

LAKEHOUSE PLC (THE “COMPANY”)

**RESOLUTIONS PROPOSED BY SLATER INVESTMENTS
LIMITED AND STEVE RAWLINGS TO REMOVE THE
COMPANY’S EXISTING NON-EXECUTIVE DIRECTORS AND
TO APPOINT REPLACEMENT NON-EXECUTIVE DIRECTORS**

**Your Board UNANIMOUSLY recommends that
you VOTE AGAINST the Resolutions**

YOUR VOTE IS IMPORTANT!

Please lodge your Form of Proxy

NO LATER THAN

2.30 p.m. on 15 April 2016

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the Resolutions, the contents of this document, or as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank, solicitor, accountant, fund manager or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent professional adviser in the relevant jurisdiction.

If you sell, have sold or otherwise transferred all of your Lakehouse Shares you should send this document, but not the accompanying personalised Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or the transferee. However, the distribution of this document and/or the Form of Proxy into certain jurisdictions other than the United Kingdom may be restricted by law. Therefore, persons into whose possession this document and any accompanying documents come should inform themselves about, and observe, any such restrictions. If you sell or have sold or transferred only part of your holding of Lakehouse Shares you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.



LAKEHOUSE PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 9411297)

Notice of General Meeting

Notice of General Meeting in relation to Resolutions proposed by Slater Investments Limited and Steve Rawlings to remove the Existing Non-Executive Directors from the Board of Lakehouse plc and to appoint the Alternative Non-Executive Directors to the Board of Lakehouse plc in their place

The unanimous recommendation of the Board of Lakehouse plc to vote against the Resolutions

Your attention is drawn to the letter from the Chairman of Lakehouse plc (“Lakehouse” or the “Company”) on page 8 of this document which contains the unanimous recommendation of your Board that you vote against the Resolutions proposed by Slater Investments Limited and Steve Rawlings (together, the “Requisitionists” and each a “Requisitionist”) at the General Meeting and the reasons for such recommendation.

Notice of the General Meeting to be held at 2.30 p.m. on 19 April 2016 at the offices of Eversheds LLP, One Wood Street, London EC2V 7WS is set out at the end of this document. A Form of Proxy for use in connection with the General Meeting is enclosed with this document. Whether or not you intend to be present at the General Meeting, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed on it so as to be received by the Company’s registrars, Capita Asset Services, at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible, and in any event, no later than 2.30 p.m. on 15 April 2016 (or, in the case of an adjournment, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting). If you hold Lakehouse Shares in CREST and you wish to appoint a proxy or proxies for the General Meeting or any adjournment(s) thereof by using the CREST electronic proxy appointment service, you may do so by using the CREST proxy voting service in accordance with the procedures set out in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to that CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. **Proxies submitted via CREST (under CREST ID RA10) must be sent as soon as possible and, in any event, so as to be received by the Company’s registrars, Capita Asset Services, by no later than 2.30 p.m. on 15 April 2016 (or, in the case of an adjournment, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting).**

If you have any questions relating to this document, the General Meeting and/or the completion and return of the Form of Proxy, please telephone Capita Asset Services on 0871 664 0300. Calls cost 12p per minute plus your phone company’s access charge. If you are outside the United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales). Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

The completion and return of a Form of Proxy (or the electronic appointment of a proxy) will not preclude you from attending and voting in person at the General Meeting or any adjournment thereof, if you wish to do so and are so entitled.

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EXPECTED TIMETABLE OF EVENTS

Event	Date
Latest time and date for receipt of Forms of Proxy from Lakehouse Shareholders	2.30 p.m. on 15 April 2016
Voting Record Time for the General Meeting	6.00 p.m. on 15 April 2016
Time, date and location of the General Meeting	2.30 p.m. on 19 April 2016 at the offices of Eversheds LLP, One Wood Street, London EC2V 7WS

All references to time in this document (including the Notice of the General Meeting) and the accompanying Form of Proxy are to London time.

SUMMARY OF BOARD'S REASONS FOR ITS RECOMMENDATION

On 9 March 2016, your Board announced that it had received a notice from Slater Investments Limited and Steve Rawlings, both Lakehouse Shareholders, requiring the Company to convene a general meeting to consider resolutions to remove the three Existing Non-Executive Directors of the Company, being Chris Geoghegan, Jill Ainscough and Johnathan Ford, and to replace them with the three Alternative Non-Executive Directors, being Steve Rawlings, Ric Piper and Robert Legget. In addition, a further resolution was proposed to remove from office any person appointed by the Directors as an additional director pursuant to the Company's Articles of Association between the date of the requisition and the conclusion of the General Meeting.

The Board of Directors of Lakehouse UNANIMOUSLY recommends that Lakehouse Shareholders VOTE AGAINST the Resolutions at the General Meeting

WHY YOU SHOULD VOTE AGAINST THE REQUISITIONISTS' PROPOSALS

- **The Requisitionists have not provided any information in relation to their strategic vision for the Company**
 - Your Board has a clear and established strategy to grow the Lakehouse business based on organic growth and targeted, value-enhancing acquisitions
 - Slater Investments Limited bought into this strategy at the IPO and supported it at the recent AGM
 - The Requisitionists have not provided any alternative strategic vision for the Group
 - The Board believes the lack of any information as to the Requisitionists' plans exposes Lakehouse Shareholders to unknown strategic changes and has already damaged Lakehouse's commercial reputation
- **An independent Lakehouse Board, without any significant shareholder representation, represents the best corporate governance structure for Lakehouse Shareholders**
 - Your Board believes in the value of corporate governance and in maintaining an effective and diverse board of directors
 - Lakehouse is recognised as having good governance practices
 - Your Board already has three independent, skilled and experienced non-executive directors recruited through a rigorous process, and is currently seeking a fourth
 - In contrast, the Requisitionists' proposals would damage the Company's corporate governance structure, significantly reduce independence on your Board and ensure all non-executive directors were the Requisitionists' candidates, thereby providing a voice to a particular group of Lakehouse Shareholders
 - There is a concern as to whether Ric Piper would be able to devote sufficient time to Lakehouse (he is currently a partner at Restoration Partners Limited and already holds three non-executive directorships at other listed companies)
 - Your Board notes the relative lack of recent listed company board experience of Robert Legget
- **Steve Rawlings' lack of involvement in the Group and track record as a director since 2012, together with his lack of experience as a director of listed companies, does not suggest that he has the necessary skill set to be able to provide a meaningful contribution to the Board or the Group going forward**
 - Although nominally "Chief Executive", Steve Rawlings did not attend a single board meeting during the three years prior to the IPO and did not have any involvement with the board decisions taken relating to the strategic direction of the Group and its day-to-day operations
 - The Group has grown significantly and is now very different to when Steve Rawlings was actively involved in it: he has played no part in developing and executing the strategy that delivered that growth
 - He has limited experience of the two main, higher margin, growth areas of the Group's business, Compliance and Energy Services, and has had little involvement in the Construction and Regeneration divisions for nearly five years
 - Steve Rawlings would not be an independent director and has no listed company board experience making it difficult to justify his appointment based upon the criteria required by the UK Corporate Governance Code
- **The Requisitionists' actions have caused unnecessary disruption to, and uncertainty within, the operations of the business at a time when the Board wants to focus on the trading performance of the Group**
 - Slater Investments Limited voted in favour of the re-election of all Existing Non-Executive Directors and Steve Rawlings voted in favour of the re-election of Chris Geoghegan and Johnathan Ford at the recent AGM, only four days after the Trading Statement
 - The Requisitionists' actions have caused operational disruption and uncertainty amongst, and had a destabilising effect on, the Group's executive management team and other Group employees, customers, suppliers and other partners and stakeholders

SUMMARY OF BOARD'S REASONS FOR ITS RECOMMENDATION

REJECT THE REQUISITIONISTS' PROPOSALS

- Replacing all of the Existing Non-Executive Directors at this important time is wholly unnecessary and there is no evidence that any of the candidates proposed by the Requisitionists would add any significant new value to, or would introduce significant enhancements or improvements to, the Board and governance structure of the Company as it currently stands
- Instead, the Requisitionists' proposals would reduce independence on the Board, damage the Company's compliance with the UK Corporate Governance Code and provide a voice to one particular group of Lakehouse Shareholders in preference to others

HOW TO VOTE AGAINST THE REQUISITIONISTS' PROPOSALS

- A Form of Proxy for use at the General Meeting is enclosed with this document. Guidance on completing your Form of Proxy is set out on page 15 of this document
- Whether or not you intend to be present at the General Meeting, you should complete and sign the Form of Proxy in accordance with the instructions printed on it
- Please return the Form of Proxy so as to be received by Capita Asset Services, at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible and, in any event, no later than 2.30 p.m. on 15 April 2016
- Shareholders wishing to complete their paper Form of Proxy in line with the Board's recommendations should place an "X" in the boxes under the heading "Against"
- The completion and return of a Form of Proxy (or the electronic appointment of a proxy) will not preclude you from attending and voting in person at the General Meeting if you wish to and are so entitled
- If you hold Lakehouse Shares in CREST, you may appoint a proxy or proxies for the General Meeting by using the CREST proxy voting service in accordance with the procedures set out in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to that CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Proxies submitted via CREST (under CREST ID RA10) must be sent as soon as possible and, in any event, so as to be received by Capita Asset Services by no later than 2.30 p.m. on 15 April 2016

WHAT TO DO IF YOU HAVE QUESTIONS

- Please telephone Capita Asset Services on 0871 664 0300. Calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales). Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes

LETTER FROM THE CHAIRMAN

LAKEHOUSE PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 9411297)

Directors:

Chris Geoghegan (*Non-Executive Chairman*)
Stuart Black (*Chief Executive Officer*)
Jeremy Simpson (*Chief Financial Officer*)
Michael McMahon (*Executive Director*)
Jill Ainscough (*Non-Executive Director*)
Johnathan Ford (*Non-Executive Director*)

Registered Office:

1 King George Close
Romford
Essex
RM7 7LS

24 March 2016

Dear Lakehouse Shareholder

1. INTRODUCTION

On 9 March 2016, your Board announced that it had received a notice from Slater Investments Limited and Steve Rawlings, both Lakehouse Shareholders, requiring the Company to convene a general meeting to consider resolutions to remove the three Existing Non-Executive Directors of the Company, being Chris Geoghegan, Jill Ainscough and Johnathan Ford, and to replace them with the three Alternative Non-Executive Directors, being Steve Rawlings, Ric Piper and Robert Legget. In addition, a further resolution was proposed to remove from office any person appointed by the Directors as an additional director pursuant to the Company's Articles of Association between the date of the requisition and the conclusion of the General Meeting.

The purpose of this document is to explain why your Board unanimously recommends that you VOTE AGAINST the Resolutions.

This document contains the notice of the General Meeting, which is to be held at 2.30 p.m. on 19 April 2016 at the offices of Eversheds LLP, One Wood Street, London EC2V 7WS, at which the Resolutions will be considered.

2. BACKGROUND

On 1 February 2016, the Company issued the Trading Statement and the Board confirms that the Company remains on track to deliver its revised expectations for the current financial year.

At the Company's AGM on 5 February 2016, there was a full and frank discussion between the Board and Lakehouse Shareholders regarding the Company's annual report and accounts for the year ended 30 September 2015 and the Trading Statement. Steve Rawlings and members of his family attended the meeting and voted in favour of certain of the resolutions proposed (including the re-election of Chris Geoghegan and Johnathan Ford). Slater Investments Limited did not attend the meeting but voted in favour of the re-election of all of the directors of the Company (including the Existing Non-Executive Directors).

On 18 February 2016, Slater Investments Limited commenced a dialogue with the Company regarding its concerns in respect of the governance on the Lakehouse Board. The Board responded promptly and actively to these concerns and a series of meetings and discussions were held in order to understand and to try to resolve them.

LETTER FROM THE CHAIRMAN

On 8 March 2016, it was announced that Sean Birrane intended to step down as Chief Executive Officer with immediate effect and would resign from the Board. He was replaced by Stuart Black, who moved from Executive Chairman to Chief Executive Officer, with Chris Geoghegan, the Company's Senior Independent Non-Executive Director, becoming Non-Executive Chairman. The Company further announced that it had commenced a process to identify a further independent non-executive director to join the Board. In announcing the changes to the Board and its intention to appoint a further independent non-executive director, the Board took into account the views expressed by Slater Investments Limited regarding the governance and structure of the Board together with its own view that, given the change in Chief Executive Officer and Chairman, a degree of continuity on the Board was also important.

Following that announcement, later on 8 March 2016, Slater Investments Limited and Steve Rawlings served a notice under sections 168 and 303 of the Companies Act 2006, requiring the Company to convene the General Meeting to consider the Resolutions.

Your Board believes that the Resolutions and the General Meeting risk further destabilising the Company, creating potentially damaging uncertainty in relation to its future direction and undermining its reputation with customers, suppliers, employees and other partners and stakeholders. Furthermore, it constitutes an unnecessary distraction to the Company's executive management team at this important time as they seek to focus on the twin tasks of getting the business back on track and increasing value for all Lakehouse Shareholders.

3. REASONS FOR THE BOARD'S RECOMMENDATION TO VOTE AGAINST THE RESOLUTIONS

Your Board unanimously recommends that you VOTE AGAINST the Resolutions for the following reasons:

3.1 *The Requisitionists have not provided any information in relation to their strategic vision for the Company*

Your Board has a clear and established strategy to grow the Lakehouse business based on organic growth supplemented by targeted, value-enhancing acquisitions in its four divisions of Regeneration, Compliance, Energy Services and Construction. This was clearly articulated in the prospectus produced in connection with its IPO, reiterated in the annual report and accounts for the year ended 30 September 2015 and has not changed since, with five acquisitions having been completed since the IPO. Our ultimate aim is to create a sustainable business that delivers profitable growth, whilst being robust throughout the changing economic cycle. We are seeking to do this by building and developing a diversified business which is less susceptible to challenges in a particular geographic region, commercial market or service area. We are seeking to improve the visibility of revenues and profits by building an order book based on frameworks and have invested time and money in enhancing the visibility of our opportunity pipeline. The Board is integrating the businesses already acquired and, in parallel, intends to deliver improved returns with a particular focus on higher margin areas, such as Compliance and Energy Services, and to increase self-delivery with the aim of building further resilience into the Group's business model.

Slater Investments Limited bought into the Board's strategy, as articulated above, by investing in the Company at the time of the IPO and then supporting it by voting in favour of the adoption of the annual report and accounts for the year ended 30 September 2015 (in which that strategy was reiterated) and the re-election of the entire Board (which is

LETTER FROM THE CHAIRMAN

implementing that strategy) at the AGM on 5 February 2016, some four days after the Trading Statement.

In contrast, the Requisitionists have not provided any indication as to whether they consider that a deviation from the current strategic direction of the Group is necessary. Your Board believes that the lack of any information as to the Requisitionists' plans and intentions in respect of the future strategic direction of the Group exposes Lakehouse Shareholders to unknown strategic changes and risks further damaging Lakehouse's reputation with customers, suppliers, employees and other partners and stakeholders.

3.2 ***An independent Lakehouse Board, without any significant shareholder representation, represents the best corporate governance structure for Lakehouse Shareholders***

The UK Corporate Governance Code requires listed companies to have a formal, rigorous and transparent procedure for the appointment of new directors and the search for board candidates should be conducted, and appointments made, on merit against objective criteria. In addition, boards of directors of listed companies should have the appropriate balance of skills, experience, independence and knowledge to enable them to discharge their duties and responsibilities as directors effectively. Furthermore, directors of listed companies should be able to allocate sufficient time to discharge their responsibilities effectively.

Your Board firmly believes in the value of corporate governance, in maintaining a sound framework for the control and management of the Company and its subsidiaries, as well as in maintaining an effective and diverse (both in terms of gender and experience) board of directors in compliance with the UK Corporate Governance Code set out above. Moreover, we consider that the current Board structure (as it will be supplemented and enhanced by an additional independent non-executive director with the necessary listed company experience and appointed following a rigorous and properly managed recruitment process) is the right one for Lakehouse as a listed company going forward.

Your Board considers that the interests of Lakehouse Shareholders are best served by a Board that is wholly independent of, free from significant influence from, and which does not represent the narrow interests of, any significant Lakehouse Shareholder or shareholding group. Indeed, your Board notes that the Company is recognised by the main proxy advisers covering the London stock market as having good governance practices and that ISS, the world's largest proxy adviser, recommended that Lakehouse Shareholders vote in favour of the re-election of the existing Directors at the last AGM because "no major corporate governance concerns have been identified".

It is interesting to note that, while Slater Investments Limited has concerns about the governance on the Lakehouse Board, its proposed Resolutions actually reduce the level of independence on the Board going forward to just two independent non-executive directors, representing only a third of the board rather than the half today, with the majority of the directors being executives or former employees; furthermore, all of the Company's non-executive directors would have been proposed by the Requisitionists. Under their proposals, the composition of all of the board committees would also no longer be compliant with the requirements of the UK Corporate Governance Code. The Requisitionists' proposal is in marked contrast to Lakehouse's announcement on 8 March 2016 of its intention to appoint a fourth independent non-executive director.

LETTER FROM THE CHAIRMAN

At present, your Board comprises appropriately skilled and experienced directors who were carefully selected through a rigorous recruitment process in connection with the Company's IPO. In particular, the Company has a highly experienced, independent non-executive Chairman in Chris Geoghegan, supported by both Jill Ainscough and Johnathan Ford, who are both independent and bring to the Board considerable experience, knowledge and expertise.

Furthermore, your Board seeks to promote and maintain board diversity and therefore considers the proposed removal of Jill Ainscough, who brings extensive public sector experience to the Board, to be poorly thought through and a retrograde step in this respect. All of the Existing Non-Executive Directors are independent, understand and respect their duties, responsibilities and obligations as directors of a listed company and take such matters very seriously.

The proposed appointment of the Alternative Non-Executive Directors in the absence of a rigorous recruitment process means the Board's only knowledge of Ric Piper and Robert Legget is based on what is publicly available. However, your Board notes that Ric Piper is currently a partner at Restoration Partners Limited and already holds three non-executive directorships at other listed companies. The Board has concerns as to whether he has sufficient time to dedicate to a fifth senior board position. In addition, the Board notes the relative lack of recent listed company directorships and board experience of Robert Legget.

Your Board has always been, and will continue to be, open to dialogue with all Lakehouse Shareholders. In our opinion, replacing all of the Existing Non-Executive Directors at this important time is wholly unnecessary and there is no evidence that any of the Requisitionists' candidates would add any significant new value to, or would introduce significant enhancements or improvements to, the Board and governance structure of the Company as it currently stands. Instead, the Requisitionists' proposals would reduce independence on the Board, damage the Company's compliance with the UK Corporate Governance Code and provide a voice to one particular group of Lakehouse Shareholders in preference to other Lakehouse Shareholders.

3.3 *Steve Rawlings' lack of involvement in the Group and track record as a director since 2012, together with his lack of experience as a director of listed companies, does not suggest that he has the necessary skill set to be able to provide a meaningful contribution to the Board or the Group going forward*

As stated above, the UK Corporate Governance Code requires that appointments to the boards of directors of listed companies should be made on merit against objective criteria and that such directors should have the appropriate balance of skills, experience, independence and knowledge to discharge their responsibilities effectively.

Whilst respecting the significant contribution that Steve Rawlings has made to the Group as the founder of the original Lakehouse business and its Chief Executive in the period prior to 2012, in the opinion of your Board, since that time there is nothing in his involvement and track record as a director which would suggest that he has the necessary skill set to be able to provide a meaningful contribution to the Board and the Group more widely on an ongoing basis.

LETTER FROM THE CHAIRMAN

In reality, Steve Rawlings had little involvement in the business and operations of the Lakehouse group of companies for a number of years prior to the IPO. Although a director of Lakehouse Holdings Limited (the previous parent company of the Group prior to the IPO) and nominally its “Chief Executive”, Steve Rawlings did not attend a single board meeting during the three years prior to the IPO and, as a result, did not have any involvement in the board decisions taken in relation to the current strategic direction of the Group. Similarly, he did not participate in the decision-making process concerning the Group’s day-to-day operations over the same period, instead preferring to focus his attention on his charitable activities whilst Stuart Black (invited by Steve Rawlings in 2008 to formulate a new business plan and growth strategy for the Group) and the current executive management team continued to hone, develop and implement the Group’s strategy. Furthermore, while he was nominally “Chief Executive”, he had no involvement, either in the selection of the relevant businesses to be acquired or in their integration, in the five acquisitions undertaken by the Group between October 2011 and the IPO in March 2015 and which have materially changed the breadth of the Group’s service capabilities.

At the time Steve Rawlings last attended a board meeting in February 2012, the Group had only approximately 500 employees and operated from just two offices. Since then, the Group has increased in size significantly, today employing approximately 2,400 people and operating from 35 offices across the UK; while founder of the original Lakehouse business nearly 30 years ago, Steve Rawlings has actually played no part in the development of the Group’s strategy which has delivered this growth through the acquisition of ten other businesses. This lack of engagement, combined with the fact that he has limited experience of the two main, higher margin, growth areas of the Group’s business, Compliance and Energy Services, and that he has had little day-to-day involvement in the Construction and Regeneration divisions for nearly five years, leads the Board to believe that he could not be expected to provide any meaningful insight into the future strategic direction of the Group or its day-to-day operations going forward.

Furthermore (and unlike the Existing Non-Executive Directors of the Company), he has no other listed company, or analogous or representative, board experience or expertise on which to draw. This makes it difficult to justify his appointment as a director based on the criteria the Board is required to follow under the UK Corporate Governance Code which are designed to protect all shareholders and are supported by institutional investors in listed companies.

For the reasons set out above, the Board believes that Steve Rawlings does not have the necessary skills and experience to merit appointment as a non-executive director of a listed company. Moreover, as a consequence of his and members of his family’s shareholdings (representing approximately 21.6 per cent. of the issued share capital of the Company), the Board does not believe that, were he to be appointed, he would be an independent non-executive director of Lakehouse.

LETTER FROM THE CHAIRMAN

3.4 *The Requisitionists' actions have caused unnecessary disruption to, and uncertainty within, the operations of the business at a time when the Board wants to focus on the trading performance of the Group*

Your Board notes that the Requisitionists have proposed the Resolutions now despite the fact that, at the Company's AGM on 5 February 2016, some four days after the Trading Statement:

- Steve Rawlings and members of his family voted in favour of the resolutions to re-elect Chris Geoghegan and Johnathan Ford as non-executive directors of the Company; and
- Slater Investments Limited voted in favour of the re-election of all of the Existing Non-Executive Directors.

The Requisitionists' decision to raise issues with the composition of the Board now, less than two months after the AGM, has caused unnecessary disruption to the operations of the business at a time when the Board wants to focus on the trading performance of the Group.

Moreover, your Board believes that the potential implications of the Resolutions being passed go beyond simply the non-executive director representation on the board going forward: the Requisitionists' actions have already caused considerable uncertainty amongst, and had a destabilising effect on, the executive management team and other Group employees, customers, suppliers and other partners and stakeholders. Finally, in addition to the operational disruptions caused by the Requisitionists' actions, they have also caused the Company to incur substantial cost and expense in convening the General Meeting.

4. RECOMMENDATION

For the reasons set out above, the Board of Lakehouse considers that the Resolutions:

- **to remove the Existing Non-Executive Directors of the Company, being Chris Geoghegan, Jill Ainscough and Johnathan Ford;**
- **to replace them with the three Alternative Non-Executive directors, being Steve Rawlings, Ric Piper and Robert Legget; and**
- **to remove from office any person appointed by the Directors of the Company as an additional director pursuant to the Company's Articles of Association between the date of the requisition and the conclusion of the General Meeting,**

are, in each case, not in the best interests of the Company or Lakehouse Shareholders as a whole and the Board therefore unanimously recommends that all Lakehouse Shareholders **VOTE AGAINST the Resolutions, as all the Directors have irrevocably undertaken to do in respect of their aggregate beneficial holdings of 13,981,496 Lakehouse Shares (representing approximately 8.9 per cent. of the issued share capital of the Company).**

5. ACTION TO BE TAKEN

You will find, set out at the end of this document, a Notice convening the General Meeting, to be held at 2.30 p.m. on 19 April 2016 at the offices of Eversheds LLP, One Wood Street, London EC2V 7WS, at which the Resolutions will be considered. The full text of the

LETTER FROM THE CHAIRMAN

Resolutions is set out in the Notice. Voting at the General Meeting will be by poll and not on a show of hands and each Lakehouse Shareholder entitled to attend and who is present in person or by proxy will be entitled to one vote for each Lakehouse Share held.

You will find enclosed with this document a Form of Proxy for use at the General Meeting or any adjournment thereof. Whether or not you intend to be present at the General Meeting, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed on it so as to be received by the Company's registrars, Capita Asset Services, at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible, and in any event, no later than 2.30 p.m. on 15 April 2016 (or, in the case of an adjournment, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting).

Guidance on completing your Form of Proxy is set out on page 15 of this document.

If you hold Lakehouse Shares in CREST and you wish to appoint a proxy or proxies for the General Meeting or any adjournment(s) thereof by using the CREST electronic proxy appointment service, you may do so by using the CREST proxy voting service in accordance with the procedures set out in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to that CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Proxies submitted via CREST (under CREST ID RA10) must be sent as soon as possible and, in any event, so as to be received by the Company's registrars, Capita Asset Services, by no later than 2.30 p.m. on 15 April 2016 (or, in the case of an adjournment, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting).

Shareholders wishing to complete their paper Form of Proxy in line with the Board's recommendations should place an "X" in the boxes under the heading "Against".

If you have any questions relating to this document, the General Meeting and/or the completion and return of the Form of Proxy, please telephone Capita Asset Services on 0871 664 0300. Calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales). Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

The completion and return of a Form of Proxy (or the electronic appointment of a proxy) will not preclude you from attending and voting in person at the General Meeting (or any adjournment thereof) if you wish to do so and are so entitled.

The Board of Directors of Lakehouse UNANIMOUSLY recommends that all Lakehouse Shareholders VOTE AGAINST the Resolutions at the General Meeting.

Yours faithfully,

Chris Geoghegan
Chairman

GUIDANCE ON COMPLETING THE FORM OF PROXY

Your Board unanimously recommends that you VOTE AGAINST the Resolutions. To follow your Board's advice, you should complete the Form of Proxy as shown below:

LAKEHOUSE PLC – FORM OF PROXY – GENERAL MEETING

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 9411297)

For use at the General Meeting to be held at 2.30 p.m. on 19 April 2016 at the offices of Eversheds LLP, One Wood Street, London EC2V 7WS.

Bar Code:

I/We the undersigned being (a) member(s) of the above-named company (the "Company")/a person nominated by (a) member(s) of the above-named company (the "Company") to appoint a proxy pursuant to Article 33 of the Articles of Association of the Company *(delete as appropriate)* (see note 1 on the reverse), hereby appoint the Chairman of the General Meeting OR

Investor Code:

Event Code:

(delete as appropriate) (see note 3 on the reverse) as my/our proxy in respect of

ordinary shares (see note 3 on the reverse) to attend and vote for me/us and on my/our behalf at the General Meeting of the Company to be held on 19 April 2016 and at any adjournment thereof. Please indicate with an 'X' in the boxes below how you wish your votes to be cast. By signing this Form of Proxy, you are directing and authorising your proxy to vote on the resolutions as indicated. Should this Form of Proxy be returned signed but without specific direction, your proxy will vote (or abstain from voting) as he/she thinks fit and by signing this Form of Proxy you are directing and authorising your proxy to vote as he/she thinks fit, including in relation to any other matter(s) properly put before the General Meeting.

Please tick here if this proxy appointment is one of multiple appointments being made. For the appointment of more than one proxy, please see note 4 on the reverse.

STEP 1
If you want to follow your Board's recommendation, mark 'X' in the boxes as shown

Your vote counts – please use it

Please mark 'X' to indicate how you wish to vote

ORDINARY RESOLUTIONS

1. THAT Chris Geoghegan be and is hereby removed from office as a director of the Company.
2. THAT Jill Ainscough be and is hereby removed from office as a director of the Company.
3. THAT Johnathan Ford be and is hereby removed from office as a director of the Company.
4. THAT Steve Rawlings be and is hereby appointed a director of the Company.
5. THAT Ric Piper be and is hereby appointed a director of the Company.
6. THAT Robert Legget be and is hereby appointed a director of the Company.
7. THAT any person appointed by the Directors as an additional director pursuant to the Articles of Association of the Company between the date of the requisition and the conclusion of the General Meeting be and is hereby removed from office as a director of the Company.

For	Against	Vote Withheld
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

STEP 2 SIGN and DATE below

Signature

Date

STEP 3
Return by post or (during normal business hours only) by hand to Capita Asset Services, at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible and, in any event, no later than 2.30 p.m. on 15 April 2016 (or, in the case of an adjournment, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting).

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 5 February 2016
“Alternative Non-Executive Directors”	Steve Rawlings, Ric Piper and Robert Legget
“Board”	the current board of directors of the Company
“Company” or “Lakehouse”	Lakehouse plc, registered in England and Wales with registered number 9411297
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear is the operator (as defined in the Regulations)
“CREST Manual”	the CREST manual consisting of the CREST reference manual; CREST international manual; CREST central counterparty service manual; CREST rules; CCSS operations manual and CREST glossary of terms available at http://www.euroclear.com
“CREST Proxy Instruction”	a properly authenticated CREST message appointing and instructing a proxy to attend and vote in place of a Lakehouse Shareholder at the General Meeting and containing the information required to be contained in the CREST Manual
“Directors”	the directors of the Company whose names are set out on page 8 of this document
“Euroclear”	Euroclear UK & Ireland Limited
“Existing Non-Executive Directors”	Chris Geoghegan, Jill Ainscough and Johnathan Ford
“Form of Proxy”	the Form of Proxy enclosed with this document for use by Lakehouse Shareholders in connection with the General Meeting
“General Meeting”	the general meeting of the Company to be held at 2.30 p.m. on 19 April 2016 (and any adjournment thereof) for the purposes of considering and, if thought fit, passing the Resolutions
“Group”	the Company and its Subsidiaries following the IPO and Lakehouse Holdings Limited and its Subsidiaries prior to the IPO
“IPO”	the initial public offering of the Company in March 2015
“Lakehouse Shareholders”	holders of Lakehouse Shares

DEFINITIONS

“Lakehouse Shares”	the ordinary shares of 10 pence each in the capital of the Company, having the rights set out in the Company’s Articles of Association
“Notice”	the notice of the General Meeting set out on pages 18 to 21 (inclusive) of this document
“Regulations”	the Uncertificated Securities Regulations 2001 of the United Kingdom
“Requisitionists”	Slater Investments Limited and Steve Rawlings and “Requisitionist” shall be construed accordingly
“Resolutions”	the ordinary resolutions to be proposed at the General Meeting (and set out in the Notice contained in this document): <ul style="list-style-type: none">• to remove the three Existing Non-Executive Directors of the Company, being Chris Geoghegan, Jill Ainscough and Johnathan Ford;• to replace them with the three Alternative Non-Executive Directors, being Steve Rawlings, Ric Piper and Robert Legget; and• to remove from office any person appointed by the Directors of the Company as an additional Director pursuant to the Company’s Articles of Association between the date of the requisition and the conclusion of the General Meeting
“Subsidiary”	has the meaning given thereto in section 1159 of the Companies Act 2006
“Trading Statement”	the statement released on 1 February 2016 providing an update on the Group’s trading performance and outlook for the year ending 30 September 2016
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Corporate Governance Code”	the UK corporate governance code as published by the Financial Reporting Council
“pence”, “pounds sterling”, “sterling”, “£” or “p”	the lawful currency of the United Kingdom

All times referred to are London time unless otherwise stated.

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

NOTICE OF GENERAL MEETING

LAKEHOUSE PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 9411297)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of the shareholders of Lakehouse plc (the "Company") (the "General Meeting") will be held at 2.30 p.m. on 19 April 2016 at the offices of Eversheds LLP, One Wood Street, London EC2V 7WS, for the purpose of considering and, if thought fit, passing the following resolutions, each of which shall be proposed as ordinary resolutions:

ORDINARY RESOLUTIONS

1. THAT Chris Geoghegan be and is hereby removed from office as a director of the Company.
2. THAT Jill Ainscough be and is hereby removed from office as a director of the Company.
3. THAT Johnathan Ford be and is hereby removed from office as a director of the Company.
4. THAT Steve Rawlings be and is hereby appointed a director of the Company.
5. THAT Ric Piper be and is hereby appointed a director of the Company.
6. THAT Robert Legget be and is hereby appointed a director of the Company.
7. THAT any person appointed by the directors as an additional director pursuant to the Articles of Association of the Company between the date of the requisition of the General Meeting and the conclusion of the General Meeting be and is hereby removed from office as a director of the Company.

Dated: 24 March 2016

Registered office:

1 King George Close
Romford
Essex
RM7 7LS

By order of the Board

Simon Howell
Company Secretary

NOTES

Notes:

- (a) Under Article 33 of the Company's Articles of Association, a member can nominate someone else to exercise the right to appoint a proxy. A member who has nominated someone else to exercise the right to appoint a proxy should not complete a Form of Proxy. Any Forms of Proxy returned by such persons will be ineffective.
- (b) Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A proxy need not be a shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. If you do not have a Form of Proxy and believe that you should have one, please telephone Capita Asset Services on 0871 664 0300. Calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales). The appointment of a proxy does not preclude a shareholder from attending and voting in person if he or she wishes to do so.
- (c) Should you wish to appoint more than one proxy, (an) additional Form(s) of Proxy may be obtained by contacting Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, on 0871 664 0300. Calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales). Alternatively, please photocopy the Form of Proxy indicating on each copy the name of the proxy you wish to appoint, the number of shares in respect of which the proxy is appointed and the way in which you wish them to vote on the resolutions to be proposed. You should send all pages to Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Please also indicate by ticking the box on the Form of Proxy if you intend to appoint more than one proxy. The following principles shall apply in relation to the appointment of multiple proxies:
- (i) The Company will give effect to the intentions of shareholders and include votes wherever and to the fullest extent possible.
 - (ii) Where a proxy does not state the number of shares to which it applies (a "blank proxy") then, subject to the following principles where more than one proxy is appointed, that proxy is deemed to have been appointed in relation to the total number of shares registered in the name of the appointing shareholder (the "shareholder's entire holding"). In the event of a conflict between a blank proxy and a proxy which does state the number of shares to which it applies (a "specific proxy"), the specific proxy shall be counted first, regardless of the time it was sent or received (on the basis that, as far as possible, the conflicting Forms of Proxy should be judged to be in respect of different shares) and remaining shares will be apportioned to the blank proxy (pro rata if there is more than one).
 - (iii) Where there is more than one proxy appointed and the total number of shares in respect of which proxies are appointed is no greater than the shareholder's entire holding, it is assumed that proxies are appointed in relation to different shares, rather than that conflicting appointments have been made in relation to the same shares. That is, there is only assumed to be a conflict where the aggregate number of shares in respect of which proxies have been appointed exceeds the shareholder's entire holding.
 - (iv) When considering conflicting proxies, later proxies will prevail over earlier proxies, and which proxy is later will be determined on the basis of which proxy is last sent (or, if the Company is unable to determine which is last sent, last received). Proxies in the same envelope will be treated as sent and received at the same time, to minimise the number of conflicting proxies.
 - (v) If conflicting proxies are sent or received at the same time in respect of (or deemed to be in respect of) an entire holding, none of them shall be treated as valid.
 - (vi) Where the aggregate number of shares in respect of which proxies are appointed exceeds a shareholder's entire holding and it is not possible to determine the order in which they were sent or received (or they were all sent or received at the same time), the number of votes attributed to each proxy will be reduced pro rata.

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- (vii) Where the application of paragraph (vi) above gives rise to fractions of shares, such fractions will be rounded down.
- (viii) If a shareholder appoints a proxy or proxies and then decides to attend the General Meeting in person and vote, then the vote in person will override the proxy vote(s). If the vote in person is in respect of the shareholder's entire holding then all proxy votes will be disregarded. If, however, the shareholder votes at the General Meeting in respect of less than the shareholder's entire holding then if the shareholder indicates that all proxies are to be disregarded, that shall be the case; but if the shareholder does not specifically revoke proxies, then the vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding the shareholder's entire holding.
- (ix) In relation to paragraph (viii) above, in the event that a shareholder does not specifically revoke proxies, it will not be possible for the Company to determine the intentions of the shareholder in this regard. However, in light of the aim to include votes wherever and to the fullest extent possible, it will be assumed that earlier proxies should continue to apply to the fullest extent possible.
- (d) To be valid at the General Meeting, any Form of Proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be received by post or (during normal business hours only) by hand by Capita Asset Services, at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 2.30 p.m. on 15 April 2016 (or, in the case of an adjournment, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting).
- (e) Where the appointor is a corporation, the Form of Proxy, to be valid, must be executed either under its common seal or under the hand of an officer or attorney duly authorised in writing.
- (f) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose, seniority shall be determined by the order in which the names appear on the register of members of the Company in respect of the joint holding.
- (g) Only those shareholders registered in the register of members of the Company at 6.00 p.m. on 15 April 2016 (or, in the event of any adjournment, 6.00 p.m. on the date which is two days (excluding non-working days) prior to the adjourned meeting) shall be entitled to attend and vote at the General Meeting. Changes to the register of members and CREST transactions after that time will be disregarded and will not affect entitlements to attend and vote at the General Meeting and no transfers of securities in certificated form will be registered from that time until the close of the General Meeting.
- (h) In accordance with section 325 of the Companies Act 2006 (the "Act"), the right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the Act. Such rights can only be exercised by shareholders of the Company. Persons nominated to receive information rights under section 146 of the Act who have been sent a copy of this Notice are hereby informed, in accordance with section 149(2) of the Act, that they may have a right under an agreement with the registered shareholder by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for the General Meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the shareholder as to the exercise of voting rights. Nominated persons should contact the registered shareholder by whom they were nominated in respect of these arrangements.
- (i) Corporate shareholders may authorise a person or persons to act as representative(s) to attend, speak and vote on their behalf at the General Meeting by submitting a corporate representation letter. To assist with the registration process, a corporate representation letter should be presented to the Company's registrars, Capita Asset Services, for validation not later than 2.30 p.m. on 19 April 2016. More than one corporate representative may be appointed by a corporate shareholder, provided that each corporate representative has been appointed under a valid letter of representation. In accordance with the provisions of the Companies Act 2006, all such corporate representatives may exercise (on behalf of the corporate shareholder) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares as another representative of the same corporation.

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(j) Electronic proxy appointment through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual which can be viewed at 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 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 Ltd's specifications and must contain the information required for such instructions, as described in the CREST Manual, which can be viewed at www.euroclear.com. 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, Capita Asset Services (ID RA10), by 2.30 p.m. on 15 April 2016 (or, in the case of an adjournment, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting). 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. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Ltd 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.

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.

- (k) As at close of business on 23 March 2016 (being the last business day prior to publication of this Notice), the Company's issued share capital comprised 157,527,103 ordinary shares of 10 pence each carrying one vote each. Therefore, the total number of voting rights in the Company as at 23 March 2016 is 157,527,103.
- (l) Pursuant to section 319A of the Act, the Company must cause to be answered at the General Meeting any question relating to the business being dealt with at the General Meeting which is put by a shareholder attending the General Meeting, except in certain circumstances, including if it is undesirable in the interest of the Company or the good order of the General Meeting that the question be answered, if to do so would involve the disclosure of confidential information, or if the answer has already been given on a website in the form of an answer to a question.
- (m) A copy of this Notice and other information required by section 311A of the Act will be available on the Company's website www.lakehouse.co.uk.
- (n) You may not use any electronic address provided either in this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

