

**This document is important and requires your immediate attention.** If you are in any doubt as to any aspect of the proposals in this document or the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other independent professional adviser. If you have sold or otherwise transferred all your shares in the Company, please forward this document, and the enclosed Form of Proxy, as soon as possible to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass this document to the person who now holds the shares.



the **Local Shopping** reit plc

## Notice of Annual General Meeting

**The Local Shopping REIT plc (company number 05304743) (the “Company”)**

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “**Meeting**”) of the Company will be held at the offices of Locke Lord (UK) LLP, 201 Bishopsgate, London EC2M 3AB on Thursday 26th March 2020 at 11.00am, for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as to resolutions 1 to 6 as ordinary resolutions and as to resolutions 7 and 8 as special resolutions.

The Directors consider that all the resolutions to be put to the Meeting are in the best interests of the Company and its shareholders as a whole and unanimously recommend shareholders to vote in favour of all the proposed resolutions.

### Ordinary Business

- 1 To receive and adopt the report of the directors and the financial statements of the Company for the financial year ended 30 September 2019, together with the report of the Auditors.
- 2 To approve the Remuneration Policy, contained in the Remuneration Report section of the report of the directors and the financial statements for the financial year ended 30 September 2019.
- 3 To approve the Remuneration Implementation Report, contained in the Remuneration Report section of the report of the directors and the financial statements for the year ended 30 September 2019.
- 4 To elect Duncan Soukup as a director.
- 5 To elect Gareth Edwards as a director.
- 6 To re-appoint Jeffreys Henry LLP as auditors to the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company, and to authorise the directors to determine their remuneration.

### Special Business

- 7 THAT, as permitted by section 307A of the Companies Act 2006 (the “**Act**”), any general meeting of the Company (other than the Annual General Meeting of the Company) shall be called by notice of at least 14 clear days in accordance with the provisions of the articles of association of the Company provided that the authority of this resolution shall expire on the conclusion of the next Annual General Meeting of the Company to be held in 2021.
- 8 THAT, the Company’s Articles of Association shall be amended by adding a new Article 115A after the end of Article 115, as follows:

“ARTICLE 115A - RESOLUTIONS FOR THE APPOINTMENT OF INDEPENDENT DIRECTORS

115A.1 Notwithstanding the provisions of Article 115, any resolution for appointment or reappointment or election or re-election of any independent director (being a director whom the Company has determined to be independent under the UK Corporate Governance Code) by shareholders must be approved in general meeting by:

115A.1.1 the shareholders of the Company; and

115A.1.2 the shareholders of the Company who are independent of any controlling shareholder of the Company (as such term is defined in the Listing Rules) and any person acting in concert with (as such term is defined in the Listing Rules) such controlling shareholder.

115A.2 If the appointment or reappointment or election or re-election of an independent director is not approved by both the shareholders and the Independent shareholders of the Company in accordance with Article 115A.1, but the company wishes to propose that person for appointment or reappointment or election or re-election as an independent director, the Company shall propose a further resolution to appoint or reappoint or elect or re-elect the proposed independent director which: (a) must not be voted on within a period of 90 days from the date of the original vote; (b) must be voted on within a period of 30 days from the end of such 90 day period; and (3) must be approved by the shareholders of the Company.

115A.3 Any director who is proposed for appointment or reappointment or election or re-election in accordance with Article 115A.2 may remain in office until the resolution required under Article 115A.2 has been voted on.

115A.3 Articles 115A.1 to 115A.3 (inclusive) shall only have effect during such times as (a) the Company's shares are admitted to the premium segment of the Official List of the Financial Conduct Authority; and (b) the Company has a controlling shareholder."

BY ORDER OF THE BOARD

**William A Heaney**

Company Secretary

The Local Shopping REIT plc

Company Number 05304743

**24 February 2020**

Registered Office

Eastleigh Court

Bishopstrow

Warminster

BA12 9HW

#### **Notes on the Resolutions**

**Resolution 1** relates to the requirement for the directors to present the report of the directors and the accounts of the Company to shareholders at the Meeting. The report of the directors, the accounts and the report of the Company's Auditors on the accounts and on those parts of the directors' remuneration report that are capable of being audited are contained within the 2019 Annual Report.

**Resolution 2** relates to the approval of the Company's remuneration policy. The regime for the reporting and approval of directors' remuneration requires a binding shareholder resolution on the Company's remuneration policy. This was previously approved at the Annual General Meeting in 2017.

**Resolution 3** relates to the requirement for an annual advisory vote on the implementation of the Company's remuneration policy in terms of the payments and share awards made to directors during the year. Details of these are contained in the Remuneration Report section of the report of the directors and the financial statements for the financial year ended 30 September 2019.

**Resolutions 4 and 5** relate to the requirement of Article 118 of the Company's Articles of Association that any director appointed by the board of directors retire from office at the next annual general meeting, being then eligible for re-election by the members.

Since Duncan Soukup and Gareth Edwards were each appointed on 4 October 2019, each will retire at the Meeting and are standing for re-election by the shareholders for the first time.

In compliance with the UKLA Listing Rules relating to controlling shareholders, the re-election of Gareth Edwards as the independent non-executive director must be approved by a majority of both: (1) the shareholders of the Company; and (2) the independent shareholders of the Company (that is the shareholders other than Thalassa Holdings Ltd and its concert parties). For the purposes of the UKLA Listing Rules, Thalassa Holdings Ltd is a controlling shareholder as a result of it holding 21,021,277 shares in the Company on Friday 21 February 2020 (the last available day before printing of this notice). Resolution 5 is proposed as an ordinary resolution and can be voted on by all shareholders of the Company. However, in addition to this, the votes cast by independent shareholders will be counted separately in order to assess whether the second tier of the test is satisfied.

In accordance with the UKLA Listing Rules, if resolution 5 is not approved by a majority of both shareholders of the Company and independent shareholders of the Company, the failed resolution may be put to the shareholders of the Company, at a general meeting, which must be held between 90 and 120 days from the date of the original vote (being 26th March 2020). In such circumstances, if the appointment of Mr Edwards has not been approved by both shareholders of the Company and independent shareholders of the Company, he will be treated as having been re-elected from the date of the original vote until either the date when he is re-elected, being the date of the subsequent general meeting, or the date of any announcement by the Board that Mr Edwards does not intend to stand for re-election. If a subsequent general meeting does not take place, the appointment will be treated as ceasing 120 days from the date of the original vote. If a subsequent general meeting does take place and the further resolution is approved, Mr Edwards will be treated as having been re-elected until the following annual general meeting of the Company. However, if at a subsequent general meeting the further resolution fails, his appointment will cease on that date.

**Resolution 6** relates to the requirement that the auditors of a company must be re-appointed at each general meeting at which accounts are laid. This Resolution seeks approval for the re-appointment of Jeffreys Henry LLP as auditors of the Company, to hold office until the conclusion of the next Annual General Meeting at which accounts are laid. Pursuant to this Resolution, Shareholders are also being asked to authorise the directors to determine the remuneration payable to Jeffreys Henry LLP as auditors.

**Resolution 7** authorises the holding of general meetings, other than Annual General Meetings, on 14 days' notice. Although the Articles currently permit this, the Act requires a shareholder resolution to be passed to authorise general meetings to be held on 14 days' notice. The minimum notice period for general meetings would otherwise be 21 days. The directors would not make use of the reduced notice period unless they considered this to be in the best interests of members as a whole.

Resolution 7 will be proposed as a special resolution.

**Resolution 8** proposes an amendment to the Company's Articles of Association in order to provide, in accordance with the UKLA Listing Rules, a dual-track approval requirement for elections and re-elections of independent directors, that the election or re-election of any independent directors of the Company must be approved by a majority of both: (1) the shareholders of the Company; and (2) the independent shareholders of the Company (presently, that is the shareholders other than Thalassa Holdings Ltd and its concert parties). The text of the proposed new Article 115A to be added to the Company's Articles of Association is set out within the text of the resolution numbered 8 above in the notice of Meeting. Article 115A will only apply for such times as the Company is a premium listed company and has a controlling shareholder.

Resolution 8 will be proposed as a special resolution.

#### General Notes

- 1 As permitted by section 360B(3) of the Act and Regulation 41 of the Uncertificated Securities Regulations 2001, shareholders must be entered on the Company's share register at 6.30 p.m. on Tuesday 24 March 2020 in order to be entitled to attend and vote at the Meeting (or, if the Meeting is adjourned, on the Company's share register at 6.30 p.m. on the day two business days before the time fixed for the adjourned Meeting). Such shareholders may only cast votes in respect of shares held at such time. Changes to entries on the relevant register after that time shall be disregarded in determining the rights of any person to attend or vote at the Meeting.
- 2 Any member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies (who need not be a member of the Company) to attend and to vote instead of the member. Completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person, should he subsequently decide to do so. A form to be used for appointing a proxy or proxies for this meeting to vote on your behalf accompanies this Notice.
- 3 A body corporate which is a member of the Company may appoint one or more corporate representatives to exercise all the powers of a shareholder on its behalf, provided that representatives of the same corporation do not exercise their powers differently in relation to the same shares.
- 4 In order to be valid, any form of proxy and power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority, must reach the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, BN99 6DA, not less than 48 hours before the time of the Meeting or of any adjournment of the Meeting.
- 5 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual on the Euroclear website ([www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or 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 issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in this Notice. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. 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. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 6 Persons with information rights under section 146 of the Act do not have the right to appoint a proxy. Any purported exercise by such persons (whether by completion and return of a form of proxy, or otherwise) will be ineffective. Such persons may, however, have specific rights to instruct the member who granted the information rights as to how such member exercises their right to appoint a proxy.
- 7 Any member attending the Meeting is entitled, pursuant to section 319A of the Act, to ask any question relating to the business being dealt with at the Meeting. The Company will answer any such questions unless: (i) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; or (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
- 8 The total number of Ordinary Shares in issue as at 24 February 2020, the last practicable date before printing this document, was 31,861,494 Ordinary Shares and the total level of voting rights was 31,861,494, of which 9,164,017 were attached to shares held in treasury by the Company.
- 9 Pursuant to sections 527 to 531 and sections 338 and 338A of the Act: (i) a member or members having a right to vote at the meeting and holding at least 5 per cent. of total voting rights of the Company; or (ii) at least 100 members having a right to vote at the meeting where each holds, on average, at least £100 of paid up share capital may request the Company to:
  - (a) publish on its website, a statement setting out any matter that such member or members propose to raise at the Meeting relating to the audit of the Company's accounts (including the Auditors' report and the conduct of the audit) that are to be laid before the Meeting; and/or
  - (b) give notice of a resolution which may properly be moved and which such members intend to move at the Meeting; and/or
  - (c) include in the business of the Meeting any matter (other than a proposed resolution) which may properly be included in the business.

A request that the Company publish a statement on its website, as described in sub-paragraph (a) above, must either set out the statement in full or, if supporting a statement sent by another member, clearly identify the statement which is being supported, and be received by the Company at least one week before the Meeting. The Company must forward such a statement to the Company's Auditors no later than the time the statement is made available on the Company's website, and the statement may be dealt with as part of the business of the Meeting.

A request to give notice of a resolution which members intend to move at the Meeting, as described in sub-paragraph (b) above, must (i) identify the resolution of which notice is to be given; (ii) be authenticated by the person or persons making it; and (iii) be received by the Company not later than six weeks before the Meeting. The Company must circulate the resolution proposed to each member entitled to receive notice of the Meeting

A request for the inclusion of an item in the business of the Meeting, as described in sub-paragraph (c) above, must (i) identify the matter for inclusion; (ii) be accompanied by a statement setting out the grounds for the request; (iii) be authenticated by the person or persons making it; and (iv) be received by the Company not later than six weeks before the Meeting. The Company must include the matter proposed in the business to be dealt with at the Meeting. A member or members wishing to make requests as described in this note 9 must send the request, together with their name and address and share certificate number(s), to the Company using one of the following methods:

- In hard copy form to the Company Secretary, The Local Shopping REIT plc, Eastleigh Court, Bishopstrow, Warminster BA12 9HW;
- by email to the Company Secretary at [bill.heaney@lsreit.com](mailto:bill.heaney@lsreit.com); or

- 10** Copies of the service contracts and letters of appointment of each of the directors are available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) and at the place of the Meeting from at least 15 minutes prior to and until the conclusion of the Meeting.
- 11** A copy of this Notice together with other information required under the Act may be accessed on the Company's website [www.localshoppingreit.co.uk](http://www.localshoppingreit.co.uk). Any shareholders' statements, shareholders' resolutions and shareholders' matters of business received by the Company after the date of the Notice will be added to the information already available on the website as soon as reasonably practicable.
- 12** The results of the voting at the Meeting will be announced through the London Stock Exchange regulatory news service and will also appear on the Company's website.
- 13** You may not use any electronic address provided either in this Notice or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.