent, BR3 4TU. A member can also appoint a proxy online using the service provided by the Company's registrars website www.capitashareportal.com or if they are a CREST member they can use the electronic proxy service provided by Euroclear (see further below). In each case, the proxy form or other instrument appointing a proxy must be received no later 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. Forms of Proxy may not be submitted via the Company's website or via any email address set out in the Company's website.
6. The valid appointment of proxy will not prevent a shareholder attending the meeting, or any adjournment thereof, and voting in person if he/she wishes to do so.
7. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
8. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 4 and 5 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
9. 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 (available via www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a 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.
10. In order for a proxy appointment or instruction made using the CREST service 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 instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's registrar, 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 registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
11. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. 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, 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
12. 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.
13. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
14. A copy of this notice, and other information required by s311A of the Companies Act 2006, can be found within the investor relations part of the Company's website, www.lmscapital.com.

