

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document, and/or the action which you should take, you should seek advice from an independent financial adviser authorised under the Financial Services and Markets Act 2000, or an appropriately authorised independent financial adviser if you are outside the United Kingdom.

If you have sold or otherwise transferred all of your Shares in the Company please forward this document, together with the accompanying Form of Proxy, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the transfer or sale was effected, for transmission to the purchaser or transferee.

SECURITY RESEARCH GROUP PLC

(a company incorporated and registered in England and Wales with registration number 3170812)

Notice of a General Meeting and proposed cancellation of admission of the Company's Shares to trading on AIM

You are recommended to read the whole of this document but your attention is drawn, in particular, to the Chairman's letter to Shareholders which is set out on pages 4 to 8 of this document. This letter explains the background to and reasons for the proposed Cancellation and contains a recommendation that you vote in favour of the resolution to be proposed at a General Meeting of the Company.

Notice of the General Meeting of the Company to be held at 9.30 a.m. on 18 December 2014 is set out at the end of this document. Any relevant announcements (and any other relevant document and any other information published) will be made available via the Company's website at www.srgroupplc.com and any announcement will also be made via a Regulatory Information Service, however please be aware that any notifications on the Company's website will not constitute a summary of this document and should not under any circumstances be used as a substitute for reading it in full.

A Form of Proxy for use by Shareholders at the General Meeting is enclosed with this document. **To be valid, the Form of Proxy must be completed, executed and returned in accordance with the instructions printed thereon so as to be received by the Company's agent, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF, by not later than 9 a.m. on 16 December 2014.** Completion and return of the Form of Proxy will not prevent Shareholders from attending and voting at the General Meeting in person should they wish to do so.

This document should not be forwarded or transmitted in or into or from the United States, Canada, Australia, Japan, South Africa or the Republic of Ireland or any other jurisdiction if to do so would constitute a violation of the relevant laws of such a jurisdiction. The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or the accompanying Form of Proxy comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of the jurisdiction in question.

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EXPECTED TIMETABLE OF EVENTS

Despatch of this document	26 November 2014
Latest time for receipt of Form of Proxy for the General Meeting	9 a.m. on 16 December 2014
General Meeting to be held	9.30 a.m. on 18 December 2014
Last day of dealings of Shares on AIM	29 December 2014
Expected cancellation of trading of Shares on AIM	7 a.m. on 30 December 2014

Each of the times and dates above is subject to change. Any such change will be notified by an announcement on a Regulatory Information Service.

DEFINITIONS

“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange
“Audiotel”	Audiotel International Limited
“Cancellation” or “Delisting”	the cancellation of admission of the Shares to trading on AIM becoming effective in accordance with Rule 41 of the AIM Rules
“City Code”	the City Code on Takeovers and Mergers
“Company” or “SRG”	Security Research Group PLC
“Directors” or “Board”	the directors of the Company whose names appear on page 4 of this document
“Form of Proxy”	the form of proxy enclosed with this document for use by Shareholders in connection with the General Meeting
“General Meeting”	the general meeting of the Company to be held on 18 December 2014 at 9.30 a.m., convened by the relevant notice set out at the end of this document
“Moore & Buckle”	Moore & Buckle (Flexible Packaging) Limited
“PSG”	PSG Franchising Limited
“Resolution”	the special resolution regarding Delisting to be voted on by Shareholders at the General Meeting
“London Stock Exchange”	London Stock Exchange plc
“Shares”	ordinary shares of 20p each in the share capital of the Company
“Shareholders”	shareholders of the Company

LETTER FROM THE CHAIRMAN

SECURITY RESEARCH GROUP PLC

(a company incorporated and registered in England and Wales with registration number 3170812)

Directors

Jonathan Mervis (*Chairman*)
John Warwick (*Financial Director*)
Tweedie Brown (*Deputy Chairman*)
Bernie Connor (*Group Chief Executive*)
David Holme (*Non-executive Director*)

Registered office

Security Research Group PLC
133 Ebury Street
London
SW1W 9QU

26 November 2014

To the Shareholders (and, for information purposes only, to holders of options to subscribe for Shares)

Dear Shareholder,

Notice of a General Meeting and proposed cancellation of admission of the Shares to trading on AIM

Introduction

The Directors have recently undertaken a review of the benefit of the Shares continuing to be traded on AIM. Having completed this review, which included consultation with the Company's advisers and Shareholders holding approximately 69.07 per cent. of the Company's issued share capital, your Directors have concluded that it is in the best interests of the Company and its Shareholders as a whole for admission of the Shares to trading on AIM to be cancelled.

The AIM Rules provide that Cancellation be conditional upon the approval of the Resolution by not less than 75 per cent. of the votes cast, whether in person or by proxy, by Shareholders in a general meeting. The Company has received irrevocable undertakings to vote in favour of the Resolution in respect of 69.07 per cent. of the Company's issued share capital. On the basis that the Resolution is approved, the Directors have notified the London Stock Exchange, pursuant to Rule 41 of the AIM Rules, that 30 December 2014 is the preferred date of Cancellation.

The purpose of this document is to explain why the Directors consider the proposal to be in the best interests of the Company and its Shareholders as a whole and to recommend that you vote in favour of the Resolution required to implement the proposal at the General Meeting scheduled to take place at 9.30 a.m. on 18 December 2014, notice of which is enclosed at the end of this document.

Background to and reasons for the proposed Cancellation

Since November 2005, when Jonathan Mervis was appointed Executive Chairman, the Company's strategy has been to rationalise and improve the performance of its constituent businesses, PSG, Audiotel and Moore & Buckle.

Following a review of these businesses, the Board has determined that the best available route for Shareholders is for the Company to pursue a strategy of disposing of each of these businesses, with the intention of distributing or returning to Shareholders surplus cash over the next three years. The Company is not looking to make further acquisitions, hence it has no need to raise further capital or to issue further Shares. Therefore the Company's main purpose for being admitted to trading on AIM has fallen away and, as a result, the Directors feel it is no longer beneficial for SRG or its Shareholders for the Company to continue to incur the direct and indirect costs of its Shares being admitted to trading on AIM.

Following Cancellation, head office costs will be substantially reduced benefitting Group profitability and ensuring a maximum return of cash to Shareholders. It is the intention of the Directors to make a payment to shareholders of 15p per share in April 2015.

Following the appointment of Jonathan Mervis, 8,000,000 Shares were issued on 15 February 2006 at a price of 50p per share, immediately following which the Company's market capitalisation was approximately £15 million. Since then the Company has returned approximately £18 million to Shareholders by way of three tender offers without raising any additional equity capital. This represents a return on capital of approximately 120 per cent. to date.

Shareholders who subscribed for the share issue at 50p per share in February 2006 will have already received a return in capital of 131 per cent. Following these capital repayments such Shareholders, who have not sold any shares in the meantime, retain a balance of 70 per cent. of their initial holding.

Current trading

The Company is continuing to trade profitably.

PSG continues to benefit from an expanding marketplace and has grown both in terms of increased profits and revenues when compared to the same period last year.

Audiotel continues to focus on the improvement of its existing product range along with the development of new innovative products in order to generate new revenues in a difficult marketplace.

Moore & Buckle continues to trade broadly in line with its performance in recent years.

Effect of Cancellation

The principal effect of the Cancellation is that there will no longer be a formal market mechanism enabling Shareholders to trade their Shares on AIM or any other recognised market or trading exchange. It should be noted that the trading volume in the Shares on AIM has remained low at an average of 201,055 Shares per month over the last 12 months, representing approximately 1.04 per cent. of the Company's issued share capital. The underlying liquidity in the Shares is low and, in the opinion of the Directors, is likely to remain that way for the foreseeable future.

Shareholders should be aware that following the Cancellation the Company will no longer be bound by the AIM Rules and that, in consequence, certain previously prescribed corporate governance procedures may not be adhered to in the future and the Company will no longer be required to announce material events or transactions. However, following Cancellation, the Directors:

1. will hold an annual general meeting and, when required, other general meetings, in accordance with the applicable statutory requirements and the Articles of Association of the Company; and
2. will make available to all Shareholders an annual financial statement.

The Company intends to make available a new matched bargain trading facility for at least one year. Under this facility, Shareholders or persons wishing to trade Shares will be able to leave an indication with the Company of their willingness to buy or sell at an agreed price. In the event that the order can be matched with an opposite sell or buy instruction, both parties will be contacted and informed of the relevant details.

Shareholders who hold Shares in CREST will have to transfer their Shares into certificated form before they will be able to trade Shares.

City Code

Notwithstanding the Delisting, the Company will continue to be subject to the City Code while it remains an unlisted public company.

Under Rule 9 of the City Code, when any person or group of persons acting in concert, individually or collectively, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company but do not hold shares carrying more than 50 per cent. of the voting rights of a company and such person or any person acting in concert with him acquires an interest in any other shares, which increases the percentage of the shares carrying voting rights in which he is interested, then that person or group of persons is normally required by the Panel to make a general offer in cash to all shareholders

of that company at the highest price paid by them for any interest in shares in that company during the previous 12 months. Rule 9 of the City Code further provides that where any person, together with persons acting in concert with him, holds over 50 per cent. of the voting rights of a company to which the City Code applies and acquires additional shares which carry voting rights, then that person will not generally be required to make a general offer to the other shareholders to acquire the balance of the shares not held by that person or his concert parties.

Trading in the Shares after Cancellation

Following Cancellation, transfers of Shares may only be effected in accordance with those provisions of the Company's articles of association concerning off-market transfers of Shares in certificated form. To effect a transfer of Shares following Cancellation, and once a proposed transferee has been found, a duly executed and stamped stock transfer form must be submitted (together with the relevant share certificate(s)) to the Company's secretary at the Company's registered office for registration.

Resolution to be proposed at the General Meeting

The Cancellation is subject to Shareholders passing the following resolution: "That the admission of the ordinary shares of 20p each in the capital of the Company to trading on AIM, a market operated by London Stock Exchange plc, be cancelled and that the directors of the Company be authorised to take all steps which they consider to be necessary or desirable in order to effect such cancellation". The resolution is proposed as a special resolution of the Company requiring approval of not less than 75 per cent. of the votes cast by Shareholders at the General Meeting.

The Cancellation will occur no earlier than five clear business days after the General Meeting and it is expected that trading in the Shares on AIM will cease at the close of business on 29 December 2014, with Cancellation being effective at 7 a.m. on 30 December 2014.

Irrevocable undertakings

Irrevocable undertakings to vote in favour of the Resolution at the General Meeting have been received from Shareholders in respect of their respective beneficial holdings of, in aggregate 13,350,596 Shares, representing approximately 69.07 per cent. of the total issued share capital of the Company.

Action to be taken

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 in person, it is important that you duly complete, execute and return the Form of Proxy, by hand or by post, to the Company's agent, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF in accordance with the instructions printed thereon.

To be valid, a completed Form of Proxy must be executed in accordance with the instructions printed thereon and returned as soon as possible and, in any event, so as to be received by the Company's agent not later than 9 a.m. on 16 December 2014. Completion and return of a Form of Proxy will not prevent you from attending and voting at the General Meeting in person should you wish to do so.

Recommendation

The Directors consider the Resolution to be in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that Shareholders vote in favour of the resolution to be proposed at the General Meeting.

Yours faithfully

Jonathan Mervis
Chairman

SECURITY RESEARCH GROUP PLC

(a company incorporated and registered in England and Wales with registration number 3170812)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a GENERAL MEETING of Security Research Group PLC (the “Company”) will be held at 133 Ebury Street, London, SW1W 9QU on 18 December 2014 at 9.30 a.m., for the purpose of considering, and if thought fit, passing the following resolution, which is proposed as a special resolution:

SPECIAL RESOLUTION

THAT, the admission of the ordinary shares of 20p each in the capital of the Company to trading on AIM, a market operated by London Stock Exchange plc, be cancelled and that the directors of the Company be authorised to take all steps which they consider to be necessary or desirable in order to effect such cancellation.

Registered Office

Security Research Group plc
133 Ebury Street
London
SW1W 9QU

By order of the Board

Jonathan Mervis
Chairman

26 November 2014

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him or her. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different Share or Shares held by him. To appoint more than one proxy you may photocopy the form. Please indicate that proxy holder’s name and the number of Shares in relation to which they are authorised to act as your proxy (which, in aggregate should not exceed the number of Shares held by you). A failure to specify the number of Shares each proxy appointment relates to will be deemed to authorise the proxy in respect of your entire shareholding. If you specify a number in excess of those held by the member this may result in the proxy appointment being invalid. You can only appoint a proxy using the procedures set out in these notes and in the notes attached to the proxy form.
2. A Form of Proxy is enclosed for use by members. To be effective, the instrument appointing a proxy and any power of attorney or other authority under which it is signed (or a copy of any authority certified notarially or in some other way approved by the Directors) must be deposited with Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF, not less than 48 hours (excluding non-working days) before the time for holding the meeting or adjourned meeting or, in the case of a poll taken more than 48 hours after it was demanded, not less than 24 hours (excluding non-working days) before the time appointed for the taking of the poll at which it is to be used. In the case of joint members, the vote of the senior who tenders a vote, whether in person, or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names stand in the register of members in respect of the joint holding.
3. 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 p.m. on 16 December 2014 or, if the meeting is adjourned, in the register of members at 6 p.m. on the second day prior to the day of any adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of Shares registered in their name at that time. Changes to entries in the register of members after 6 p.m. on 16 December 2014 or, if the meeting is adjourned, in the register of members after 6 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.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic appointment service may do so for the meeting referred to above by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
5. 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 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 Company’s agent (ID: RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of the 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 Company’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.

6. 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 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.
7. 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.
8. Completing and returning a form of proxy will not prevent a member from attending the meeting and voting in person should he so wish.
9. Terms defined in the circular to Shareholders dated 26 November 2014 shall have the same meaning in these notes unless the context requires otherwise.

