

# Chairman's Letter & Notice of Annual General Meeting

Thursday 2nd May 2013 at 2.30pm to be held at LSL's offices,  
1 Sun Street, London, EC2A 2EP

Registered in England and Wales with Company Number: 5114014

Registered Office Address: Newcastle House, Albany Court, Newcastle Business Park,  
Newcastle Upon Tyne, NE4 7YB



**This document is important and requires your immediate attention.**

**If you have any doubts about what action you need to take, you should immediately contact your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised pursuant to the Financial Services and Markets Act 2000.**

**If you have sold or otherwise transferred all of your registered holding of Ordinary Shares in LSL you should pass this document and the accompanying documents to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.**

#### **Electronic communications**

In accordance with its articles of association and unless a shareholder requests otherwise, LSL communicates with its shareholders by publishing information (including statutory documents, such as the Annual Reports & Accounts) (**Shareholder Communications**) on to its website ([www.lslps.co.uk](http://www.lslps.co.uk)) (**Website**).

In accordance with this policy, LSL has published the Annual Report & Accounts 2012 on the Website and for those shareholders who elected to receive paper copies of any Shareholder Communications, a copy of the Annual Report & Accounts 2012 is enclosed with this Notice.

Any shareholders wishing to receive paper copies of Shareholder Communications should advise Capita Registrars on 0871 664 0300 (calls cost 10p per minute plus network extras and lines are open 9.00am to 5.30pm Monday to Friday) or online at [www.capitashareportal.com](http://www.capitashareportal.com).

26th March 2013

## To LSL Property Services plc (LSL) shareholders

Dear Shareholder

### 2013 Annual General Meeting (AGM)

I am pleased to give you notice of the 2013 AGM which will be held at 2.30pm on Thursday 2nd May 2013 at our offices, 1 Sun Street, London EC2A 2EP.

The Notice of the AGM is set out on pages 3 and 4 of this document, with Explanatory Notes to the resolutions set out on pages 5 to 7. There will be an opportunity for shareholders to ask questions at the AGM.

### Election of Directors

I would like to take this opportunity to make particular reference to resolutions 4 to 11 (inclusive) which relate to the election of the Directors.

The Board is committed to high levels of corporate governance in accordance with the principles of the UK Corporate Governance Code.

In accordance with best practice, the Board has continued to adopt the practice of all our Directors standing for election/re-election at the AGM. In accordance with our articles of association, any Director appointed by the Board since the date of the last AGM is permitted to hold office only until the date of the next AGM, where the Director is then eligible to stand for election. Accordingly, Adrian Gill who was appointed to the Board as a Non Executive Director on 10th September 2012 therefore also stands for election at the AGM alongside the other Directors who are all standing for re-election. The biographical details of all the Directors are set out on pages 24 and 25 of the Annual Report & Accounts 2012 and on pages 5 and 6 of the Explanatory Notes to the resolutions.

### Final Dividend

As a result of the improved operating performance of the Group, the reduction in the Group's net bank debt and the Board's positive view of the future prospects for the business, the Board is proposing to shareholders an increased final dividend of 6.4p per share, and if approved, this will increase the total dividend for 2012 by 9% to 9.5p per share. If shareholders approve the resolution, the ex dividend date for the final dividend is 10th April 2013, with a record date of 12th April 2013 and a payment date of 10th May 2013. Shareholders have the opportunity to elect to reinvest their cash dividend and purchase existing shares in LSL through a dividend reinvestment plan.

### Recommendation

Your Board considers each of the proposed resolutions to be in the best interests of LSL and its shareholders as a whole and to be most likely to promote the success of LSL for the benefit of its members as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of all the resolutions, as they intend to do in respect of their beneficial holdings of Ordinary Shares (in respect of which they have the power to exercise or direct the exercise of voting rights) which, in aggregate, amount to 16,030,604 Ordinary Shares representing approximately 15.39% of the issued share capital of LSL.

Yours sincerely

**Roger Matthews**

**Chairman**

LSL Property Services plc.

Registered Office: Newcastle House, Albany Court, Newcastle Business Park, Newcastle Upon Tyne, NE4 7YB (Company Number 5114014)

## Voting Arrangements – Action to be taken

Shareholders are asked to either:

1. complete the enclosed Form of Proxy and return it, together with any power of attorney or other authority under which it is signed or a notarially certified copy thereof, to Capita Registrars:  
  
Freepost Plus RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive no later than 2.30pm on 30th April 2013; or
2. if you hold your shares in uncertificated form, use the CREST electronic proxy appointment service, details of which are set out in Note 3 of the Administrative Notes to the Notice of AGM set out on pages 8 and 9.

To appoint more than one proxy you will need to complete a separate Form of Proxy in relation to each appointment. You may photocopy the enclosed Form of Proxy, indicating on each copy the name of the proxy you wish to appoint and the number of shares in respect of which the proxy is appointed. All forms must be signed and should be returned together in the same envelope.

The Form of Proxy includes a 'Vote Withheld' option in order for shareholders to abstain on any particular resolution. However, an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" the relevant resolution.

Completion of the Form of Proxy or appointment of a proxy through CREST does not prevent you from attending and voting in person.

**Capita Registrars maintain LSL's share register. If you have any queries about voting or about your shareholding, please contact Capita Registrars on:**

**Post:** Capita Registrars Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU  
**Email:** [shareholder.services@capitaregistrars.com](mailto:shareholder.services@capitaregistrars.com)  
**Telephone:** 0871 664 0300 (calls cost 10p a minute plus network extras and lines are open 9.00am to 5.30pm, Monday-Friday).  
**Online:** [www.capitashareportal.com](http://www.capitashareportal.com) if you have internet access, you can amongst other things, view details of your shareholding, set up or amend a dividend mandate and update your address details

## Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (AGM) of LSL Property Services plc (LSL) will be held at its offices, 1 Sun Street, London EC2A 2EP on Thursday 2nd May at 2.30 pm for the transaction of the following business.

At the AGM, shareholders will be asked to consider and vote on the resolutions below. Resolutions 1 to 14 (inclusive) will be proposed as Ordinary Resolutions and 15 to 17 (inclusive) will be proposed as Special Resolutions.

### Ordinary Resolutions

#### Resolution 1 – Annual Report & Accounts

1. To receive and adopt LSL's Annual Accounts for the year ended 31st December 2012, together with the Directors' Report and the Auditors' Report on those accounts.

#### Resolution 2 – Directors' Remuneration Report

2. To approve the Directors' Remuneration Report contained within the Annual Report & Accounts 2012 for the year ended 31st December 2012.

#### Resolution 3 – Final Dividend

3. To declare a final dividend, recommended by the Directors, of 6.4p per ordinary share in respect of the year ended 31st December 2012 to be paid on 10th May 2013 to shareholders whose names appear on the register at close of business on 12th April 2013.

#### Resolution 4 – Election of Director

4. To elect Adrian Gill as a Director of LSL.

#### Resolution 5 – Re-election of Director

5. To re-elect Helen Buck as a Director of LSL.

#### Resolution 6 – Re-election of Director

6. To re-elect Steve Cooke as a Director of LSL.

#### Resolution 7 – Re-election of Director

7. To re-elect Simon Embley as a Director of LSL.

#### Resolution 8 – Re-election of Director

8. To re-elect Roger Matthews as a Director of LSL.

#### Resolution 9 – Re-election of Director

9. To re-elect Mark Morris as a Director of LSL.

#### Resolution 10 – Re-election of Director

10. To re-elect David Newnes as a Director of LSL.

#### Resolution 11 – Re-election of Director

11. To re-elect Mark Pain as a Director of LSL.

#### Resolution 12 – Appointment of Auditors

12. To re-appoint Ernst & Young LLP as auditors of LSL to hold office from the conclusion of the AGM until the conclusion of the next general meeting at which accounts are laid before LSL.

#### Resolution 13 – Auditors' Remuneration

13. To authorise the Directors to determine the auditors' remuneration.

#### Resolution 14 – Authority to Allot Shares

14. That:

- 14.1. the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (**the Act**) to allot shares in LSL and to grant rights to subscribe for, or to convert any security into, shares in LSL (**Rights**) up to an aggregate nominal amount of £69,439.30 provided that this authority shall expire in 15 months or at the conclusion of the next AGM (whichever occurs first and unless previously renewed, revoked or varied by LSL in general meeting) save that LSL may before such expiry make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired;

- 14.2. the Directors be and are hereby generally and unconditionally authorised to exercise all powers of LSL to allot equity securities (within the meaning of section 560 of the Act) in connection with an offer by way of a rights issue in favour of ordinary shareholders where the new equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them up to an aggregate nominal amount of £138,875.60 (such amount to be reduced by the nominal amount of any shares allotted or Rights granted under paragraph 1 above), provided that this authority shall expire in 15 months or at the conclusion of the next AGM (whichever occurs first and unless previously renewed, revoked or varied by LSL in general meeting) save that LSL may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired; and
- 14.3. all previous unutilised authorities given to the Directors pursuant to section 551 of the Act shall be revoked (save to the extent that the same are exercisable pursuant to section 551(7) of the Act by reason of any offer or agreement made prior to the date of this resolution which would or might require shares to be allotted or rights to be granted on or after that date).

### Special Resolutions

#### Resolution 15 – Disapplication of Pre-emption Rights

15. That, subject to the passing of resolution 14, the Directors be and are hereby generally empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by resolution 14 as if section 561(1) of the Act did not apply to any such allotment provided that this power shall be limited:
- 15.1. to the allotment of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to ordinary shareholders in proportion (as nearly as may be practicable) to the respective numbers of ordinary shares held by them and to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
- 15.2. to the allotment (otherwise than pursuant to paragraph 1 above) of equity securities up to an aggregate nominal value of £10,415.89, provided that this authority shall expire in 15 months or at the conclusion of the next AGM (whichever occurs first and unless previously renewed, revoked or varied by LSL in general meeting) save that LSL may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

#### Resolution 16 – Authority for Market Purchase of Shares

16. That, LSL be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (as defined in section 693(4) of the Act) of ordinary shares of 0.2p each in the capital of LSL (**Ordinary Shares**) on such terms and in such manner as the Directors may from time to time determine provided that:
- 16.1. the maximum number of Ordinary Shares hereby authorised to be purchased is 10,415,895;
- 16.2. the minimum price (exclusive of expenses) which may be paid for each Ordinary Share is 0.2p (being the nominal value thereof);
- 16.3. the maximum price (exclusive of expenses) which may be paid for any Ordinary Share shall be an amount equal to the highest of:
- (a) 5% above the average of the middle market quotations for the Ordinary Shares taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the relevant share is contracted to be purchased; and
  - (b) the higher of the price quoted for the last independent trade and the highest current independent bid for an Ordinary Share in LSL on the trading venue where the market purchase is carried out;
- 16.4. the authority hereby conferred shall (unless previously renewed or revoked) expire in 15 months or at the conclusion of the next AGM (whichever occurs and unless previously renewed, revoked or varied by LSL in general meeting); and
- 16.5. LSL may make a contract to purchase Ordinary Shares under the authority conferred by this resolution prior to the expiry of such authority, and such contract will or may be executed wholly or partly after the expiry of such authority, and LSL may make a purchase of Ordinary Shares in pursuance of any such contract.

#### Resolution 17 – General Meeting Notice Period

17. That a general meeting (other than an AGM) may be called on not less than 14 clear days' notice.

### BY ORDER OF THE BOARD

Sapna Bedi FitzGerald  
Company Secretary

Date 26th March 2013

Registered Office: Newcastle House, Albany Court, Newcastle Business Park, Newcastle Upon Tyne NE4 7YB (Company Number 5114014)

## Explanatory Notes to the Notice of the Annual General Meeting:

### Resolution 1 – Annual Report & Accounts 2012

The Directors are required to present to the meeting LSL's audited annual accounts and related Directors' and Auditor's reports for the financial year ended 31st December 2012.

### Resolution 2 – Directors' Remuneration Report

In accordance with section 439 of the Companies Act 2006 (**the Act**), the Directors' Remuneration Report must be put to a vote of the shareholders.

### Resolution 3 – Final Dividend

Final dividends are approved by shareholders of LSL but cannot exceed the amount recommended by the Directors. The Directors are recommending a final dividend for the year ended 31st December 2012 of 6.4p per Ordinary Share due and payable on 10th May 2013 (the ex dividend date is 10th April 2013 and the record date is 12th April 2013). The resolution seeks shareholder approval of the proposed final dividend.

### Resolution 4 – Adrian Gill – Election of Independent Non Executive Director

LSL's articles of association require that Directors appointed by the Board since the previous AGM of LSL shall hold office only until the following AGM and shall then be eligible for election by shareholders. Adrian Gill was appointed to the Board as an additional Independent Non Executive Director with effect from 10th September 2012. Adrian brings very relevant experience to the Board having been on the board of Connells Limited, one of the largest and most successful estate agency businesses in the UK. Prior to this, Adrian was UK Managing Director of Lush, the skincare and cosmetics retailer, Adrian is a Chartered Accountant, having worked for Ernst & Young LLP in London and Washington D.C.

As Adrian was appointed after the last AGM, the Directors are recommending his election as a Director at the AGM and resolution 4 proposes this. The biographical details for all the Directors, including Adrian Gill, are set out on pages 24 and 25 of the Annual Report & Accounts 2012 and below.

### Resolutions 5 to 11 (inclusive) – Re-election of Directors

LSL's articles of association require that each Director retires at the third AGM after the meeting at which he/she was previously elected. In addition, best practice under the UK Corporate Governance Code is for Directors to submit themselves for re-election annually and in accordance with best practice, all of the current Directors will retire and each offer themselves for re-election at the AGM.

During the 2012 annual Board effectiveness review, the performance of all the Directors was specifically evaluated and the Board confirmed that it values the experience and commitment to the business demonstrated by each of the Directors. In addition the Board and the Nominations Committee have evaluated the Board composition at length and considered the balance of skills and experience required to optimise shareholder value and the Board's policy on diversity. The Directors recognise the benefits of gender diversity and the current Board composition includes one female Director, Helen Buck (Independent Non Executive Director).

Amongst our Non Executive Directors, we have experience in strategy, estate agency, surveying, financial services, the residential housing sector, retail and marketing, operations, business services, entrepreneurial private and public companies, finance, customer and employee matters and corporate governance. The biographical details for all the Directors are set out on pages 24 and 25 of the Annual Report & Accounts 2012 and below.

### Director Biographies:

#### Helen Buck, Independent Non Executive Director

Helen was appointed as an Independent Non Executive Director in December 2011. She is also a member of the operating board of Sainsbury's Supermarkets Ltd (retail director). Helen joined Sainsbury's in 2005 and, after spending four years running Brand Communications, moved to Trading as business unit director, Grocery in 2009 and then ran the Convenience division for two years. Before joining Sainsbury's, Helen held a number of senior positions at M&S, Woolworths and Safeway and was a senior manager at McKinsey and Co.

#### Steve Cooke, Group Finance Director

Steve was appointed Group Finance Director in July 2010 and is responsible for all aspects of the financial management of LSL. Previously Steve was chief operating officer of Bestinvest, the 3i backed wealth management business and before that was chief financial officer of Mapeley, the FTSE 250 property company. He was also CFO of Energis as part of the new management team which delivered a successful turnaround before selling the business to Cable and Wireless. Steve trained with Coopers and Lybrand and on qualifying as a chartered accountant worked as a strategy consultant for OC&C followed by senior finance and operational roles in the Sainsbury's and Kingfisher Groups.

#### Simon Embley, Group Chief Executive Officer

Simon became the Group Chief Executive Officer at the time of the management buy out of e.surv Chartered Surveyors and Your Move from Aviva (formerly Norwich Union Life) in 2004. Prior to the management buy out, Simon was responsible for the strategic direction of these companies, and subsequent to the management buy out Simon has overseen and been responsible for the turnaround of the initial Group from a heavily loss-making business to the successful business it is today. As the Group Chief Executive Officer, he has the primary responsibility for the performance, strategy and development of LSL and in this role he has been instrumental in taking the business forward in a downturn through both organic growth (including the development of counter cyclical income) and selective strategic acquisitions.

#### Adrian Gill, Independent Non Executive Director

Adrian was appointed as an Independent Non Executive Director in September 2012. He was previously an executive director at Connells Limited (Connells), the national estate agency business of the Skipton Building Society Group, for over 10 years. Prior to his role at Connells, Adrian was Managing Director of Lush Retail Limited (UK & Ireland). Adrian is a chartered accountant.

#### Roger Matthews, Non Executive Chairman & Chairman of the Nominations Committee

Roger was appointed Chairman of LSL and the Nominations Committee in October 2006 and is currently also non executive chairman of MITIE Group plc and non executive chairman of Pertemps Network Group Limited. He was formerly chairman of Sainsbury's Bank plc and Land of Leather Holdings plc, group finance director of J. Sainsbury plc, managing director and finance director of Compass Group plc and worked for Grand Metropolitan plc, Cadbury Schweppes plc and PriceWaterhouseCoopers. Roger is a chartered accountant and is also a trustee of Cancer Research UK.

#### **Mark Morris, Senior Independent Non Executive Director & Chairman of the Audit Committee**

Mark was appointed as an Independent Non Executive Director, the Senior Independent Non Executive Director and Chairman of the Audit Committee in October 2006. Mark has many years' experience of business management with particular focus on growing businesses and mergers and acquisitions. Mark is a chartered accountant and worked for 12 years at PriceWaterhouseCoopers. Mark is currently non executive director and audit committee chairman at HomeServe plc and works with a number of entrepreneurial private companies. Mark previously worked at Sytner Group as finance director and managing director from 1995 to 2005 including the period during which it was listed on the London Stock Exchange.

#### **David Newnes, Executive Director, Estate Agency**

David has been with LSL since 1980 and was part of the management buy out team. David was appointed as an Executive Director in May 2010 with overall responsibility for the performance, strategy and development of the Estate Agency Division across LSL. David has extensive experience within the estate agency industry, is a Fellow of the Royal Institute of Chartered Surveyors and holds memberships of both the Association of Residential Lettings Agents (ARLA) and the National Estate Agency Association (NAEA). David is also a trustee of the Estate Agency Foundation and a director of The Property Ombudsman (TPO) scheme.

#### **Mark Pain, Independent Non Executive Director & Chairman of the Remuneration Committee**

Mark was appointed as an Independent Non Executive Director and Chairman of the Remuneration Committee in July 2009. He brings with him a wealth of experience as a FTSE 100 main board director covering a range of sectors including property, media, housebuilding, retail and wholesale banking, consumer and business finance, and life assurance. Mark served as chief financial officer of Barratt Developments plc from 2006 to 2009. He was previously at Abbey National Group plc, where he held a number of senior management roles including group finance director and customer sales director. Mark is a non executive director of Johnston Press plc, where he is the senior independent non executive director and chairs the audit committee. Mark is a non executive director at Aviva and London Square and also a trustee of Somerset House and a Fellow of the Institute of Chartered Accountants.

#### **Resolutions 12 and 13 – Appointment of Auditors and Auditors' Remuneration**

LSL is required to appoint or reappoint auditors at each AGM at which its accounts are presented to hold office until the conclusion of the next AGM. The Audit Committee has reviewed the effectiveness, independence and objectivity of the external auditors, Ernst & Young LLP (**Ernst & Young**), on behalf of the Directors, who now propose their reappointment as auditors of LSL (resolution 12). Ernst & Young has advised of its willingness to stand for reappointment as the auditor of LSL. Resolution 13 authorises the Directors, in accordance with standard practice, to agree the auditors' remuneration.

#### **Resolution 14 – Authority to Allot Shares**

Resolution 14, which will be proposed as an ordinary resolution will (at paragraph 1), if passed, authorise the Directors to allot shares up to a maximum nominal amount of £69,439.30, which represents 33.33% of the total Ordinary Share capital (excluding treasury shares) in issue as at 25th March 2013 (being the latest practicable date prior to the publication of this document). In line with corporate governance guidelines, at the second paragraph of resolution 14 the Directors have also sought authority to allot Ordinary Shares in connection only with a pre-emptive rights issue up to an amount representing two thirds of the issued Ordinary Share capital of LSL (excluding treasury shares). This maximum is reduced by the nominal amount of any shares allotted under the first paragraph of resolution 14.

At close of business on 25th March 2013, LSL did not hold any treasury shares. This authority will expire in 15 months or at the conclusion of the next AGM (whichever occurs first). Other than in relation to LSL's employee share schemes, the Directors have no present intention of allotting, or agreeing to allot, any shares.

#### **Resolution 15 – Disapplication of Pre-emption Rights (special resolution)**

Resolution 15, which will be proposed as a special resolution, seeks authority to issue equity securities of LSL (or to sell any shares which LSL holds in treasury following a purchase of its own shares) for cash without application of the pre-emption rights provided by section 570 of the Act. The authority contained in this resolution will be limited to non pre-emptive offers of an aggregate nominal value of up to £10,415.89 which represents 5% of the issued Ordinary Share capital of LSL as at 25th March 2013 (being the latest practicable date prior to the publication of this document).

The resolution also disapplies the statutory pre-emption provisions in connection with pre-emptive offerings (for example, rights issues) and allows the Directors, in the case of such offerings, to make appropriate arrangements in relation to fractional entitlements or other legal or practical problems which might arise. In accordance with corporate governance guidelines, the Directors do not intend, other than in relation to a rights issue, to allot more than 7.5 per cent of the issued Ordinary Share capital of LSL (excluding treasury shares) for cash on a non pre-emptive basis over a rolling three year period unless the shareholders have been notified and consulted in advance. This authority will expire in 15 months or at the conclusion of next AGM (whichever occurs first).

#### **Resolution 16 – Authority for Market Purchase of Shares (special resolution)**

Resolution 16, which will be proposed as a special resolution, gives LSL authority to buy back its own Ordinary Shares in the market as permitted by the Act. The authority limits the number of shares that could be purchased to a maximum of 10,415,895 representing 10% of the issued Ordinary Share capital (excluding treasury shares) of LSL as at 25<sup>th</sup> March 2013 (being the latest practicable date prior to publication of this document).

The minimum price payable by LSL for the purchase of its own Ordinary Shares will be 0.2p per share (being the amount equal to the nominal value of an Ordinary Share). The maximum price payable will be limited to the highest of (a) an amount equal to 5% above the average of the middle market quotations of LSL's Ordinary Shares, as derived from the Daily Official List of the London Stock Exchange, for the five business days prior to the day on which the relevant share is contracted to be purchased; or (b) an amount equal to the higher of the price of the last independent trade and the highest current independent bid for an Ordinary Share in LSL on the London Stock Exchange. This authority will expire in 15 months or at the conclusion of the next AGM (whichever occurs first).

The Directors have no present intention of exercising the authority to purchase LSL's Ordinary Shares but will keep the matter under review. The authority will be exercised only if the Directors believe that to do so would result in an increase in earnings per share and would be in the interests of shareholders generally.

Company law allows LSL to hold in treasury any shares purchased by it using its distributable profits. Such shares will remain in issue and capable of being re-sold by LSL or used in connection with certain of its share schemes. LSL intends to take advantage of these provisions to the extent that it exercises the authority to buy back its shares, so as to hold the purchased shares in treasury.

Options to subscribe for up to 3,536,762 Ordinary Shares have been granted and are outstanding as at 25th March 2013 (being the latest practicable date prior to publication of this document) representing 3.26% of the issued Ordinary Share capital at that date. If the Directors were to exercise in full the power for which they are seeking authority under resolution 16 the options outstanding at 25th March 2013 would represent 3.77% of the Ordinary Share capital in issue following such exercise.

#### [Resolution 17 – General Meeting Notice Period \(special resolution\)](#)

The Act requires all listed companies, subject to any restrictions in their articles of association, to hold all general meetings, including AGMs on 21 days' notice. For general meetings other than AGMs, a company quoted on the Official List of the UK Listing Authority is allowed to hold such general meetings on 14 days' notice provided that it offers electronic voting facilities and shareholders have approved the shorter notice period. This resolution seeks such approval.

LSL will only call a general meeting on 14 days' notice in limited circumstances when, in the opinion of the Directors, it would be to the advantage of the shareholders as a whole for the meeting in question to be called on short notice. However, the Directors believe it would be advantageous to LSL to be able to take advantage of the additional flexibility permitted by the Act in these and other circumstances. Please note that AGMs will always be called on 21 days' notice.



## ADMINISTRATIVE NOTES

### 1. Form of Proxy

A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote on a show of hands or on a poll instead of him or her. A proxy need not be a shareholder. A Form of Proxy is enclosed and notes for completion can be found on the form and should be read carefully before it is completed. To be valid, the Form of Proxy, together with any required power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the same, must be deposited by 2.30pm on 30th April 2013 at the offices of Capita Registrars at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Completion of the Form of Proxy does not prevent you from voting at and attending the meeting in person.

To appoint more than one proxy, you will need to complete a separate Form of Proxy in relation to each appointment, in which case you may photocopy the enclosed Form of Proxy, indicating on each copy the name of the proxy you wish to appoint and the number of shares in respect of which the proxy is appointed. All forms must be signed and should be returned together in the same envelope.

LSL specifies that only those shareholders registered in the relevant Register of Members of LSL as at 6.00pm on 30th April 2013 (or if the meeting is adjourned, 6.00pm on the day two days prior to the day fixed for the adjourned meeting) shall be entitled to attend or vote at the AGM in respect of the number of shares registered in their name at that time. Changes to entries on the relevant Register of Members after the relevant time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

To change your proxy instructions you should submit a new proxy appointment using the methods set out above. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

### 2. Website giving information regarding the AGM

Information regarding the AGM, including the information required by section 311A of the Act is available at [www.lslps.co.uk](http://www.lslps.co.uk).

### 3. CREST Proxy Voting (uncertificated shareholders)

(a) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment 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 services 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.

(b) 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 and 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 RA10) by the latest time(s) for receipt of proxy appointments specified in this Notice of AGM. 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 CRESTCo 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 services provider(s), to procure that this 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. LSL may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

### 4. Joint Holders (certificated and uncertificated shareholders)

In the case of joint holders the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members of LSL in respect of the joint holding.

### 5. Corporate Representatives

A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

### 6. Right to appoint proxy

The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communication from LSL in accordance with section 146 of the Act (nominated persons). Nominated persons may have a right under an agreement with the registered shareholder who holds shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

### 7. Issued Share Capital and Total Voting Rights

The total number of LSL's Ordinary Shares in issue at 6.00pm on 25th March 2013 is 104,158,950 Ordinary Shares. Each Ordinary Share carries the right to one vote (on a show of hands and on a poll) and, therefore, the total number of voting rights in LSL at 6.00pm on 25th March 2013 is 104,158,950.

**8. Meeting arrangements**

The doors will open at 2.15pm and the AGM will start promptly at 2.30pm.

**9. Part 16 of the Act**

Sections 527 to 531 of the Act provides that, where requested by either a shareholder or shareholders having a right to vote at the general meeting and holding at least 5% of total voting rights of LSL or at least 100 shareholders having a right to vote at the meeting and holding, on average, at least £100 of paid up share capital, LSL must publish on its website a statement setting out any matter that such shareholders propose to raise at the meeting relating to the audit of LSL's accounts that are to be laid before the meeting. Where LSL is required to publish such a statement on its website, it may not require the shareholders making the request to pay any expenses incurred by it in complying with the request, it must forward the statement to LSL's auditors and the statement may be dealt with as part of the business of the meeting. A shareholder wishing to request publication of such a statement on LSL's website must send the request to LSL either in hard copy form to The Company Secretary, Buildmark House, George Cayley Drive, York, YO30 4XE (and sign the request), by email to Sapna.B.FitzGerald@slps.co.uk or by fax to 01904 698 857 marked for the attention of the Company Secretary. Whichever form of communication is chosen, the request must either set out the statement in full or, if supporting a statement sent by another shareholder, clearly identify the statement which is being supported and be received by LSL at least one week before the AGM.

**10. Questions at the meeting**

Any shareholder (or a duly appointed proxy) attending the AGM has the right to ask questions. LSL must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if (a) to do so would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of LSL or the good order of the AGM that the question be answered.

**11. Documents available for inspection**

There will be available for inspection at LSL's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this Notice until the conclusion of the AGM and at the place of the AGM for at least 15 minutes prior to and during the meeting:

- (a) copies of the Executive Directors' service contracts and Non Executive Directors' appointment letters;
- (b) the Register of Directors' Interests; and
- (c) a copy of the Articles of Association.

**12. Electronic communication**

You may not use any electronic address provided in this Notice of AGM or any related documents to communicate with LSL for any purpose other than those expressly stated.

**13. General enquiries**

Capita Registrars maintain LSL's share register. If you have any queries about voting or about your shareholding, please contact Capita Registrars:

**Post:** Capita Registrars Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU  
**Email:** [shareholder.services@capitaregistrars.com](mailto:shareholder.services@capitaregistrars.com)  
**Telephone:** 0871 664 0300 (calls cost 10p a minute plus network extras and lines are open 9.00am to 5.30pm, Monday-Friday)  
**Online:** [www.capitashareportal.com](http://www.capitashareportal.com). If you have internet access, you can amongst other things, view details of your shareholding, set up or amend a dividend mandate and update your address details