

Chairman's Letter and Notice of Annual General Meeting (AGM)

Tuesday 30th April 2019 at 3.30pm 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 (**Shareholder**) requests otherwise, LSL Property Services plc (**LSL**) communicates with its Shareholders by publishing information (including statutory documents, such as the Annual Reports and Accounts) (**Shareholder Communications**) on its website (lsps.co.uk) (**Website**).

In accordance with this policy, LSL has published the Annual Report and Accounts 2018 on the Website and for those Shareholders who elected to receive paper copies of any Shareholder Communications, a copy of the Annual Report and Accounts 2018 is enclosed with this Notice.

Any Shareholders wishing to receive paper copies of Shareholder Communications should advise Link Asset Services on 0871 664 0300 (calls cost 12p per minute plus your phone company's access charge. Calls outside the UK will be charged at the applicable international rate. Lines are open between 9.00am to 5.30pm, Monday to Friday excluding public holidays in England and Wales).

26th March 2019

To LSL Property Services plc (LSL) Shareholders

Dear Shareholder

2019 Annual General Meeting (AGM)

I am pleased to give you notice of the 2019 AGM which will be held at 3.30pm on Tuesday 30th April 2019 at our offices, 1 Sun Street, London EC2A 2EP. The Notice of the AGM is set out on pages 3 to 5 of this document, with Explanatory Notes to the resolutions set out on pages 6 to 10. There will be an opportunity for Shareholders to ask questions at the AGM.

Re-election/Election of Directors

I would like to take this opportunity to make particular reference to resolutions 4 to 10 (inclusive) which relate to the election and re-election of the Directors. Kumsal Bayazit Besson is not standing for re-election, as she is retiring from the Board to concentrate on her new role as CEO of Elsevier Limited. Since the last AGM we have appointed Darrell Evans, who is currently also Chief Commercial Officer at the Co-Operative Bank plc. I want to take this opportunity to thank Kumsal for her significant contributions and to welcome Darrell to the Board.

The Board is committed to high levels of corporate governance. In accordance with the principles of the UK Corporate Governance Code and in line with best practice, all of the Directors (excluding Kumsal) are standing for re-election/election at the AGM. The biographical details of all of the Directors are set out on pages 44 and 45 of the Annual Report and Accounts 2018 and pages 6 to 7 of the Explanatory Notes to the resolutions include details of those Directors standing for election/re-election.

Final Dividend

I am pleased to report that the Board has a positive view of the future prospects for the business, whilst also being mindful of the uncertain economic and political landscape which has an impact on consumer sentiment. Accordingly, the Board is proposing a final dividend of 6.9 pence per Share (2017: 7.3 pence per Share). If approved by Shareholders, it will result in a total dividend for 2018 of 10.9 pence per Share (2017: 11.3 pence per Share) and will be paid on 7th May 2019 to Shareholders whose names appear on the Register of Members of LSL at close of business on 22nd March 2019. The proposed dividend is at the upper end of the range of our stated policy.

Directors' Remuneration Report

The Directors' Remuneration Report, which is subject to an advisory vote and is included in the Annual Report and Accounts 2018 includes the annual Report on Remuneration. This includes details of how LSL has during the year ended on 31st December 2018 implemented, and how it intends to implement, the Remuneration Policy which was approved by Shareholders at the 2017 AGM.

General Meeting Notice (14 days)

At the 2018 AGM, LSL received 88,993,417 proxy votes and 23.16% of the votes were cast against resolution 18 which authorised LSL to hold a general meeting on not less than 14 days' notice. Whilst the resolution was passed, following the AGM LSL entered into dialogue with the Investment Association as well as Shareholders who voted against the resolution to understand Shareholder concerns on this matter. Following this consultation, LSL is once again seeking Shareholder approval for this resolution in line with the approach taken by a number of other listed companies and to provide it with additional flexibility to respond to all eventualities. As noted in this AGM Notice and in its 2018 AGM Notice, LSL will only call a general meeting on 14 days' clear notice in limited circumstances when, in the opinion of the Directors, it would be to the advantage of Shareholders as a whole for the meeting in question to be called on short notice. The Board has considered the feedback and remains of the view that the flexibility afforded by this ability to reduce the notice period is important.

Recommendation

The 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 6,865,121 Ordinary Shares representing approximately 6.59% of the issued share capital of LSL.

Yours sincerely

Simon Embley
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 Link Asset Services: PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive no later than 3.30pm on 26th April 2019; 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 page 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.

Link Asset Services maintain LSL's share register. If you have any queries about voting or about your shareholding, please contact Link Asset Services on:

- Post:** Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
Email: shareholder.enquiries@linkgroup.co.uk
Telephone: 0871 664 0300 (calls cost 12p per minute plus your phone company's access charge. Calls outside the UK will be charged at the applicable international rate. Lines are open between 9.00am to 5.30pm, Monday to Friday excluding public holidays in England and Wales).
Online: signalshares.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 Tuesday 30th April 2019 at 3.30pm 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 13 (inclusive) together with Resolution 17 will be proposed as Ordinary Resolutions and Resolutions 14 to 16 (inclusive) together with Resolution 18 will be proposed as Special Resolutions.

Resolution 1 – Annual Report and Accounts (ordinary resolution)

1. To receive, consider and adopt LSL's Annual Accounts for the year ended 31st December 2018, together with the Directors' Report and the Auditor's Report on those accounts.

Resolution 2 – Directors' Remuneration Report (ordinary resolution)

2. To approve the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy) contained within LSL's Annual Report and Accounts 2018 for the year ended 31st December 2018.

Resolution 3 – Final Dividend (ordinary resolution)

3. To declare a final dividend, recommended by the Directors of LSL (**Directors**), of 6.9 pence per Ordinary Share in respect of the year ended 31st December 2018 to be paid on 7th May 2019 to Shareholders whose names appear on the Register of Members of LSL at the close of business on 22nd March 2019.

Resolution 4 – Re-election of Director (ordinary resolution)

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

Resolution 5 – Re-election of Director (ordinary resolution)

5. To re-elect Adam Castleton as a Director of LSL.

Resolution 6 – Re-election of Director (ordinary resolution)

6. To re-elect Ian Crabb as a Director of LSL.

Resolution 7 – Re-election of Director (ordinary resolution)

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

Resolution 8 – Election of Director (ordinary resolution)

8. To elect Darrell Evans as a Director of LSL.

Resolution 9 – Re-election of Director (ordinary resolution)

9. To re-elect Bill Shannon as a Director of LSL.

Resolution 10 – Re-election of Director (ordinary resolution)

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

Resolution 11 – Appointment of Auditor (ordinary resolution)

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

Resolution 12 – Auditor's Remuneration (ordinary resolution)

12. To authorise the Directors to determine the auditor's remuneration.

Resolution 13 – Authority to Allot Shares (ordinary resolution)

13. That:

- a. 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;
- b. 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 £138,878.60 (such amount to be reduced by the nominal amount of any Shares allotted or Rights granted under paragraph 13(a) 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

- c. 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).

Resolution 14 – Disapplication of Pre-emption Rights (special resolution)

14. That, if Resolution 13 (Authority to Allot Shares) is passed, the Directors be and are hereby authorised to allot equity securities (as defined in section 560 of the Act) for cash under the authority given by Resolution 13 and/or to sell Ordinary Shares held by LSL as treasury shares for cash as if section 561(1) of the Act did not apply to any such allotment or sale, such authority to be limited:
 - a. 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
 - b. to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph 14(a) above) up to an aggregate nominal value of £10,415.89;

such authority to 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) and, in each case, prior to its expiry LSL may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

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

15. That if, Resolution 13 (Authority to Allot Shares) is passed, the Directors be and are (in addition to any authority granted under Resolution 14 above) authorised to allot equity securities (as defined in section 560 of the Act) for cash under the authority given by Resolution 13 and/or to sell Ordinary Shares held by LSL as treasury shares for cash as if section 561(1) of the Act did not apply to any such allotment or sale, such authority to be:
 - a. limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £10,415.89; and
 - b. used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice;

such authority to 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) and, in each case, prior to its expiry LSL may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

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

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 0.2 pence 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:
 - a. the maximum number of Ordinary Shares hereby authorised to be purchased is 10,415,895;
 - b. the minimum price (exclusive of expenses) which may be paid for each Ordinary Share is 0.2 pence (being the nominal value thereof);
 - c. the maximum price (exclusive of expenses) which may be paid for each Ordinary Share shall be an amount equal to the highest of:
 - (i) 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
 - (ii) 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;
 - d. the authority hereby conferred shall (unless previously renewed or revoked) 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); and
 - e. 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 – Political Donations (ordinary resolution)

17. That, in accordance with sections 366 and 367 of the Act, LSL and all companies that are subsidiaries of LSL at any time during the period for which this resolution is effective are authorised to:

- a) make political donations to political parties and/or independent election candidates not exceeding £100,000 in total;
- b) make political donations to political organisations other than political parties, not exceeding £100,000 in total; and
- c) incur political expenditure not exceeding £100,000 in total;

and in each case the authority hereby conferred shall (unless previously renewed or revoked) 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) and provided further that the aggregate amount of any such donations and expenditure shall not exceed £100,000 during the period from the date of this AGM and the expiry of the authority. For the purpose of this resolution the terms 'political donations', 'political parties', 'independent election candidates', 'political organisations' and 'political expenditure' shall have the meanings set out in sections 363 to 365 (inclusive) of the Act.

Resolution 18 – General Meeting Notice Period (special resolution)

18. 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 B FitzGerald
Company Secretary

Date: 26th March 2019

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 and Accounts 2018 (ordinary resolution)

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 2018.

Resolution 2 – Directors' Remuneration Report (ordinary resolution)

The Directors are required to present to the meeting an Annual Report on Remuneration which is included in the Directors' Remuneration Report for approval (other than the Directors' Remuneration Policy at pages 81 to 85 of the Directors' Remuneration Report and which was approved by Shareholders at the 2017 AGM). This part of the Annual Report and Accounts 2018 sets out the payments made in the financial year ended 31st December 2018. As this is an advisory vote, the Directors' entitlement to remuneration is not conditional upon the resolution being passed.

Resolution 3 – Final Dividend (ordinary resolution)

Final dividends are approved by Shareholders but cannot exceed the amount recommended by the Directors. The Directors are recommending a final dividend for the year ended 31st December 2018 of 6.9 pence per Ordinary Share payable on 7th May 2019 (the ex dividend date is 21st March 2019 and the record date is 22nd March 2019). The resolution seeks Shareholder approval of the proposed final dividend.

Resolutions 4 to 10 (inclusive) – Re-election/Election of Directors (ordinary resolutions)

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 accordingly all of the Directors will retire and, save for Kumsal Bayazit Besson, each will offer themselves for re-election at the AGM. Kumsal is retiring from the Board at the AGM.

During the 2018 annual Board effectiveness review, the performance of all the Directors was specifically evaluated and the Board confirms that it values the experience and commitment to the business demonstrated by each of the Directors and that each Director's performance continues to be effective. 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 reviewed this in light of the Board's policy on diversity (including relevant skills, experience, gender and race). The Directors recognise the benefits of diversity and during 2018 the Board composition included two female Directors, Helen Buck (Executive Director – Estate Agency) and Kumsal Bayazit Besson (Independent Non Executive Director).

Amongst LSL's Non Executive Directors, the Board has experience in strategy, technology, 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 44 and 45 of the Annual Report and Accounts 2018. Also set out below are the biographical details for all of the Directors who are standing for re-election/election at the 2018 AGM.

Director biographies:

Helen Buck, Executive Director – Estate Agency

Helen was appointed as Executive Director – Estate Agency on 2nd February 2017 and has overall responsibility for the performance, strategy and development of LSL's Estate Agency Division. Prior to this role Helen had, since December 2011, served as an independent Non Executive Director and was also a member of LSL's Nominations and Remuneration Committees. Helen was previously Chief Operating Officer at Palmer & Harvey. Prior to this she was part of the Sainsbury's management team from 2005 to 2015, including five years as a member of the Operating Board. Helen has extensive expertise in strategy, marketing, commercial and operations. Before joining Sainsbury's, Helen held a number of senior positions at Marks & Spencer, Woolworths and Safeway and was a senior manager at McKinsey & Co.

Adam Castleton, Executive Director, Group Chief Financial Officer

Adam was appointed as Group Chief Financial Officer on 2nd November 2015. Adam has a breadth of financial skills and experience in the retail and services sectors. Adam joined LSL from French Connection Group PLC where he was the Group Finance Director. He previously held leadership roles at a number of market leading companies including O2 UK, eBay and The Walt Disney Company. Adam has over 25 years' experience in finance, having started his career with Price Waterhouse where he qualified as a Chartered Accountant in 1989.

Ian Crabb, Executive Director, Group Chief Executive Officer

Ian was appointed Group Chief Executive Officer on 9th September 2013 and has primary responsibility for the performance, strategy and development of LSL. Ian's previous experience included seven years as CEO of Quadriga Worldwide, Europe's market leader in digital IP communication and entertainment services for hotels, where he was responsible for expanding the business into 50 countries. Earlier, Ian was a member of the Industrial Advisory Board at Permira Advisers LLP and worked on major transactions including the €640m buy-out of Hogg Robinson. Prior to this he was Chief Executive of IKON Office Solutions UK/Europe, the document management and office products provider, for six years; delivering significant growth both organically and through several acquisitions. Ian holds a BA from Oxford University and an MBA from Harvard Business School.

Simon Embley, Non Executive Director and Chairman

Simon was appointed Non Executive Chairman on 1st January 2015, having previously held the positions of Deputy Chairman and Group Chief Executive Officer. He became the Group Chief Executive Officer of LSL at the time of the management buy-out of e.surv 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 oversaw and was responsible for the turnaround of the initial Group. Simon's other directorships are limited to a small estate management company, Road to Health (a healthcare provider) and he is also Non Executive Chairman at Global Property Ventures (which distributes a tenant deposit replacement product).

Darrell Evans, Non Executive Director

Darrell was appointed as an independent Non Executive Director on 28th February 2019 and is also a member of LSL's Nominations, Remuneration and Audit & Risk Committees. Darrell joined LSL with significant experience in financial services and he is currently the Chief Commercial Officer at the Co-Operative Bank plc. Darrell spent the first part of his career at Royal Bank of Scotland plc, where he was Managing Director, Mortgages, Loans and Retail

Telephony in the retail banking division responsible for all aspects of the Group's mortgage proposition. Prior to that he was Product Director for the RBS retail bank. Darrell has also held senior executive roles at Direct Line Insurance Group plc, Virgin Money plc and The Consulting Consortium where he was CEO.

Bill Shannon, Non Executive Director, Deputy Chairman, Senior Independent Director, and Chairman of the Remuneration Committee and Nominations Committee

Bill was appointed as an independent Non Executive Director and the Chairman of the Remuneration Committee on 7th January 2014 and on 1st January 2015, he took on the roles of Deputy Chairman, Senior Independent Director and Chairman of the Nominations Committee. He is also a member of LSL's Audit & Risk Committee. Bill has significant PLC board experience in strategy, operations, finance and governance in the consumer, financial services, residential and commercial property sectors. He is currently Non Executive Chairman of St Modwen Properties plc, Non Executive Chairman of Johnson Service Group plc and Council Member at the University of Southampton. He was previously at Whitbread Group plc from 1974 and between 1994 and 2004, he was the Divisional Managing Director. He has also served as Non Executive Chairman of Aegon UK plc and Non Executive Director of Rank Group plc, Barratt Developments plc, and Matalan plc.

David Stewart, Non Executive Director and Chairman of the Audit & Risk Committee

David joined the Board on 1st May 2015, and is Chairman of the Audit & Risk Committee and a member of the Remuneration and Nominations Committees. David has significant experience in finance, strategy, operations, risk and compliance with a particular expertise in financial services. He is currently Non Executive Chairman of the Enra Group and also sits as a Non Executive Director on the boards of M&S Bank, HSBC Private Bank (UK) Limited and Brooks Macdonald Group plc. Previously, he was Chief Executive of the Coventry Building Society (2006-2014), having earlier served as Finance Director and Operations Director. Prior to joining the Coventry, David spent ten years at DBS Management plc, holding a number of board positions including Group Chief Executive, Group Managing Director and Group Finance Director. David qualified as a Chartered Accountant with Peat Marwick (KPMG) and is a graduate of Warwick University.

Resolutions 11 and 12 – Appointment of Auditor and Auditor's Remuneration (ordinary resolutions)

LSL is required to appoint or reappoint an auditor at each AGM at which its accounts are presented to hold office until the conclusion of the next AGM. The Audit & Risk Committee has reviewed the effectiveness, independence and objectivity of the external auditor, Ernst & Young LLP (**Ernst & Young**), on behalf of the Directors, who now propose their reappointment as auditor of LSL (Resolution 11). Ernst & Young has advised of its willingness to stand for reappointment as the auditor of LSL. Resolution 12 authorises the Directors, in accordance with standard practice, to agree the auditor's remuneration.

Resolution 13 – Authority to Allot Shares (ordinary resolution)

Resolution 13, which will be proposed as an ordinary resolution will (at paragraph 13(a)), 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 2019 (being the latest practicable date prior to the publication of this document). In line with institutional investor 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 (excluding treasury shares). This maximum is reduced by the nominal amount of any shares allotted under the first paragraph of Resolution 13.

At close of business on 25th March 2019, 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 Ordinary Shares.

Resolutions 14 and 15 – Disapplication of Pre-emption Rights (special resolutions)

Resolutions 14 and 15 are to approve the disapplication of statutory pre-emption rights under the Act in respect of certain allotments of Shares made under the authorities in Resolution 14, in line with the guidelines on share capital management issued by the UK's Investment Association (**IA Guidelines**) and the Pre-Emption Group's Statement of Principles on Disapplying Pre-Emption Rights.

If the Directors wish to exercise the authority under Resolution 13 and offer Shares (or sell any Shares which LSL may purchase or elect to hold as treasury shares) for cash, the Act requires that unless Shareholders have given specific authority for the disapplication of their statutory pre-emption rights, the new Shares must be offered first to existing Shareholders in proportion to their existing shareholdings.

Resolutions 14 and 15 seek to give the Directors flexibility, in certain circumstances, to allot new Shares (or to grant rights over Shares) for cash or to sell treasury shares for cash without first offering them to existing Shareholders in proportion to their holdings.

Resolution 14 seeks to give the Directors additional flexibility in the context of pre-emptive offerings such as a rights issue, open offer, or scrip dividend, to deal with legal or practical difficulties in countries outside the UK which prevent the offer being made on a purely pro rata basis and in relation to fractional entitlements and certain other technical matters.

It also seeks a disapplication of pre-emption rights in respect of allotments or sales of treasury shares for cash up to an aggregate nominal amount of £10,415.89, representing approximately 5% of LSL issued Ordinary Share capital. This is designed to reflect the guidelines contained in the Pre-Emption Group's Statement of Principles on Disapplying Pre-Emption Rights, which impose a 5% limit for non-pre-emptive allotments for cash, excluding certain allotments such as those under employee share plans. The Directors do not have any present intention of exercising the authority conferred by Resolution 14 and do not intend to issue more than 7.5% of the issued Share capital of LSL on a non-pre-emptive basis in any rolling three year period without prior consultation with the relevant investor groups (except in connection with an acquisition or specified capital investment as referred to below).

Resolution 15 is being proposed as a separate resolution, in accordance with a recommendation of the Pre-Emption Group released during 2016 and the IA Guidelines, to authorise the Directors to allot an additional quantity of Shares (or sell treasury shares) for cash otherwise than to existing Shareholders pro rata to their holdings up to an aggregate nominal amount of £10,415.89, representing a further 5% of LSL's issued Share capital. The additional authority in Resolution 15 may be used only in connection with the financing (or refinancing) of an acquisition or specified capital investment.

In accordance with the Pre-Emption Group's Statement of Principles, the Directors confirm that they intend to use the authority sought in Resolution 15 only in connection with such an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six month period and is disclosed in the announcement of the issue, and will provide Shareholders with information regarding the transaction if the authority is used.

The Directors have no present intention of issuing any further Ordinary Shares pursuant to the new general authorities in Resolutions 14 and 15 but will keep the matter under review.

If granted, the authorities sought in Resolutions 14 and 15 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) as at 25th March 2019 (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 0.2 pence 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. 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 4,365,563 Ordinary Shares have been granted and are outstanding as at 25th March 2019 (being the latest practicable date prior to publication of this document) representing 4.19% 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 2019 would represent 4.66% of the Ordinary Share capital in issue following such exercise.

Resolution 17 – Political Donations (ordinary resolution)

It is the policy of LSL not to make donations to political parties or incur political expenditure and it has no present intention of making any political donation or incurring any political expenditure in respect of any political party, political organisation or independent election candidate. However, the Act contains wide definitions of 'political donation', 'political organisation' and 'political party' and, as a result, it is possible that LSL and its subsidiaries may be prohibited from supporting bodies which is in the Shareholders' interest for LSL to support; for example, bodies concerned with policy review or law reform, with the representation of the business community (or sections of it) or special interest groups. Sponsorship, subscriptions, payment of expenses and paid leave for employees fulfilling public duties may even fall under the definitions. If this resolution is passed, LSL and its subsidiaries will be authorised to make donations and incur expenditure which might otherwise be prohibited by legislation up to a limit of, in aggregate, £100,000. The Directors consider that the authority is necessary to provide LSL with comfort that it will not, because of uncertainties as to the scope and interpretation of the legislation, unintentionally commit a technical breach of it. In common with other listed companies, the Directors are therefore seeking Shareholders' approval in the terms outlined in this resolution.

Resolution 18 – 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' clear 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' clear notice in limited circumstances when, in the opinion of the Directors, it would be to the advantage of 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. The approval of this resolution will be effective until the conclusion of the AGM of LSL in 2019, when it is intended that the approval will be renewed.

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 3.30pm on 26th April 2019 at the offices of Link Asset Services 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 close of business on 26th April 2019 (or if the meeting is adjourned, close of business 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 lspls.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 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.
- 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 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. 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 2019 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 2019 is 104,158,950.

8. Meeting arrangements

The doors will open at 3.15pm and the AGM will start promptly at 3.30pm.

It is possible that, pursuant to requests made by members of LSL under section 527 of the Act, LSL may be required to publish on its Website a statement setting out any matter relating to the audit of LSL's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM. The business which may be dealt with at the AGM includes any statement that LSL has been required under section 527 of the Act to publish on its Website.

9. 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.

10. Documents available for inspection

There will be available for inspection at LSL's registered office during usual business hours on any day (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.

11. 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.

12. General enquiries

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

- Post:** Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
Email: shareholder.enquiries@linkgroup.co.uk
Telephone: 0871 664 0300 (calls cost 12p per minute plus your phone company's access charge. Calls outside the UK will be charged at the applicable international rate. Lines are open between 9.00am to 5.30pm, Monday to Friday excluding public holidays in England and Wales).
Online: signalshares.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.