



Dated 1st July 2009

LSL PROPERTY SERVICES PLC

NOMINATIONS COMMITTEE - TERMS OF REFERENCE

LSL PROPERTY SERVICES PLC (the "Company")

NOMINATIONS COMMITTEE - TERMS OF REFERENCE (the "Committee")

INTRODUCTION

The Combined Code on Corporate Governance published by the Financial Reporting Council (the "**Combined Code**") states that:

"There should be a formal, rigorous and transparent procedure for the appointment of new directors to the board" also "There should be a nomination committee which should lead the process for board appointments and make recommendations to the board".

A copy of the Combined Code, should members of the Committee need to consult it, can be obtained from the Company Secretary.

CONSTITUTION

- 1.** The members of the Committee for the time being shall be:

Roger Matthews (Chairman)
Mark Morris
Mark Pain
- 2.** The Committee shall consist of a minimum of 2 members appointed by the Board. A majority of the members of the Committee should be independent non-executive directors in accordance with A.3.1 of the Combined Code provided that if the Committee consists of only two members then at least one shall be an independent non-executive director. The Chairman of the Committee shall be appointed by the Board and shall be the Chairman of the Board or an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting. The Company Secretary shall act as the Secretary of the Committee.
- 3.** The quorum for decisions of the Committee shall be 2 members of which at least one shall be an independent non-executive director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any authorities, powers and discretions vested in or exercisable by the Committee.

ROLE

- 4.** The overall purpose of the Committee shall be to:
 - 4.1** monitor the Board's composition and size and the balance of skills, knowledge and experience on the Board;
 - 4.2** recommend to the Board as a whole the selection and appointment of new executive and non-executive directors in accordance with the Principles of Good Governance and Code of Best

Practice contained in the Combined Code including the preparation of a description of the role and capabilities required for a particular appointment;

- 4.3** report on the nomination of all new Board appointments;
- 4.4** assess and articulate the time needed to fulfil the role of Chairman, senior independent director and non-executive director of the Company and undertake an annual performance evaluation to ensure that all the members of the Board have devoted sufficient time to their duties;
- 4.5** keep under review the leadership needs of the organisation at varying levels with a view to ensuring the continued ability to compete effectively in the Company's marketplace;
- 4.6** ensure that, on appointment to the Board, non-executive directors receive a formal letter of appointment which sets out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings. This letter of appointment containing the terms and conditions of appointment of any non-executive director should be made available for inspection by any person at the Company's registered office during normal business hours and at the Company's general meeting (for 15 minutes prior to and during the meeting);
- 4.7** for the appointment of the Chairman of the Board, (as regards whom it is "particularly important" that he/she have enough time to devote to the job) prepare a job specification, including an assessment of the time commitment expected, recognising the need for availability in the event of crises. (A candidate's other significant commitments should be disclosed to the Board before appointment (and also included in the annual report). It should be noted that the chief executive should not (other than exceptionally) go on to be chairman of the same company and, also, the chairman should, on appointment, meet the independence criteria set out in the Combined Code).
- 5.** The Committee shall also make recommendations to the Board:
 - 5.1** as regards plans for succession, in particular, of the Chairman and the Chief Executive of the Company;
 - 5.2** as regards the re-appointment of any non-executive director at the conclusion of his/her specified term of office, especially when he/she has concluded his/her second term;
 - 5.3** for the continuation (or not) in service of any director who has reached the age of 70;
 - 5.4** concerning the re-election by shareholders of any director under the "retirement by rotation" provisions in the Company's Articles of Association;
 - 5.5** concerning any matters relating to the continuation in office of any individual as a director at any time;
 - 5.6** concerning the appointment of any director to executive or other office other than to the positions of Chairman and Chief Executive of the Company, the recommendation for which would be considered at a meeting of:

- 5.6.1** all the non-executive directors regarding the position of Chief Executive; and
- 5.6.2** all the directors regarding the position of Chairman;
- 5.7** concerning suitable candidates for the role of senior independent director;
- 5.8** concerning the statement required to be included in a separate section of the annual report of the Company (i) describing the activities of the Committee and (ii) describing the process used in relation to Board appointments, and providing an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chairman or non-executive director;
- 5.9** concerning the statement required to be included in the annual report of the Company identifying the membership of the Committee, number of Committee meetings held and attendance of individual directors over the course of the year; and
- 5.10** as regards the membership and chairmanship of the Audit and Remuneration Committees in consultation with the Chairmen of those Committees.

PROCEDURE

- 6.** The Committee shall meet at least twice each year and at such other times as the Chairman of the Committee shall require. Unless directed otherwise by the Chairman of the Committee, minutes of the meetings of the Committee shall be made available to all members of the Committee and the Board. Meetings may also be called at the request of any member of the Committee.
- 7.** At least 21 days' notice of any meeting of the Committee shall be given, although such notice may be waived or shortened with the consent of all the members of the Committee for the time being. Notice of the meeting shall specify the venue, time and date, together with an agenda of items to be discussed.
- 8.** The Chairman of the Committee shall be available at the Annual General Meeting of the Company to respond to any shareholder questions on the activities and responsibilities of the Committee.
- 9.** The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.
- 10.** The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.
- 11.** No one other than the Committee Chairman and its members is entitled to be present at a meeting of the Committee but others (such as, for example, the Company's Chief Executive or Personnel Director or external advisers) may be invited to attend and speak at meetings (or parts thereof) of the Committee. Other persons may be called upon or shall be able to speak by prior arrangement with the Chairman of the Committee.

- 12.** The Committee shall conduct an annual review of its work and these terms of reference and shall make recommendations about this to the Board.
- 13.** The Committee shall make available its terms of reference explaining clearly its role and the authority delegated to it by the Board.

1st July 2009