

JONES LANG LASALLE INC
Form DEF 14A
April 04, 2002

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SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
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JONES LANG LASALLE INCORPORATED

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(4) Date Filed:

Jones Lang LaSalle Incorporated
200 East Randolph Drive
Chicago, Illinois 60601

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
and
PROXY STATEMENT**

April 4, 2002

Dear Stockholder:

I would like to invite you to attend our 2002 annual meeting of stockholders, which will be held on Tuesday, May 14, 2002, beginning at 1:30 p.m., local time, in the Indiana Room on Lower Level 1 of the Aon Center, 200 East Randolph Drive, Chicago, Illinois 60601.

The formal notice of the annual meeting and the proxy statement can be found on the following pages. A copy of our 2001 Annual Review and our Form 10-K for the year are enclosed for your review. Also enclosed are a proxy card and a postage-paid return envelope.

To be sure that your shares will be voted at the meeting, please complete and sign the enclosed proxy card and return it in the enclosed envelope as promptly as possible. You are encouraged to specify your choices on the matters indicated. However, it is not necessary to specify your choice on a matter if you wish to vote in accordance with the recommendation of the Board of Directors, in which event merely executing and returning the proxy card will be sufficient.

I hope that you will be able to attend the annual meeting. If you do, you may vote your shares in person even though you have returned a proxy.

STUART L. SCOTT
Chairman

Jones Lang LaSalle Incorporated
200 East Randolph Drive
Chicago, Illinois 60601

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held May 14, 2002

The annual meeting of stockholders of Jones Lang LaSalle Incorporated will be held on Tuesday, May 14, 2002, beginning at 1:30 p.m., local time, in the Indiana Room on Lower Level 1 of the Aon Center, 200 East Randolph Drive, Chicago, Illinois 60601, for the following purposes:

1. To elect six Directors, one to serve until the 2004 annual meeting of stockholders and until his successor is elected and qualifies, and five to serve until the 2005 annual meeting of stockholders and until their successors are elected and qualify;
2. To ratify the appointment of KPMG LLP as Jones Lang LaSalle's independent auditors for the fiscal year ending December 31, 2002;
3. To vote on a stockholder proposal to declassify of the Board of Directors; and
4. To transact such other business as may properly come before the meeting or any adjournments or postponements thereof.

The Board of Directors has fixed the close of business on March 15, 2002 as the record date for determining the stockholders entitled to receive notice of and to vote at the annual meeting.

By Order of the Board of Directors

FRITZ E. FREIDINGER
Secretary

Chicago, Illinois
April 4, 2002

ALL STOCKHOLDERS ARE INVITED TO ATTEND THE MEETING IN PERSON. STOCKHOLDERS WHO DO NOT INTEND TO BE PRESENT AT THE MEETING IN PERSON ARE REQUESTED TO SIGN AND DATE THE ENCLOSED PROXY AND TO RETURN IT IN THE ACCOMPANYING ENVELOPE IN ORDER THAT THE NECESSARY QUORUM MAY BE ASSURED. ANY PROXY MAY BE REVOKED IN THE MANNER DESCRIBED IN THE ACCOMPANYING PROXY STATEMENT AT ANY TIME BEFORE IT HAS BEEN VOTED AT THE MEETING.

Jones Lang LaSalle Incorporated
200 East Randolph Drive
Chicago, Illinois 60601

PROXY STATEMENT

Annual Meeting of Stockholders
To Be Held May 14, 2002

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation of proxies by and on behalf of the Board of Directors (the "Board") of Jones Lang LaSalle Incorporated, a Maryland corporation ("Jones Lang LaSalle"), for use at the annual meeting of Jones Lang LaSalle's stockholders to be held on Tuesday, May 14, 2002, beginning at 1:30 p.m., local time, in the Indiana Room on Lower Level 1 of the Aon Center, 200 East Randolph Drive, Chicago, Illinois, and any adjournments or postponements thereof (the "Annual Meeting"), for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders.

Jones Lang LaSalle expects to first send this Proxy Statement and the enclosed form of proxy to stockholders on or about April 4, 2002.

ANNUAL REVIEW

The 2001 Annual Review of Jones Lang LaSalle and the Annual Report on Form 10-K for the year ended December 31, 2001, including financial statements audited by KPMG LLP, independent auditors, and their report thereon dated January 31, 2002, with reference to one footnote dated March 28, 2002 are being mailed together with this Proxy Statement to each of Jones Lang LaSalle's stockholders of record at the close of business on March 15, 2002 (the "Record Date").

VOTING AT THE ANNUAL MEETING

Only stockholders of record of Jones Lang LaSalle's common stock, \$.01 par value per share (the "Common Stock"), at the close of business on the Record Date are entitled to notice of and to vote at the Annual Meeting. Each share of Common Stock is entitled to one vote on all matters voted upon by stockholders and is entitled to vote for as many persons as there are Directors to be elected. There were 30,219,854 shares of Common Stock outstanding on the Record Date held by approximately 3,800 beneficial owners.

Directors will be elected by a plurality of the votes cast at the Annual Meeting. There is no cumulative voting for Directors. The affirmative vote of a majority of the total number of votes cast by holders of Common Stock entitled to vote at the Annual Meeting will be necessary to ratify the appointment of KPMG LLP as Jones Lang LaSalle's independent auditors for 2002. Approval of the stockholder proposal requires the affirmative vote of a majority of the votes cast.

The presence, in person or by properly executed proxy, of the holders of a majority of the outstanding shares of Common Stock is necessary to constitute a quorum at the Annual Meeting. Shares of Common Stock represented in person or by properly executed proxy will be counted for the purpose of determining whether a quorum is present at the Annual Meeting. Shares which abstain from voting as to a particular matter and broker non-votes on the stockholder proposal will be treated as shares that are present and entitled to vote at the Annual Meeting for purposes of determining whether a quorum exists, but will not be counted as votes cast on such matter. Accordingly, in determining whether

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director nominees and the ratification of KPMG LLP have received the requisite number of affirmative votes, abstentions will have no effect on the voting and in determining whether the stockholder proposal has received the requisite number of votes, abstentions and broker non-votes will have no effect on the voting.

Each valid proxy returned to Jones Lang LaSalle will be voted at the Annual Meeting as indicated on the proxy or, if no indication is made with respect to a proposal, in accordance with the recommendations of the Board set forth in this Proxy Statement. Jones Lang LaSalle does not know of any matters to be presented at the Annual Meeting other than the proposals referred to on the proxies and described in this Proxy Statement. However, if any other matters are properly presented at the Annual Meeting, the persons named on the enclosed form of proxy intend to vote the shares represented by them in accordance with their best judgment pursuant to the discretionary authority granted them in the proxies.

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before it is voted. Proxies may be revoked by (i) filing with the Secretary of Jones Lang LaSalle, before the taking of the vote at the Annual Meeting, a written notice of revocation bearing a later date than the proxy, or (ii) duly executing a later-dated proxy relating to the same shares and delivering it to the Secretary of Jones Lang LaSalle. Notice of revocation or subsequent proxy should be sent to Jones Lang LaSalle Incorporated, 200 East Randolph Drive, Chicago, Illinois 60601, Attention: Fritz E. Freidinger, Secretary, or hand-delivered to the Secretary of Jones Lang LaSalle at or before the taking of the vote at the Annual Meeting. Facsimiles will not be accepted.

STOCKHOLDER AGREEMENTS

In connection with the acquisition of the property and asset management, advisory and other real estate businesses operated by a series of partnerships and corporations in Europe, Asia, Australia, North America and New Zealand under the name "Jones Lang Wootton" or "JLW" (the "JLW Companies"), each former beneficial owner of the JLW Companies (the "JLW Shareholders") entered into a separate stockholder agreement ("Stockholder Agreement") with Jones Lang LaSalle. In addition, in the cases where a JLW Shareholder is not a natural person, the employee of the JLW Companies who owns or holds an interest in such JLW Shareholder (a "Related JLW Owner") entered into a Stockholder Agreement along with such JLW Shareholder. Unless otherwise agreed, the term of such Stockholder Agreements commenced upon the closing of the acquisition of the JLW Companies (the "Closing") and will terminate on the earlier of (i) the first business day immediately following the fifth annual meeting of stockholders following March 11, 1999, or (ii) June 1, 2003 (the "Transition Period").

Pursuant to the Stockholder Agreements, each JLW Shareholder and Related JLW Owner has, among other things, agreed (i) to standstill covenants and covenants restricting activities affecting the management and corporate control of Jones Lang LaSalle and (ii) to vote all shares of Common Stock owned by such JLW Shareholder and Related JLW Owner in favor of persons nominated by the Board and in accordance with the recommendation of the Board on stockholder proposals and matters involving a sale or merger of Jones Lang LaSalle which the Board has recommended against approving.

Each former LaSalle Partners employee stockholder who is a former partner of DEL-LPL Limited Partnership and DEL-LPAML Limited Partnership, two affiliated employee partnerships which held approximately 7 million of Jones Lang LaSalle's shares, has entered into a stockholder agreement (a "DEL

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Stockholder Agreement") that contains all the stockholder covenants and voting provisions contained in the Stockholder Agreements.

As a result of the Stockholder Agreements and DEL Stockholder Agreements, as long as persons who are parties or otherwise subject to such agreements own or control a significant number of the issued and outstanding shares of Common Stock entitled to vote, the Board's recommendation regarding director nominees to the Board, sale or merger transactions and all stockholder proposals will be assured a significant level of support. Approximately 30% of the outstanding Common Stock is currently owned by persons who are bound by the Stockholder Agreements and the DEL Stockholder Agreements.

PROPOSAL 1

ELECTION OF DIRECTORS

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Six Directors, five of the Class II Directors and one of the Class I Directors, are to be elected at the Annual Meeting. Class II Directors will serve three-year terms until Jones Lang LaSalle's annual meeting of stockholders in 2005, and the Class I Director will serve a two-year term until Jones Lang LaSalle's annual meeting of stockholders in 2004, and in each case until their successors are elected and qualify, or until their earlier death, resignation, retirement, disqualification or removal.

Pursuant to the purchase agreements relating to the acquisition of the JLW Companies (the "Purchase Agreements"), during the Transition Period, the Board will be composed of 14 directors. In connection with the Closing, seven of such directors (the "LaSalle Partners Directors") were designated by Jones Lang LaSalle and seven of such directors (the "JLW Directors") were designated by the JLW Companies. Four of the LaSalle Partners Directors (the "LaSalle Partners Employee Directors") were executive officers of Jones Lang LaSalle prior to the Closing and four of the JLW Directors (the "JLW Employee Directors") were executive officers of the JLW Companies prior to the Closing. The three remaining LaSalle Partners Directors (the "LaSalle Partners Independent Directors") and JLW Directors (the "JLW Independent Directors"), respectively, are required to be independent during the Transition Period.

During the Transition Period, the LaSalle Partners Employee Directors in office from time to time, together with two or more LaSalle Partners Independent Directors selected by such LaSalle Partners Employee Directors, will constitute a nominating committee (the "LaSalle Partners Nominating Committee") with the powers and duties delegated to such committee in the bylaws of Jones Lang LaSalle, as amended (the "Amended Bylaws"), and the JLW Employee Directors in office from time to time, together with two or more JLW Independent Directors selected by such JLW Employee Directors, will constitute a nominating committee (the "JLW Nominating Committee") with the powers and duties delegated to such committee in the Amended Bylaws. Except as otherwise set forth in the Amended Bylaws, the LaSalle Partners Nominating Committee and the JLW Nominating Committee (collectively, the "Transition Nominating Committees") will exercise all power and authority of the Board with respect to the designation of persons as the nominees of the Board for election to, or designating persons to fill vacancies on, the Board. Any Director elected by the Board to replace any JLW Director must be nominated by the JLW Nominating Committee, and any Director elected by the Board to replace any LaSalle Partners Director must be nominated by the LaSalle Partners Nominating Committee.

In addition, the Board has established a nominating committee that will consist entirely of independent Non-Executive Directors (the "Nominating Committee"). The Committee will (i) seek out candidates and otherwise aid in attracting highly qualified candidates to serve on the Board, (ii) review the qualifications of new candidates and the performance of incumbent Directors whose terms are to expire at the next annual meeting and (iii) recommend to the Transition Nominating Committees those persons (a) to be nominated to stand for election by the stockholders to the Board and (b) to be elected by the Board to fill vacancies and newly created positions on the Board.

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The Nominating Committee will consider nominees for director recommended by stockholders, provided that such recommendation is made in accordance with the requirements set forth in the section headed "Stockholder Proposals," below.

Each valid proxy returned to Jones Lang LaSalle will be voted at the Annual Meeting for the six nominees listed below, unless the proxy specifies otherwise. **The Board recommends that stockholders vote FOR the election of each of the six nominees listed below.** Biographical information for each of the nominees is set forth below under the caption "Management."

Nominees

Class I (term expiring in 2004)

Peter C. Roberts

Class II (term expiring in 2005)

Robin S. Broadhurst

Christopher A. Peacock

Stuart L. Scott

Sheila A. Penrose

Jackson Tai

While the Board does not anticipate that any of the nominees will be unable to stand for election as a Director at the Annual Meeting, if that is the case, proxies will be voted in favor of such person or persons designated by the Board.

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MANAGEMENT

Directors and Executive Officers

Jones Lang LaSalle's Articles of Incorporation, as amended, provide for the Board to be divided into three classes, as nearly equal in number as possible, serving staggered terms. The Board currently consists of five Class I Directors (Messrs. de Bettignies, Hartley-Leonard, Orr, Roberts and Webb), five Class II Directors (Messrs. Scott, Peacock, Broadhurst, Li, and Walter) and four Class III Directors (Messrs. Brown, Higgs, Theobald and Ms. Thurber). The terms of the Class I Directors, Class II Directors and Class III Directors will expire upon the election and qualification of successor Directors at the annual meetings of stockholders held during the calendar years 2004, 2002 and 2003, respectively.

The following table sets forth information with respect to the Directors who will continue to serve on the Board following the Annual Meeting, the Director nominees and the executive officers of Jones Lang LaSalle. Jones Lang LaSalle currently has a fourteen member Board, which includes six Directors who are not employed by Jones Lang LaSalle and its subsidiaries ("Non-Executive Directors").

Name	Age	Position
Executive Directors (also Executive Officers)		
Stuart L. Scott	63	Chairman of the Board of Directors and Director Nominee
Christopher A. Peacock	56	President, Chief Executive Officer and Director Nominee
Robin S. Broadhurst	55	Chairman of Europe and Director Nominee
Christopher M. G. Brown	55	Chief Executive Officer, Asia Pacific and Director
Robert S. Orr	42	Chief Executive Officer, Europe and Director
Peter C. Roberts	41	Executive Vice President, Chief Operating Officer and Director Nominee
Lynn C. Thurber	55	Chief Executive Officer of LaSalle Investment Management and Director
Earl E. Webb	44	Chief Executive Officer, Americas and Director
Non-Executive Directors		
Henri-Claude de Bettignies	63	Director
Darryl Hartley-Leonard	56	Director
Derek A. Higgs	56	Director
Sheila A. Penrose	56	Director Nominee
Jackson Tai	51	Director Nominee
Thomas C. Theobald	64	Director
Other Executive Officers		
Peter Barge	51	Chief Executive Officer of Jones Lang LaSalle Hotels and Chief Executive Officer of Corporate Solutions for the Americas
Lawrence Deans	50	Executive Vice President, Chief Human Resources Officer
Fritz E. Freidinger	37	Vice President, Global General Counsel and Secretary
Margaret A. Kelly	44	Chief Marketing and Communications Officer
Lauralee E. Martin	51	Executive Vice President and Chief Financial Officer
John G. Minks	46	Chief Executive Officer of Global Client Services and Chief Executive Officer of Corporate Solutions for Europe
Nicholas J. Willmott	41	Senior Vice President and Global Controller

The following is a biographical summary of the experience of the Directors who will continue to serve on the Board following the Annual Meeting, the Director Nominees and the executive officers of Jones Lang LaSalle.

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Stuart L. Scott. Mr. Scott has been Chairman of the Board of Directors and a Director of Jones Lang LaSalle since its incorporation in April 1997. Mr. Scott was Chief Executive Officer from April 1997 through December 2001 and a member of the Management Executive Committee from March 1999 through December 2001. Previously, he was Chief Executive Officer and Chairman of the Management Committee of LaSalle Partners Limited Partnership and LaSalle Partners Management Limited Partnership (the "Predecessor Partnerships") from December 1992 until 1997. Prior to December 1992, Mr. Scott was President of the Predecessor Partnerships for more than 15 years and Co-Chairman of the Management Committee from January 1990 to December 1992. Mr. Scott originally joined Jones Lang LaSalle in 1973. He is a member of the boards of directors of Hartmarx Corporation, a clothing manufacturing company, and LaSalle Hotel Properties, a REIT. He holds a B.A. from Hamilton College and a J.D. from Northwestern University.

Christopher A. Peacock. Mr. Peacock has been the Chief Executive Officer of Jones Lang LaSalle since January 2002 and President, Chairman of Jones Lang LaSalle's Management Executive Committee and a Director of Jones Lang LaSalle since March 1999. Mr. Peacock was Deputy Chief Executive Officer and Chief Operating Officer from March 1999 until December 2001. Mr. Peacock was International Chief Executive Officer of the JLW Companies from September 1997 through March 1999, having previously been the European Chief Executive Officer since June 1996. From November 1992 to June 1996, Mr. Peacock served concurrently as Managing Partner for the Continent of Europe and as Chairman of Leasing and Agency in England. He became a member of the JLW Companies' Executive Board for the Continent of Europe in June 1985. Mr. Peacock originally joined JLW England as an employee in 1972 and was made a partner in 1974. Mr. Peacock is a Fellow of the Royal Institution of Chartered Surveyors. He was educated at Wellington College, Berkshire, England.

Robin S. Broadhurst. Mr. Broadhurst has been Chairman of Europe since September 2000 and a Director since May 2001. Previously, he was an International Director of Jones Lang LaSalle from March 1999 to September 2000. Prior to that he was a partner with JLW since 1973 and during that time, Chairman of JLW International from January 1993 to December 1997. He joined JLW in 1969 as a Surveyor. Mr. Broadhurst is a Fellow of the Royal Institution of Chartered Surveyors. He was educated at Felsted School and College of Estate Management, England.

Christopher M. G. Brown. Mr. Brown has been Chief Executive Officer of Asia Pacific since January 2000 when the Asia region, of which he had been Executive Chairman since March 1999, was combined with the Australasia region to form the Asia Pacific region. He has been a member of Jones Lang LaSalle's Management Executive Committee since March 1999. From 1995 to March 1999, Mr. Brown was Chairman of JLW Singapore. From January 1989 until May 1995, Mr. Brown was Executive Chairman of JLW Australia and Chairman of JLW Pacific Region. Mr. Brown joined the JLW Companies in 1969 in the Sydney office. He held a number of positions with the JLW Companies in Australia and Asia. Mr. Brown's tertiary education was undertaken in England; he is a Fellow of the Royal Institution of Chartered Surveyors and a Fellow of the Society of Land Economists.

Robert S. Orr. Mr. Orr has been Chief Executive Officer of Europe and a member of Jones Lang LaSalle's Management Executive Committee since March 1999 and a Director since May 2001. From January 1998 to March 1999, Mr. Orr was European Chief Executive of the JLW Companies. From 1991 to 1998, he served as Country Manager for JLW Germany. Mr. Orr joined the JLW Companies in 1980 and held a number of positions with them in Europe.

Peter C. Roberts. Mr. Roberts has been Chief Operating Officer since January 2002 and has been Executive Vice President since January 2001 and a Director of the Company since December 2001. Previously, he served as Chief Financial Officer from January 2001 to December 2001. Prior to that he served as Managing Director of Jones Lang LaSalle's Tenant Representation Group in North America

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since December 1996 and then in March 1999 also became that group's Co-President. Mr. Roberts joined the Tenant Representation Group in June 1993 as Vice President and thereafter held the positions of Senior Vice President, Executive Vice President and then Managing Director. He joined Jones Lang LaSalle in 1986. Prior to that, Mr. Roberts worked within the Aerospace and Defense Contractor Group at Morgan Guaranty Trust Company of New York. Mr. Roberts attended Dartmouth College, where he graduated magna cum laude with an A.B. degree in Economics. He received his M.B.A. from Harvard Business School.

Lynn C. Thurber. Ms. Thurber has been the Chief Executive Officer of LaSalle Investment Management, Jones Lang LaSalle's investment management business, since March 2000, and a Director since May 2000. From March 1999 until March 2000 she was the Co-Chief Executive Officer of LaSalle Investment Management. She has been a member of Jones Lang LaSalle's Management Executive Committee since March 1999 and was a Director of Jones Lang LaSalle from its incorporation until March 1999. From April 1997 until March 1999, she was Co-President of LaSalle Advisors Capital Management, Inc. (now known as LaSalle Investment Management, Inc.), an operating subsidiary of Jones Lang LaSalle. Ms. Thurber was a Managing Director and Co-President of LaSalle Advisors Limited Partnership, a subsidiary of one of the Predecessor Partnerships, from November 1994 until 1997. Ms. Thurber was Chief Executive Officer of Alex. Brown Kleinwort Benson Realty Advisors Corporation ("ABKB") from May 1993 to November 1994, at which time its assets were acquired by the Predecessor Partnerships. From July 1992 to May 1993, Ms. Thurber served as Chief Operating Officer and Director of Acquisitions of ABKB. Prior to that time,

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Ms. Thurber was a Principal at Morgan Stanley & Co. Incorporated. She holds an A.B. from Wellesley College and an M.B.A. from Harvard University.

Earl E. Webb. Mr. Webb has been Chief Executive Officer of the Americas and a Director of Jones Lang LaSalle since May 1999. He has been a member of Jones Lang LaSalle's Management Executive Committee since March 1999. Mr. Webb was Co-Chief Executive Officer of the Americas from March 1999 until May 1999. Mr. Webb also served as a Director of Jones Lang LaSalle from its incorporation until March 1999. From April 1997 until March 1999, he was Managing Director, Investment Banking Division of LaSalle Partners Corporate & Financial Services, Inc., an operating subsidiary of Jones Lang LaSalle. Mr. Webb was Managing Director of the Investment Banking Division of the Predecessor Partnerships from January 1995 until 1997. From January 1992 to January 1995, Mr. Webb was a Senior Vice President of the Predecessor Partnerships. Mr. Webb originally joined the Predecessor Partnerships in 1985. He holds a B.S. from the University of Virginia and an M.M. from Northwestern University.

Non-Executive Directors

Henri-Claude de Bettignies. Professor de Bettignies has been a Director of Jones Lang LaSalle since March 1999. Professor de Bettignies joined the European Institute of Business Administration, Fontainebleau, France ("INSEAD") in 1967 as an Assistant Professor and became a Full Professor in 1975. Since 1988, he has held a joint professorship at the Stanford University Graduate School of Business. Professor de Bettignies started and developed INSEAD's activities in Japan and the Asia Pacific region which led to the creation in 1980 of the Euro-Asia Centre, of which he was the Director General until 1988. At INSEAD and Stanford, he teaches courses on international management, ethics and Japan and the Asia Pacific region. He has created and directs several executive programs organized in Asia and Europe, including AVIRA, a program for CEOs held in Europe, the United States and Asia. He serves as a consultant to a number of major organizations and has published five books and over 50 articles in business and professional journals. He is a member of the Asian Academy of Management, and on the Editorial Board of a number of Journals, including: The New Academic Review (New York), The Journal of Asian Business (Ann Arbor), Asian Academy of management Journal (Penang), Ethica (Asti), The Revue Française de Gestion (Paris) and The Thunderbird International Business Review (New York).

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Professor de Bettignies was educated at the Sorbonne (Licence ès Lettres), the Catholic University of Paris (EPP) and the Harvard Business School (ITP).

Darryl Hartley-Leonard. Mr. Hartley-Leonard has been a Director of Jones Lang LaSalle since the closing of the initial public offering in July 1997. He is Chairman and Chief Executive Officer of PGI, an event and communication agency. Mr. Hartley-Leonard retired as Chairman of the Board of Hyatt Hotels Corporation ("Hyatt") after a 32 year career with Hyatt and its diversified affiliates. From 1994 to 1996, he served as Chairman of the Board of Directors of Hyatt, and from 1986 to 1994, he served as Chief Executive Officer/Chief Operating Officer of Hyatt. Mr. Hartley-Leonard also serves on the board of directors of LaSalle Hotel Properties. Mr. Hartley-Leonard holds a B.A. from Blackpool Lancashire College of Lancaster University and an honorary doctorate of business administration from Johnson and Wales University.

Derek A. Higgs. Mr. Higgs has been a Director of Jones Lang LaSalle since March 1999. Mr. Higgs was Chairman of Prudential Portfolio Managers Limited and a Director of Prudential plc from January 1996 to December 2000 and prior to that he was employed by S.G. Warburg & Co. Ltd. from 1972 until 1996, serving as a Director beginning in 1979, Head of Global Corporate Finance beginning in 1986 and Chairman beginning in 1994. Mr. Higgs is a member of the Financial Reporting Council of the UK and a Trustee of The Architecture Foundation. He is Chairman of Partnerships UK plc, Deputy Chairman of the British Land Company PLC and a Director of Allied Irish Banks p.l.c., Egg plc, and London Regional Transport. Mr. Higgs is also a senior advisor to UBS Warburg. He is a Chartered Accountant and holds a Bachelor of Arts degree from the University of Bristol.

Sheila A. Penrose. Ms. Penrose has served as the President of The Penrose Group, a provider of strategic advisory services, since her retirement from Northern Trust Corporation in Chicago in September 2000. While with Northern Trust, Ms. Penrose served as President of Corporate and Institutional Services and as a member of the Management Committee. Northern Trust provides personal and institutional financial services on a worldwide basis. Ms. Penrose was employed by Northern Trust for more than 23 years. Ms. Penrose is a member of the board of directors of eFunds Corporation and Datacard Group and is an Executive Advisor to the Boston Consulting Group. She received her Bachelors degree from the University of Birmingham in England, her Masters degree from the London School of Economics and attended the Executive Program of the Stanford Graduate Business School.

Jackson Tai. Mr. Tai has been President and Chief Operating Officer of The Development Bank of Singapore ("DBS Bank") since January, 2001, and its Chief Financial Officer since July 1999. Prior to joining DBS Bank, Mr. Tai was a Managing Director in J.P. Morgan & Co.'s Investment Banking Division. Mr. Tai joined J.P. Morgan in 1974 and held various managerial positions, including that of

senior officer for Asia Pacific, based in Tokyo, and senior officer for the Western United States, based in San Francisco. He currently serves on the boards of directors of DBS Group Holdings, Singapore Telecommunications, Singapore Productivity & Standards Board, and Capitaland. Mr. Tai received a Bachelor of Science from Rensselaer Polytechnic Institute in 1972 and his MBA from Harvard University in 1974.

Thomas C. Theobald. Mr. Theobald has been a Director of Jones Lang LaSalle since the closing of the initial public offering in July 1997. Mr. Theobald has served as a Managing Director at William Blair Capital Partners since September 1994. From July 1987 to August 1994, Mr. Theobald was Chairman of Continental Bank Corporation. He currently serves on the boards of directors of Xerox Corporation, a manufacturer of document processing products and systems, Anixter International, a supplier of electrical apparatus and equipment, Liberty Funds, a mutual fund group, RIGF Liquidating Trust, the MONY Group, a life insurance company and the MacArthur Foundation. Mr. Theobald holds an A.B. from the College of the Holy Cross and an M.B.A. from Harvard University.

Other Executive Officers

Peter Barge. Mr. Barge has been Chief Executive Officer of Jones Lang LaSalle Hotels and a member of Jones Lang LaSalle's Management Executive Committee since March 1999 and Chief Executive Officer of Corporate Solutions in the Americas since March 2001. Previously, Mr. Barge was Chief Executive Officer of JLW TransAct, the JLW Companies' hotel business. Before the investment by the JLW Companies in TransAct Hotel & Tourism Property Limited, Mr. Barge held various positions with that company. Prior thereto, Mr. Barge served as "Lecturer in Charge" of all hotel and tourism programs at Australia's pre-eminent school of Food and Hotel Administration in Adelaide, South Australia and worked in hotel management and tourism consulting.

Lawrence Deans. Mr. Deans has been Executive Vice President and Chief Human Resources Officer and a member of the Management Executive Committee since March 2002. Prior to that Mr. Deans was Managing Director, Human Resources of the Americas since September 1999. He was Vice President, Human Resources for Alliant Foodservice, Inc. from February 1998 to June 1999 and before that was Vice President, Human Resources for Knoll Pharmaceutical Company from June 1991 to January 1998. Mr. Deans received his B.A. from Northern Illinois University.

Fritz E. Freidinger. Mr. Freidinger has been Vice President, Global General Counsel and Secretary since February 2001. Previously, he was with the law firm of Hagan & Associates, a law firm providing services to Jones Lang LaSalle and its clients, from March 1997 to February 2001. Prior to that, Mr. Freidinger was an associate with the law firm of Mayer, Brown & Platt from September 1993 to March 1997. Prior to attending law school, Mr. Freidinger worked for Harris Trust and Savings Bank. He holds an A.B. in economics from the University of Illinois and a J.D. from The University of Chicago Law School.

Margaret A. Kelly. Ms. Kelly has been Chief Marketing and Communications Officer since March 1999 and a member of Jones Lang LaSalle's Management Executive Committee since November 2001. Previously, Ms. Kelly was Director of Marketing and Communications for LaSalle Partners. During Ms. Kelly's tenure with the firm, she has served as Director of Corporate Marketing from 1994 to 1999, Director of Property Marketing from 1992 to 1994 and Director of the West Coast division of Property Marketing from 1990 to 1992. Ms. Kelly earned her B.A. from Drake University.

Lauralee E. Martin. Ms. Martin has been Executive Vice President and Chief Financial Officer and a member of Jones Lang LaSalle's Management Executive Committee since January 2002. Prior to that she served as Executive Vice President and Chief Financial Officer of Heller Financial, Inc. from May 1996 to November 2001. Prior to that she held the positions of Senior Group President responsible for Heller's Real Estate group, Equipment Financing group, and Small Business Lending group and President of the Real Estate group. She was a Director of Heller from May 1991 to July 1998. Ms. Martin has been a Director of Gables Residential Trust since January 1994. Prior to joining Heller in 1986, Ms. Martin held a variety of senior management positions with General Electric Credit Corporation. She holds a B.A. from Oregon State University and an M.B.A. from the University of Connecticut.

John G. Minks. Mr. Minks has been Chief Executive Officer of Global Client Services and a member of Jones Lang LaSalle's Management Executive Committee since March 1999 and European CEO, Corporate Solutions since September 2001. Previously, he was a Managing Director and head of the Client Services Group of Jones Lang LaSalle since its incorporation and of the Predecessor Partnerships since April 1996 and, prior to that, was a Vice President in the Client Services Group. Prior to joining Jones Lang LaSalle in 1992, Mr. Minks was a Vice President of Smith Barney's Corporate Finance Group. Before that, he was a Manager at Touche Ross Management Consulting. Mr. Minks holds a B.A. in economics from Stanford University and an M.B.A. from the University of California at Los Angeles.

Nicholas J. Willmott. Mr. Willmott has been Senior Vice President and Global Controller of Jones Lang LaSalle since December 1999. Prior to joining Jones Lang LaSalle, he worked for Pepsi-Cola International, the international beverages division of PepsiCo, Inc., serving as Assistant Controller, International Field Support from January 1997 to December 1999, Division Controller, Europe Beverages Division from July 1995 to December 1996 and Field Services Manager, Eastern Europe from October 1993 to June 1995. From 1982 to 1993, Mr. Willmott worked for the accounting firm of Price Waterhouse, first in England for six years and then in the United States for five years. He holds a B.A. in accounting and financial management from the University of Sheffield and is a member of the Institute of Chartered Accountants in England and Wales.

Board Committees and Meetings

Jones Lang LaSalle has standing Audit, Compensation and Nominating Committees of the Board.

Audit Committee. The Board has established an Audit Committee. Each member of the Audit Committee is "independent" as that term is defined in the New York Stock Exchange listing standards. Messrs. Hartley-Leonard (Chairman), Walter, de Bettignies and Higgs served as members of the Audit Committee during the entire year of 2001. The Audit Committee makes recommendations concerning the engagement of independent public accountants, reviews with the independent public accountants the plans and results of the audit engagement, reviews the independence of the independent public accountants, including consideration of the range of audit and non-audit fees paid to the independent public accountants, and reviews the adequacy of Jones Lang LaSalle's internal accounting controls. The Audit Committee has a written charter adopted by the Board. The Audit Committee met eight times in 2001. See also the report of the Audit Committee set forth in the section headed "Audit Committee Report," below.

Compensation Committee. The Board has established a Compensation Committee. Messrs. Theobald (Chairman), Walter, de Bettignies and Higgs served as members of the Compensation Committee during the entire year of 2001. The Compensation Committee reviews and approves the compensation of Jones Lang LaSalle's executive officers, administers Jones Lang LaSalle's 1997 Stock Award and Incentive Plan, Employee Stock Purchase Plan and Stock Ownership Program and oversees Jones Lang LaSalle's compensation programs generally. See "Executive Compensation" below. The Executive Compensation Committee met four times in 2001.

Nominating Committees. In addition to the Transition Nominating Committees, in early 2002 the Board established a Nominating Committee that consists entirely of independent Non-Executive Directors. Messrs. de Bettignies (Chairman), Hartley-Leonard, Higgs and Theobald are currently members of the Nominating Committee. The Nominating Committee will (i) seek out candidates and otherwise aid in attracting highly qualified candidates to serve on the Board, (ii) review the qualifications of new candidates and the performance of incumbent Directors whose terms are to expire at the next annual meeting and (iii) recommend to the Transition Nominating Committees those persons (a) to be nominated to stand for election by the stockholders to the Board and (b) to be elected by the Board to fill vacancies and newly created positions on the Board. The Nominating Committee has recommended to the Transition Nominating Committees the nominees for Director at this year's Annual Meeting.

Four meetings of the full Board were held in 2001. Each Director who held such position in 2001 attended 100% of all meetings of the Board and at least 83% of the meetings of any committee on which such Director served.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth certain information regarding the compensation of Mr. Stuart L. Scott and the other four most highly compensated executive officers of Jones Lang LaSalle (the "Named Executive Officers") during 2001. The table includes compensation from all sources for services rendered to Jones Lang LaSalle and its subsidiaries during 2001, 2000 and 1999.

SUMMARY COMPENSATION TABLE(1)

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Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			
		Salary	Bonus(3)	Other Annual Compensation	Awards		Payouts	
					Restricted Stock Award(s)(3)	Securities Underlying Options	LTIP Payouts	All Other Compensation(4)
Stuart L. Scott Chairman of the Board of Directors and Chief Executive Officer	2001	\$ 440,000	\$ 173,600		\$ 54,250	12,500		\$ 366,358
	2000	\$ 440,000	\$ 528,000		\$ 165,000	40,000		\$ 385,280
	1999	\$ 440,000	\$ 198,000		\$ 79,199	10,000		\$ 351,987
Christopher A. Peacock President, Deputy Chief Executive Officer and Chief Operating Officer	2001	\$ 400,000	\$ 216,000		\$ 67,500	17,500		\$ 22,189
	2000	\$ 400,000	\$ 480,000		\$ 150,000	50,000		\$ 23,104
	1999	\$ 400,000	\$ 180,000		\$ 72,004			\$ 24,903
Earl E. Webb Chief Executive Officer of the Americas	2001	\$ 340,000	\$ 168,000		\$ 52,500			\$ 2,910
	2000	\$ 340,000	\$ 336,000		\$ 502,125	10,000		\$ 2,850
	1999	\$ 340,000	\$ 645,250		\$ 63,750			\$ 2,660
Lynn C. Thurber Chief Executive Officer of LaSalle Investment Management	2001	\$ 310,000	\$ 168,000		\$ 52,500			\$ 83,582
	2000	\$ 310,000	\$ 648,000		\$ 202,500	5,000		\$ 2,850
	1999	\$ 310,000	\$ 225,750		\$ 90,296	10,000		\$ 2,790
Robert S. Orr Chief Executive Officer of Europe	2001	\$ 217,500(2)	\$ 233,600		\$ 73,000			\$ 14,911
	2000	\$ 228,000(2)	\$ 484,000		\$ 151,250	7,500		\$ 15,521
	1999	\$ 243,000(2)	\$ 270,122		\$ 108,046			\$ 16,722

- (1) The 1999 compensation for Messrs. Peacock and Orr includes compensation paid by the JLW Companies for the period preceding the closing of the LaSalle/Jones Lang Wootton transaction on March 11, 1999. Messrs. Peacock and Orr became executive officers on March 11, 1999, and prior to that date were not employed by Jones Lang LaSalle.
- (2) Mr. Orr's salary in pounds sterling was the same in 1999, 2000 and 2001, and the difference in the salary amounts set forth in this table reflect only a difference in the exchange rate between the U.S. dollar and the pound sterling for the three years.
- (3) The Named Executive Officers, along with certain other officers, received a portion of their 2001, 2000 and 1999 bonuses in the form of deferred shares under the Stock Ownership Program as described below under the caption "Stock Ownership Program". The portion of the bonus paid in deferred shares under the Stock Ownership Program is not included in the dollar value under Bonus, and the value (based on the closing price for the first business day of the following year) of deferred shares received is listed under Restricted Stock Award(s). The number of deferred shares received by each of the named executive officers in 2001, 2000 and 1999, respectively, is as follows: 3,048, 12,222 and 7,001 shares for Mr. Scott, 3,792, 11,111 and 6,365 shares for Mr. Peacock, 2,949, 8,796 and 6,762 shares for Mr. Webb, 2,949, 15,000 and 7,982 shares for Ms. Thurber and 4,101, 11,204 and 9,551 shares for Mr. Orr. For Mr. Webb, the Restricted Stock Award(s) column for 2000 also includes a March 1, 2000 grant of 30,000 shares of restricted stock as well as a grant of \$44,000 worth of restricted stock under a special bonus compensation trust. Mr. Webb's 1999 bonus includes \$454,000

related to the performance of the business he managed prior to becoming Chief Executive Officer of the Americas.

- (4) The amounts in this column with respect to 2001 reflect premiums paid on life insurance policies (\$1,584 for Mr. Scott, \$1,032 for Ms. Thurber and \$360 for Mr. Webb and \$355 for Messrs. Peacock and Orr), expatriate expenses and reimbursements (\$356,521 for Mr. Scott), contributions by Jones Lang LaSalle to the retirement plan (the "Retirement Plan") qualified under Section 401(k) of the Internal Revenue Code of 1986, as amended (the "Code") (\$2,550 each for Mr. Scott, Mr. Webb and Ms. Thurber), pension allowances (\$21,834 for Mr. Peacock and \$14,556 for Mr. Orr) and payment of an amount from a pool of compensation accrued with respect to 2000, but not allocated to specific individuals until 2002 (\$80,000 for Ms. Thurber). The amounts in this column with respect to 2000 reflect premiums paid on life insurance policies (\$300 each for Mr. Scott, Ms. Thurber and Mr. Webb and \$355 for Messrs. Peacock and Orr), expatriate expenses and reimbursements (\$382,430 for Mr. Scott), contributions by Jones Lang LaSalle to the retirement plan (the "Retirement Plan") qualified under Section 401(k) of the Internal Revenue Code of 1986, as amended (the "Code") (\$2,550 each

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for Mr. Scott, Mr. Webb and Ms. Thurber), and pension allowances (\$22,749 for Mr. Peacock and \$15,166 for Mr. Orr). The amounts in this column with respect to 1999 reflect premiums paid on life insurance policies (\$390 for Mr. Scott and Ms. Thurber, \$360 for Mr. Peacock and Mr. Orr and \$260 for Mr. Webb), expatriate expenses and reimbursements (\$349,197 for Mr. Scott), contributions by Jones Lang LaSalle to the Retirement Plan (\$2,400 for Mr. Scott, Ms. Thurber and Mr. Webb) and pension allowances (\$24,543 for Mr. Peacock and \$16,362 for Mr. Orr). The amounts in this column with respect to 1998 reflect premiums paid on life insurance policies (\$363 for Mr. Scott and Ms. Thurber and \$393 for Mr. Webb), expatriate expenses and reimbursements (\$242,418 for Mr. Scott) and contributions by Jones Lang LaSalle to the Retirement Plan (\$2,400 for Mr. Scott, Ms. Thurber and Mr. Webb).

Option Grants

The following table sets forth certain information with respect to Options granted under the 1997 Stock Award and Incentive Plan, as amended (the "1997 Stock Incentive Plan"), to each of the Named Executive Officers who received a grant of Options during 2001.

OPTION GRANTS IN 2001

Name	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation For Option Term(3)	
	Number of Securities Underlying Options Granted(1)	Percent of Total Options Granted to Employees in Fiscal Year	Exercise Price	Expiration Date(2)		
					5%	10%
Stuart L. Scott	12,500	2.12%	\$ 13.00	5/11/08	\$ 66,154	\$ 154,156
Christopher A. Peacock	17,500	2.97%	\$ 13.00	5/11/08	\$ 92,615	\$ 215,833

- (1) These Options vest with respect to one-third of the shares on each of the first three anniversary dates of the date of grant (May 11, 2001). These options vest immediately upon the death of the grantee.
- (2) These options expire 90 days after the termination of the grantee's employment with Jones Lang LaSalle and its subsidiaries for any reason other than retirement, permanent total disability, or death.
- (3) The values in these columns are based upon calculations assuming the 5% and 10% annual stock price appreciation rate specified by the Securities and Exchange Commission. These assumed rates are not intended to forecast future price appreciation of the Common Stock. Actual gains, if any, on stock option exercises are dependent upon the future market performance of the Common Stock and the date on which the options are exercised.

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Aggregated Option Exercises in 2001 and Year-End Option Values

The following table sets forth certain information concerning exercises of options during 2001, and the year-end value of options owned, by each of the Named Executive Officers.

AGGREGATED OPTION EXERCISES IN 2001 AND YEAR-END OPTION VALUES

Name	Shares Acquired on Exercise	Value Realized	Number of Securities Underlying Unexercised Options at Fiscal Year-End		Value of Unexercised In-The-Money Options at Fiscal Year-End(1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable

			Number of Securities Underlying Unexercised Options at Fiscal		Value of Unexercised In-The-Money Options at Fiscal Year-End(1)	
			Year-End			
Stuart L. Scott	0	0	76,251	61,249	\$ 77,337	\$ 217,788
Christopher A. Peacock	0	0	16,667	50,833	\$ 96,669	\$ 281,706
Earl E. Webb	0	0	44,167	15,833	\$ 0	\$ 0
Lynn C. Thurber	0	0	36,459	16,041	\$ 4,884	\$ 16,041
Robert S. Orr	0	0	2,500	5,000	\$ 14,500	\$ 29,000

(1)

The price of the Common Stock at the close of trading on the New York Stock Exchange on December 31, 2001 was \$18.05 per share.

Incentive Compensation

Professional and management employees, including executive officers, receive a portion of their annual compensation in the form of incentive compensation (*i.e.*, a bonus). Such employees are assigned a target bonus, the payment of which is based upon an evaluation of performance against specific objective and subjective standards which vary from employee to employee. Performance against these standards may lead to receiving more than, or less than, the target bonus. Additionally, bonus payments may vary in a year when Jones Lang LaSalle's results are above or below the year's business plan. Further information regarding the executive officers' bonuses is set forth below under the caption "Compensation Committee Report on Executive Compensation."

1997 Stock Award and Incentive Plan

The 1997 Stock Incentive Plan provides for the grant of various types of stock-based compensation to eligible participants. The purpose of the 1997 Stock Incentive Plan is to promote the success of Jones Lang LaSalle's business in the best interests of its stockholders by providing incentives to those individuals who are or will be responsible for such success.

The 1997 Stock Incentive Plan is designed to comply with the requirements of Regulation G (12 C.F.R. §207), the requirements for "performance-based compensation" under Section 162(m) of the Code and the conditions for exemption from the short-swing profit recovery rules under Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The summary that follows is qualified in its entirety by reference to the actual terms of the 1997 Stock Incentive Plan.

The 1997 Stock Incentive Plan provides for the granting of stock options ("Options"), including "incentive stock options" ("ISOs") within the meaning of Section 422 of the Code and nonqualified stock options. Options granted under the 1997 Stock Incentive Plan may be accompanied by stock appreciation rights or limited stock appreciation rights, or both ("Rights"). Rights may also be granted independently of Options. The 1997 Stock Incentive Plan also provides for the granting of restricted stock and restricted stock units ("Restricted Awards"), dividend equivalents, performance shares and other stock and cash-based awards. Pursuant to the 1997 Stock Incentive Plan, certain Options have been and will be granted to Non-Executive Directors, as more fully described below under the caption "Director Compensation." The 1997 Stock Incentive Plan also permits the plan's administrator to make loans to

participants in connection with the grant of awards, on terms and conditions determined solely by the Plan Administrator. Each award is evidenced by an agreement (an "Award Agreement") setting forth the terms and conditions applicable thereto. Certain officers received a portion of their 2000 bonuses in SOP Shares (as described below under the caption "Stock Ownership Program").

The 1997 Stock Incentive Plan is administered by the Compensation Committee of the Board (sometimes referred to herein as the "Plan Administrator"). Subject to the terms of the 1997 Stock Incentive Plan, the Plan Administrator has the right to grant awards to eligible recipients and to determine the terms and conditions of Award Agreements, including the vesting schedule and exercise price of such awards. The plan provides that, unless otherwise determined by the Plan Administrator, in the event of a change in control of Jones Lang LaSalle (as defined in the 1997 Stock Incentive Plan) awards under the plan will, among other things, become fully vested and valued as provided in the plan.

The number of shares reserved for issuance under the 1997 Stock Incentive Plan is 8,610,000. These shares may be authorized but unissued shares of Common Stock or shares which have been or may be reacquired by Jones Lang LaSalle in the open market, in private transactions or otherwise.

Discretionary grants of awards under the 1997 Stock Incentive Plan may be made to any Director (including Non-Executive Directors), employee or any independent contractor of Jones Lang LaSalle or its direct and indirect subsidiaries and affiliates who is determined by the Plan Administrator to be eligible for participation in the plan. ISOs, however, may only be granted to employees of Jones Lang LaSalle and its subsidiaries.

Options vest and become exercisable over the exercise period, at such times and upon such conditions, including amount and manner of payment of the exercise price, as the Plan Administrator determines and sets forth in the Award Agreement. The Plan Administrator may accelerate the exercisability of any outstanding Option at such time and under such circumstances as it deems appropriate. Options that are not exercised within 10 years (or such shorter term as the Plan administrator may determine) from the date of grant, however, will expire without value. Options are exercisable during the optionee's lifetime only by the optionee. The Award Agreements contain provisions regarding the exercise of Options following termination of employment with or service to Jones Lang LaSalle, including terminations due to the death, disability or retirement of an award recipient.

Certain of the Named Executive Officers received Options in 2001 as described above under the caption "Option Grants." Jones Lang LaSalle's Non-Executive Directors received Options in 2001 as described below under the caption "Director Compensation."

Employee Stock Purchase Plan

The purpose of the Stock Purchase Plan is to provide an opportunity for persons employed by Jones Lang LaSalle and designated subsidiaries in the United States to purchase shares of Common Stock through voluntary automatic payroll deductions, thereby attracting, retaining and rewarding such persons and strengthening the mutuality of interests between such persons and Jones Lang LaSalle's stockholders. On December 31, 2001, there were 419 employees participating in the Stock Purchase Plan.

The Stock Purchase Plan currently provides that an aggregate of 1,000,000 shares of Common Stock may be sold pursuant to the Plan, subject to adjustment in certain events.

The Stock Purchase Plan provides that, through a voluntary automatic payroll deduction, separate accounts will be established for each participant (the "Payroll Deduction Account"). With the amounts credited to such separate account, each participant will have the opportunity to purchase as many shares of Common Stock as he or she is eligible to purchase. Participants may purchase shares only through payroll deductions, and cash contributions will not be permitted. The purchase price for shares of Common Stock will not be less than the lesser of (a) an amount equal to 85% of the closing price of the shares of Common Stock at the beginning of the Offering Period (as defined below) or (b) an amount equal to 85% of the

closing price of shares of Common Stock on the date of purchase of the shares. The Stock Purchase Plan provides that the committee administering the Stock Purchase Plan (the "Committee") has the authority to establish a different purchase price as long as such price complies with the provisions of Section 423 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury regulations promulgated thereunder.

Unless otherwise determined by the Committee, the Stock Purchase Plan will be implemented by establishing consecutive six-month offering periods (the "Offering Period") with a new Offering Period commencing on the first trading day on or after the first day of each January and July during the term of the Stock Purchase Plan. The Committee will have the power to change the duration of the Offering Periods (including the commencement dates thereof) with respect to future offerings. The last trading day of each Offering Period prior to the termination of the Stock Purchase Plan (or such other trading date as determined by the Committee) will constitute the purchase date on which each participant will purchase his or her appropriate number of shares (the "Share Purchase Date").

Notwithstanding the foregoing, Jones Lang LaSalle will not permit the exercise of any right to purchase shares of Common Stock (a) by any employee who immediately after the right is granted would own shares possessing 5% or more of the total combined voting power or value of all classes of stock of Jones Lang LaSalle or any subsidiary; or (b) which would permit an employee's rights to purchase shares under the Stock Purchase Plan, or under any other qualified employee stock purchase plan maintained by Jones Lang LaSalle, to accrue at a rate in excess of \$25,000 in fair market value (as determined on the first day of the offering period) for each calendar year.

Section 424(d) of the Code will be applied to determine the stock ownership of a participant in the Plan, and the shares that a participant may purchase under outstanding rights or options will be treated as shares owned by the participant.

If a participant's employment is terminated for any reason, if a participant dies, if a participant is granted a leave of absence of more than 90 days duration, or if a participant otherwise ceases to be eligible to participate in the Stock Purchase Plan, payroll deductions will cease and any amounts then credited to his or her Payroll Deduction Account will be refunded to the participant as soon as practicable.

The Stock Purchase Plan may be amended at any time; provided that no such amendment will be effective unless approved by the stockholders if such approval is necessary to comply with either Section 423 of the Code or the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Stock Purchase Plan may be suspended or discontinued at any time. The Stock Purchase Plan is intended to meet the requirements of Section 423 of the Code.

Stock Ownership Program

Under the Stock Ownership Program (the "SOP") (formerly known as the Partial Bonus in Shares or PBS Program), executive officers and certain other officers received up to 20% of their 2001 bonuses in restricted stock units ("SOP Shares"). The purpose of the SOP is to link the interests of the Senior Executives to those of the shareholders. The amount of bonus paid in SOP Shares varies with the level of the participant. Jones Lang LaSalle added an uplift of 25% to the portion of 2000 and 2001 bonuses paid in SOP Shares. The SOP Shares will vest and be issued on the following schedule: 50% of the SOP Shares will vest and be issued eighteen months after the end of the year to which the bonus is attributable (*i.e.*, July 1, 2003 with respect to 2001 bonuses), and the remaining 50% will vest and be issued thirty months after such year (*i.e.*, July 1, 2004 with respect to 2001 bonuses). Jones Lang LaSalle, in its discretion, may pay employees cash in the amount of the fair market value of SOP Shares that vest rather than issue shares to them. Dividends, if any, paid with respect to SOP Shares prior to vesting are reinvested in further SOP Shares having the same vesting date, and a participant will also receive further SOP shares in the case of a stock split or stock dividend. A participant who is terminated for cause (as defined in the Stock Compensation Program) or who voluntarily resigns his employment will forfeit any SOP Shares which have

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not vested. If a participant's employment terminates by reason of death, disability or special circumstances (as defined by the plan administrator), SOP Shares will continue to vest on their normal schedule; however, in such cases the plan administrator can choose to accelerate vesting. SOP Shares vest immediately upon an employee's retirement.

In order to implement the SOP Plan, the Board of Directors approved an amendment to Jones Lang LaSalle's Stock Compensation Program and made awards under that program and the 1997 Stock Incentive Plan. Executive officers received awards under the Stock Compensation Program, as amended, and other officers received awards under the 1997 Stock Incentive Plan. The terms of the awards under the SOP were identical regardless of which plan they were made under. This summary of the SOP is qualified in its entirety by reference to the actual terms of the Stock Compensation Program, as amended, or the 1997 Stock Incentive Plan, as applicable.

UK Savings Related Share Option Plan

The Jones Lang LaSalle Incorporated Savings Related Share Option (UK) Plan (the "UK Share Plan") provides an opportunity for the employees of Jones Lang LaSalle Limited, a wholly owned indirect subsidiary of Jones Lang LaSalle, and any qualified subsidiaries to purchase shares of Common Stock using accumulated savings from payroll deductions, thereby attracting, retaining and rewarding such persons and strengthening the mutuality of interests between such persons and the our stockholders. The Plan is intended to meet the requirements of Schedule 9 of the Income and Corporation Taxes Act 1988 ("ICTA").

The UK Share Plan is administered by the Compensation Committee of the Board of Directors (the "Committee"). The Committee is authorized, subject to the provisions of the Plan, to establish any rules and regulations for the proper administration of the Plan, to make determinations and interpretations, and to take any actions in connection with the Plan that it deems necessary or advisable. The Board of Directors may at any time and for any reason amend, suspend or discontinue the UK Share Plan.

Subject to the adjustment provisions in the UK Share Plan (dividend or distribution, stock split, recapitalization, combination or exchange of shares, or a merger, consolidation or other corporate reorganization), Jones Lang LaSalle may sell up to 500,000 shares of its common stock under the UK Share Plan. These shares of common stock may be authorized but unissued shares, treasury shares or shares purchased on the open market or from private sources.

All employees, including a full-time director, of Jones Lang LaSalle Europe Limited and of each qualified subsidiary are eligible to participate in the UK Share Plan except (a) employees who have been employed for less than six months at the date of invitation; or (b) employees who are not chargeable to income tax in the United Kingdom under Case 1, Schedule E of ICTA. At the election of the participant, the UK Share Plan provides a savings period of both thirty-six months and sixty months. Participants savings are used at the end of

the savings period to purchase the appropriate number of shares. Jones Lang LaSalle will establish on its books and records an account for each participant in the UK Share Plan, and will credit all payroll deductions made to this account. A participant may withdraw from an offering period at any time. Once the participant has withdrawn there is no opportunity to resume participation for that savings contract. The body administering the Plan will make any repayment of savings to the participant if so requested.

The participant can exercise their option in whole or in part following the earliest of (a) the end of the savings period; (b) the death of the participant; (c) the participant ceasing to be in employment by reason of retirement, injury, disability or redundancy; (d) the participant ceasing to be employed due to a change in control of the company or the business in which the participant is employed; (e) the participant reaching the age of sixty-five and continuing to be in employment; and (f) the date on which an option becomes exercisable pursuant to a takeover, reconstruction or voluntary winding up of Jones Lang LaSalle Europe Limited. An option shall lapse to the extent it has not been exercised by the earliest of (a) the expiry of six

months from the end of the savings period; (b) on death the expiry of twelve months after death (or twelve months from the end of the savings period if died during the six months following the end of the savings period); or (c) the expiry of six months following retirement, injury, disability, redundancy or change of control. Rights granted under the Plan may not be transferred by the participant in any way (other than by will or the laws of descent and distribution) and are exercisable during the participant's lifetime only by the participant.

The purchase price for shares of common stock will be the price in US Dollars for the acquisition of a share comprised in any option, but will not be less than an amount equal to 85% of the average of the high and low prices of shares of common stock as listed by the New York Stock Exchange on a date which will be no more than forty-two days before the date options are granted.

This summary of the UK Share Plan is qualified in its entirety by reference to the actual terms of the UK Share Plan.

Employment Agreements

Messrs. Peacock and Orr are parties to Senior Executive Service Agreements (the "Employment Agreements") providing terms of their employment with Jones Lang LaSalle. The Employment Agreements are in a form used with other senior executives employed in the United Kingdom. The Employment Agreements provide for minimum levels of base salary (£260,000 for Mr. Peacock and £162,500 for Mr. Orr), participation in bonus arrangements established by Jones Lang LaSalle and certain other benefits. They require Messrs. Peacock and Orr to dedicate their whole time and attention to their work with Jones Lang LaSalle and prohibit them from having any other employment. Additionally, they provide for certain restrictions on their business activities following termination of employment. The Employment Agreement may be terminated by Jones Lang LaSalle on twelve months notice and by the covered executive on six months notice. If Jones Lang LaSalle terminates a covered executive's employment other than for reasons specified in the Employment Agreements, the covered executive would be entitled to twelve months of salary and the value of other benefits provided for in the Employment Agreements.

Severance Pay Plan

Jones Lang LaSalle has a Severance Pay Plan for full time employees, including executive officers, employed in the United States. In order to be eligible to receive payments under the Severance Pay Plan, an employee must be involuntarily terminated from employment due to a permanent reduction in work force, job elimination or the permanent shutdown of a facility, department or subdivision. Employees entitled to benefits receive a base severance payment equal to one-half month of the participant's base pay (not including target bonus) in effect at the time of the termination of employment ("Base Pay"). Additionally, an employee may receive enhanced severance pay, to the extent the employee executes a Severance Agreement and General Release in favor of Jones Lang LaSalle. Enhanced severance payments are a multiple of Base Pay, with multiples varying with the employee's position level and length of service with Jones Lang LaSalle.

Jones Lang LaSalle is obligated to make statutory payments to employees, including executive officers, employed in the United Kingdom who are terminated for reasons of redundancy. For an executive officer who is made redundant, the required payment would be calculated according to a formula, set by the United Kingdom government, based on age and length of service. In addition, the payments provided for in the executive officer's contract of employment (including the Employment Agreements described above under the caption "Employment Agreements") would be made.

Director Compensation

In 2001, each Non-Executive Director received an annual retainer of \$40,000 and \$1,000 for attendance at each meeting (\$500 for special telephonic meetings) of the Board, the Audit Committee or the Compensation Committee, plus a grant of options to purchase 5,000 shares of Common Stock. Directors who are also officers or employees of Jones Lang LaSalle are not paid any Directors' fees. Jones Lang LaSalle reimburses all Directors for expenses incurred in attending meetings.

Each Non-Executive Director elected to the Board for the first time receives upon such election an initial grant of options to purchase 5,000 shares of Common Stock at fair market value on the date of grant. In addition, each Non-Executive Director receives an annual grant of options to purchase 5,000 shares on the day after each annual stockholders meeting after which the Non-Executive Director continues in office. All of the foregoing options have a 10 year term and vest over a 5 year period, with 20% becoming vested on each anniversary of the date of grant. The foregoing grants of options are made automatically under the 1997 Stock Incentive Plan. Each Non-Executive Director may also elect, under the terms of the 1997 Stock Incentive Plan, to receive, in lieu of the annual cash retainer, an option for a number of shares such that the value of the option is equal to the amount of the annual retainer. The 1997 Stock Incentive Plan provides that the value of these options is 33% of the exercise price for options issued with respect to 1999, 2000, 2001 and 2002. For options issued with respect to years thereafter, the value will be based upon the Black-Scholes Option Pricing Model. For options issued with respect to 1999 and years thereafter, the exercise price is equal to the average closing prices of Jones Lang LaSalle common stock on the last trading day of each calendar quarter during the year. Such stock options are granted on January 1 of the year following the year in which the retainer is earned, are fully vested upon grant and have 10-year terms.

Compensation Committee Interlocks and Insider Participation

There are no Compensation Committee interlocks or insider participation on the Compensation Committee. Certain executive officers have and will attend meetings of the Compensation Committee in order to present information and answer questions of the members of the Compensation Committee.

Compensation Committee Report on Executive Compensation

The Compensation Committee is responsible for the oversight of executive compensation and Jones Lang LaSalle's compensation programs, including those with respect to stock ownership.

Jones Lang LaSalle believes that its employee compensation system is unusual in the real estate industry in many parts of the world, including the United States. The system is designed to reward client relationship building, teamwork and quality performance, as well as to foster employee commitment and align employee and stockholder interests. Toward this end, Jones Lang LaSalle compensates its professionals and managers with salary, bonus and stock ownership programs, rather than on the commission basis which is typical in the United States and other parts of the world.

Annual Compensation. The executive officers are assigned target annual compensation consisting of a salary and target bonus. The executive officers' 2001 salary and target bonuses were approved by the Compensation Committee at the beginning of the year. Target bonus levels for executive officers are set to provide compensation levels which are sufficiently competitive to attract and retain high caliber executives.

As set forth above under the caption "Incentive Compensation", the payment of an employee's bonus is based upon an evaluation of performance against specific performance objectives set early in the year. These performance objectives include both objective and subjective standards and vary from employee to employee. For Mr. Scott, Chairman and Chief Executive Officer in 2001, Mr. Peacock, President, Deputy Chief Executive Officer and Chief Operating Officer in 2001 and Mr. Roberts, Executive Vice President and Chief Financial Officer in 2001, performance objectives for 2001 fell into two principal categories,

financial performance of Jones Lang LaSalle and performance on individualized objectives. The executive officers who are heads of regional or global business units are also measured on these two standards as well as on the financial performance of the regional or global business unit for which the executive officer was responsible.

The performance objectives relating to financial performance of Jones Lang LaSalle were measured on achievement of the earnings per share target for the year and, with respect to Messrs. Scott, Peacock and Roberts, development of a plan for 2002. Those executive officers also evaluated on the financial performance of their regional or global business units were measured on achievement of the financial plan.

Individualized performance objectives concentrated on key matters upon which the particular executive officer was to focus and were set based upon identified goals for Jones Lang LaSalle as a whole, as well as identified goals for particular business units or groups of business units. The Compensation Committee has encouraged management to set performance objectives, to the extent possible, in a manner which allows objective measurement of performance, including by setting quantitative standards where appropriate.

The determination of Mr. Scott's compensation by the Compensation Committee is explained below under "*Compensation of Chief Executive Officer.*" Mr. Scott reviewed the performance of Mr. Peacock and Mr. Roberts, determined recommended compensation levels based upon his evaluation of performance against objectives and presented his evaluation and the resulting recommendations with respect to compensation to the Compensation Committee. The Compensation Committee reviewed these evaluations and recommendations, discussed them with Mr. Scott and approved the recommended compensation. Mr. Peacock reviewed the performance of each of the other executive officers (other than Mr. Scott and Mr. Roberts), determined compensation levels based upon his evaluation of performance against objectives and presented these to the Compensation Committee. The Compensation Committee approved the aggregate amount of compensation to be paid to these executive officers and reviewed the distribution of compensation among these executive officers.

Stock Plans and Programs. The executive officers are eligible to receive Options and other awards under the 1997 Stock Incentive Plan. Certain executive officers were granted Options in May 2001, with exercise prices equal to \$13.00 per share, the fair market value on the date of grant. These Options vest with respect to one-third of the shares on each of the first three anniversary dates of the date of grant and have terms of seven years. Ongoing awards under the 1997 Stock Incentive Plan are expected to be made annually. Additionally, awards are made to new employees as an incentive to join Jones Lang LaSalle and to other recipients in special situations.

The Stock Purchase Plan, the SOP and the UK Share Plan described above under the captions "Employee Stock Purchase Plan", "Stock Ownership Program" and "UK Savings Related Share Option Plan" also provide certain executive officers, as well as other employees, a means for accumulating Jones Lang LaSalle Common Stock. The Stock Purchase Plan provides employees in the United States with a means to purchase stock at a 15% discount through regular payroll deductions. Under the SOP, executive officers receive a portion of their bonuses in restricted stock units as described above under the caption "Stock Ownership Program". Other officers at certain levels also participate in the SOP. The UK Share Plan provides employees in the UK with an option to purchase stock at a 15% discount through regular payroll deductions.

Compensation of Chief Executive Officer. As with the other executive officers, Mr. Scott's 2001 target compensation was established by the Compensation Committee at the beginning of the year. Target bonus constituted 60% of Mr. Scott's target compensation for the year. Mr. Scott's performance objectives relating to financial performance of Jones Lang LaSalle were measured against achievement of the earnings per share target for the year and development of a plan for 2002. For 2001, Jones Lang LaSalle announced a target of 15% growth in earnings per share over 2000 to \$1.63. Jones Lang LaSalle in fact reported adjusted earnings per share of \$1.31 (The \$1.31 excludes \$77.2 million of non-operational non-recurring charges.). A plan for 2002 has been presented to the Board of Directors. Mr. Scott's

individualized objectives involved assuring the successful introduction and implementation of the Total Performance Management program, increasing institutional investor holdings of Jones Lang LaSalle stock, raising co-investment capital for LaSalle Investment Management and leading a successful management succession process. Mr. Scott provided the Compensation Committee with written information regarding his performance on his objectives and discussed this information with the Compensation Committee. Based upon its evaluation of Mr. Scott's performance on the various objectives, the Compensation Committee determined the portion of Mr. Scott's target bonus to be paid to him for the year.

Certain Tax Matters. United States tax laws limit the deduction a publicly held corporation is allowed for compensation paid to the chief executive officer and to the four most highly compensated executive officers other than the chief executive officer. Generally, amounts paid in excess of \$1 million to a covered executive, other than performance compensation, cannot be deducted. Jones Lang LaSalle considers ways to maximize the deductibility of executive compensation but reserves the right to compensate executive officers in a manner commensurate with performance and the competitive environment for executive talent. As a result, some portion of executive compensation paid to an executive officer whose compensation is subject to the deduction limits described above may not be deductible by Jones Lang LaSalle in the United States.

Compensation Committee
Thomas C. Theobald (Chairman)
Henri-Claude de Bettignies
Derek A. Higgs
John R. Walter

Performance Graph

The following line graph compares Jones Lang LaSalle's cumulative stockholder return on its Common Stock to the cumulative total return of the Standard & Poor's 500 Stock Index ("S&P 500 Index") and an industry peer group index ("Custom Industry Index") from July 17, 1997 (the time of Jones Lang LaSalle's initial public offering) to December 31, 2001. The Custom Industry Index is composed of the following other publicly traded real estate services companies: Grubb & Ellis Company, Insignia Financial Group, Inc. and Trammell Crow Company. The graph assumes the investment of \$100 in Jones Lang LaSalle and each of the indices on July 17, 1997 and the reinvestment of all dividends. The return shown on the graph is not necessarily indicative of future performance.

COMPARISON OF 53 MONTH CUMULATIVE TOTAL RETURN* AMONG JONES LANG LASALLE INC.

*\$100 invested on 7/17/97 in stock or on 6/30/97 in Index-including reinvestment of dividends. Fiscal year ending December 31.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Jones Lang LaSalle provides property management and leasing and investment management services to The Dai-ichi Mutual Life Insurance Company, a significant beneficial owner (indirectly through various entities) of Common Stock of Jones Lang LaSalle, and its affiliates ("Dai-ichi"). Jones Lang LaSalle earned \$7.6 million in fees from Dai-ichi in 2001 with respect to such services. At the end of 2001, Jones Lang LaSalle had receivables of \$.4 million due from Dai-ichi with respect to such services. Jones Lang LaSalle believes that the services provided to Dai-ichi and its affiliates are on terms no more favorable to Dai-ichi than those available to unaffiliated persons.

Jones Lang LaSalle provides property management and leasing and investment management services to Gothaer Lebensversicherung A.G., a significant beneficial owner of Common Stock of Jones Lang LaSalle, and its affiliates ("Gothaer"). Jones Lang LaSalle earned \$1.4 million in fees from Gothaer in 2001 with respect to such services. At the end of 2001, Jones Lang LaSalle had receivables of \$67,710 due

from Gothaer with respect to such services. Jones Lang LaSalle believes that the services provided to Gothaer are on terms no more favorable to Gothaer than those available to unaffiliated persons.

In connection with the transactions pursuant to which the interests in the Predecessor Partnerships were contributed to Jones Lang LaSalle, Jones Lang LaSalle granted registration rights to certain Dai-ichi affiliates, as well as certain other parties, with respect to the shares of Common Stock issued to them in exchange for such contributions. The Directors and executive officers who are parties to the Stockholder Agreements and the DEL Stockholder Agreements may be given the right to register shares of Common Stock which they hold in accordance with those agreements.

From time to time, Directors and executive officers are given an opportunity to invest in investment vehicles managed by subsidiaries of Jones Lang LaSalle on the same terms as other unaffiliated investors. Additionally, executive officers and other employees have been, and in the future may be, allowed to acquire small interests in certain investment vehicles in order that these vehicles can satisfy certain tax requirements. Prior to 2001, Jones Lang LaSalle and Directors and executive officers, like unaffiliated investors, made investments directly into individual real estate ventures. Effective January 1, 2001, Jones Lang LaSalle determined that it would use LaSalle Investment Limited Partnership ("LILP") as the investment vehicle for substantially all of its co-investments with LaSalle Investment Management clients. Jones Lang LaSalle has committed to invest up to 49.5% of LILP's commitments with the balance being funded by institutional investors and high net worth individuals who have invested in LILP. As of December 31, 2001, Thomas C. Theobald and Derek A. Higgs, both non-Executive Directors, have invested Euro 108,766 and 18,128, respectively and have committed to invest a total of Euro 3,000,000 and 500,000, respectively, through LILP. In addition, as of December 31, 2001, Stuart L. Scott, Chairman of the Board has invested Euro 90,639 and has committed Euro 2,500,000 through LILP. Finally, as of December 31, 2001, Gothaer Lebensversicherung AG, a holder of more than 5% of Jones Lang LaSalle Common Stock, and affiliated entities have invested Euro 1,812,779 and have committed Euro 50,000,000 through LILP. As mentioned above, these investments are made on the same terms as unaffiliated investors in LILP.

Lynn C. Thurber, Chief Executive Officer of LaSalle Investment Management and a Director of Jones Lang LaSalle invested the amount of \$100,000 in a fund managed by one of Jones Lang LaSalle's subsidiaries. Ms. Thurber borrowed \$95,000 from the Company in order to fund part of this. The loan is secured by a security interest in the investment made by Ms. Thurber and is on a non-recourse basis. Interest on the loan is paid per annum in an amount equal to the lesser of the Company's cost of borrowings, an average of approximately 6.5% since execution of the loan, and the maximum amount permitted by law. Principal and interest are paid on the loan through distributions made by the investment. If distributions from the investment are not sufficient to fund annual principal payments, the necessary amounts will be withheld from Ms. Thurber's annual bonus. Outstanding principal and accrued interest are due the earlier of (i) termination of Ms. Thurber's employment with the Company, regardless of cause, (ii) the date all of the assets of the fund are sold, or (iii) December 31, 2010. During 2001, the highest outstanding balance of accrued and unpaid interest plus principal was \$99,326 and as of January 31, 2002, the balance was \$94,112.

Mr. Scott, as well as an entity affiliated with Mr. Scott, are limited partners of Diverse Real Estate Holdings Limited Partnership ("Diverse"). Diverse has an ownership interest in and operates investment assets, primarily as the managing general partner of real estate development ventures. Prior to January 1, 1992, Jones Lang LaSalle earned fees for providing development advisory services to Diverse as well as fees for the provision of administrative services. Effective January 1, 1992, Jones Lang LaSalle discontinued charging fees to Diverse for these services. In 1992, Diverse began the process of discontinuing its operations and disposing of its assets. In 2001, Diverse made no payments to Jones Lang LaSalle. At the end of 2001, the total receivable due from Diverse in connection with such fees and interest thereon was \$7 million. Mr. Scott directly holds an approximately 13.4% partnership interest in Diverse.

In addition, the Stuart Scott Trust, a trust affiliated with Mr. Scott, has a 6.4% partnership interest in Diverse. Diverse did not make distributions to its partners in 2001.

SECURITY OWNERSHIP

The following table sets forth certain information concerning the beneficial ownership of the Common Stock, which are the only outstanding voting securities and equity securities of Jones Lang LaSalle, as of March 15, 2002 (except where otherwise noted) by: (i) each Director and Director nominee of Jones Lang LaSalle; (ii) each of the Named Executive Officers; (iii) the Directors, Director nominees and executive officers of Jones Lang LaSalle as a group; and (iv) each person who is known to Jones Lang LaSalle to have been the beneficial owner of more than five percent of the Common Stock. On March 15, 2002, there were 30,219,854 shares of Common Stock outstanding. Unless

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otherwise indicated in the footnotes, all of such interests are owned directly, and the indicated person or entity has sole voting and dispositive power.

Names(1)	Shares of Common Stock Beneficially Owned	
	Number	Percent
Ariel Capital Management Inc.(2)	6,209,635	20.55%
The Dai-ichi Mutual Life Insurance Company(3)	2,199,162	7.28%
Gothaer Lebensversicherung A.G.(4)	1,734,594	5.74%
Stuart L. Scott(5)(6)	371,750	1.23%
Christopher A. Peacock(7)	200,258	*
Robin S. Broadhurst	157,665	*
Christopher M. G. Brown(5)	138,954	*
Henri-Claude de Bettignies(8)	26,476	*
Darryl Hartley-Leonard(9)	48,393	*
Derek A. Higgs(10)	10,000	*
David K.P. Li(11)	36,476	*
Robert S. Orr(12)	138,715	*
Sheila A. Penrose(13)	0	*
Peter C. Roberts(14)	105,694	*
Jackson Tai(15)	0	*
Thomas C. Theobald(16)	82,263	*
Lynn C. Thurber(5)(17)	148,403	*
John R. Walter(18)	56,893	*
Earl E. Webb(5)(19)	172,167	*
All Directors, Director nominees and executive officers as a group (23 persons)(20)	1,769,179	5.77%

*
Less than 1%

(1) Unless otherwise indicated, the address of each person or entity is c/o Jones Lang LaSalle Incorporated, 200 East Randolph Drive, Chicago, Illinois 60601.

(2) Information with respect to beneficial ownership of Ariel Capital Management Inc. is included herein in reliance on a Schedule 13G, dated February 28, 2002 filed with the SEC on March 6, 2002. The address of Ariel Capital Management Inc. is 307 N. Michigan Avenue, Suite 500, Chicago, Illinois 60601.

(3) Information with respect to beneficial ownership of The Dai-ichi Mutual Life Insurance Company is included herein in reliance on a Schedule 13G, dated January 13, 2002 filed with the SEC on

February 2, 2002. The address of The Dai-ichi Mutual Life Insurance Company is 13-1 Yurakucho, 1-chome, Tokyo, Japan 100.

(4) Information with respect to beneficial ownership of Gothaer Lebensversicherung A.G. is included herein in reliance on a Schedule 13D, dated January 5, 2001, filed with the SEC reporting ownership as of December 21, 2001. The address of Gothaer Lebensversicherung A.G. is Gothaer Platz 2-8, 37083 Goettingen, Germany.

(5) Shares are owned directly and by corporations of which the reporting person is, or the reporting person and the reporting person's spouse are, the sole stockholder.

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- (6) Includes 97,083 shares which Mr. Scott had the right to acquire through stock options granted under the 1997 Stock Incentive Plan which were exercisable on March 15, 2002 or which would become exercisable within 60 days of that date. 15,000 of the shares listed are held by a trust for the benefit of Mr. Scott's children.
- (7) Includes 39,166 shares which Mr. Peacock had the right to acquire through stock options granted under the 1997 Stock Incentive Plan which were exercisable on March 15, 2002 or which would become exercisable within 60 days of that date.
- (8) Includes 26,476 shares which Professor de Bettignies had the right to acquire through stock options granted under the 1997 Stock Incentive Plan which were exercisable on March 15, 2002 or which would become exercisable within 60 days of that date.
- (9) Includes 30,316 shares which Mr. Hartley-Leonard had the right to acquire through stock options granted under the 1997 Stock Incentive Plan which were exercisable on March 15, 2002 or which would become exercisable within 60 days of that date.
- (10) Includes 5,000 shares which Mr. Higgs had the right to acquire through stock options granted under the 1997 Stock Incentive Plan which were exercisable on March 15, 2002 or which would become exercisable within 60 days of that date.
- (11) Includes 26,476 shares which Dr. Li had the right to acquire through stock options granted under the 1997 Stock Incentive Plan which were exercisable on March 15, 2002 or which would become exercisable within 60 days of that date.
- (12) Includes 5,000 shares which Mr. Orr had the right to acquire through stock options granted under the 1997 Stock Incentive Plan which were exercisable on March 15, 2002 or which would become exercisable within 60 days of that date.
- (13) Ms. Penrose is a first time nominee to the Board of Directors.
- (14) Includes 31,666 shares which Mr. Roberts had the right to acquire through stock options granted under the 1997 Stock Incentive Plan which were exercisable on March 15, 2002 or which would become exercisable within 60 days of that date.
- (15) Mr. Tai is a first time nominee to the Board of Directors.
- (16) Includes 30,316 shares which Mr. Theobald had the right to acquire through stock options granted under the 1997 Stock Incentive Plan which were exercisable on March 15, 2002 or which would become exercisable within 60 days of that date. 2,000 of the shares listed are held by Mr. Theobald's wife as custodian for his daughter, and 2,000 of the shares listed are held by Mr. Theobald as trustee of a trust for the benefit of his son. Mr. Theobald disclaims beneficial ownership of these 4,000 shares.
- (17) Includes 41,458 shares which Ms. Thurber had the right to acquire through stock options granted under the 1997 Stock Incentive Plan which were exercisable on March 15, 2002 or which would become exercisable within 60 days of that date.
-
- (18) Includes 30,316 shares which Mr. Walter had the right to acquire through stock options granted under the 1997 Stock Incentive Plan which were exercisable on March 15, 2002 or which would become exercisable within 60 days of that date. 26,577 of the shares listed are held by Mr. Walter as trustee of a trust for the benefit of himself, his wife and others.
- (19) Includes 47,500 shares which Mr. Webb had the right to acquire through stock options granted under the 1997 Stock Incentive Plan which were exercisable on March 15, 2002 or which would become exercisable within 60 days of that date.

(20)

See footnotes (5) through (19) above.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires Jones Lang LaSalle's Directors, certain of Jones Lang LaSalle's officers and beneficial owners of more than 10 percent of Jones Lang LaSalle's outstanding Common Stock to file reports of ownership and changes in ownership of Jones Lang LaSalle's Common Stock with the Securities and Exchange Commission and to send copies of such reports to Jones Lang LaSalle. Based solely upon a review of such reports and amendments thereto furnished to Jones Lang LaSalle and upon written representations of certain of such persons regarding their ownership of Common Stock, Jones Lang LaSalle believes that no such person failed to file any such report on a timely basis during 2001.

PROPOSAL 2

RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

The Board, with the recommendation of the Audit Committee, has appointed the firm of KPMG LLP as Jones Lang LaSalle's independent auditors for 2002. A proposal to ratify this appointment will be presented at the Annual Meeting.

Each valid proxy returned to Jones Lang LaSalle will be voted for the ratification of the appointment of KPMG LLP as Jones Lang LaSalle's independent auditors for 2002 unless the proxy specifies otherwise. **The Board recommends that stockholders vote FOR ratification of such appointment.** The Board retains the right to appoint substitute independent auditors at any time during 2002 for any reason whatsoever upon the recommendation of the Audit Committee.

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AUDIT COMMITTEE REPORT

The Audit Committee of the Board is responsible for providing independent, objective oversight of Jones Lang LaSalle's accounting functions and internal controls. The Audit Committee is composed of four Directors, each of whom is independent as defined by the New York Stock Exchange listing standards. The Audit Committee operates under a written charter approved by the Board of Directors. A copy of the charter was attached to the Proxy Statement for the 2001 Annual Meeting.

Management is responsible for Jones Lang LaSalle's internal controls and financial reporting process. The independent accountants are responsible for performing an independent audit of Jones Lang LaSalle's consolidated financial statements in accordance with auditing standards generally accepted in the United States of America and to issue a report thereon. The Audit Committee's responsibility is to review these processes.

In connection with these responsibilities, the Audit Committee met with management and the independent accountants to review and discuss the December 31, 2001 financial statements. The Audit Committee also discussed with the independent accountants the matters required by Statement on Auditing Standards No. 61 (Communication with Audit Committees). The Audit Committee also received written disclosures from the independent accountants required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the Audit Committee discussed with the independent accountants that firm's independence.

Based upon the Audit Committee's discussions with management and the independent accountants, and the Audit Committee's review of the representations of management and the independent accountants, the Audit Committee recommended that the Board of Directors include the audited consolidated financial statements in Jones Lang LaSalle's Annual Report on Form 10-K for the year ended December 31, 2001, to be filed with the Securities and Exchange Commission.

Audit Committee

Darryl Hartley-Leonard (Chairman)
Henri-Claude de Bettignies
Derek A. Higgs

John R. Walter

INDEPENDENT PUBLIC ACCOUNTANTS

Jones Lang LaSalle expects that representatives of KPMG LLP will be present at the Annual Meeting and will be available to respond to appropriate questions. Such representatives will have the opportunity to make a statement at the Annual Meeting if they desire to do so.

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Audit and Non-Audit Fees

The following table presents fees for professional audit services rendered by KPMG LLP for the audit of the Company's annual financial statements for 2001, and fees billed for other services rendered by KPMG LLP (fees are in 000's).

Audit fees, excluding audit related	\$ 741
	<u> </u>
Financial information systems design and implementation	\$ 0
	<u> </u>
All other fees:	
Audit related fees(1)	1,595
Other non-audit services(2)	511
	<u> </u>
Total all other fees	\$ 2,106
	<u> </u>

- (1) Audit related fees consisted principally of audits of statutory financial statements, review of a debt offering registration statement and issuance of consents, and the review of internal accounting controls.
- (2) Other non-audit fees consisted principally of tax compliance and consultation.

PROPOSAL 3**STOCKHOLDER PROPOSAL TO DECLASSIFY THE BOARD OF DIRECTORS**

The Service Employees International Union, 1313 L Street, N.W., Washington, D.C. 20005, record holder of 220 shares of Jones Lang LaSalle Common Stock, has given notice that it will introduce the following resolution and supporting statement at the Annual Meeting:

SHAREHOLDER PROPOSAL

RESOLVED: That the shareholders of Jones Lang LaSalle, Inc. urge the Board of Directors take the necessary steps to declassify the Board of Directors for the purpose of Director elections. The Board declassification shall be done in a manner that does not affect the unexpired terms of Directors previously elected.

SUPPORTING STATEMENT

We believe the election of Directors is the most powerful way that shareholders influence the strategic direction of our company. Currently the Board of Directors of Jones Lang LaSalle, Inc. is divided into three classes serving staggered three-year terms. It is our belief that the classification of the Board of Directors is not in the best interests of Jones Lang LaSalle, Inc. and its shareholders. The elimination of the staggered board would require each Director to stand for election annually. This procedure would allow shareholders an opportunity to annually register their views on the performance of the board collectively and each Director individually. Concerns that the annual election of Directors would leave Jones Lang LaSalle, Inc. without experienced board members in the event that all incumbents are voted out are unfounded. If the owners should choose to replace the entire board, it would be obvious that the incumbent Directors' contributions were not valued.

A classified board of Directors protects the incumbency of the board of Directors and current management, which in turn limits accountability to stockholders. It is our belief Jones Lang LaSalle, Inc.'s corporate governance procedures and practices, and the level of management accountability they impose, are related to the financial performance of the company. While Jones Lang LaSalle, Inc.'s current performance is good, we believe sound corporate governance practices, such as the annual election of

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Directors, will impose the level of management accountability necessary to help insure that a good performance record continues over the long term.

Classified boards like ours have become increasingly unpopular in recent years. Last year a majority of shareholders supported proposals asking their boards to repeal classified board structures at a number of respected companies, including Kroger, Merck, Airborne, Albertson's Inc., U.S. Bancorp, Delphi Automotive, Maytag, United Health Group, Wisconsin Energy, and Alaska Air Group.

For a greater voice in the governance of Jones Lang LaSalle, Inc. and annual Board of Directors accountability we ask shareholder to vote YES on this proposal.

BOARD RESPONSE

The Board unanimously recommends a vote AGAINST the proposal for the following reasons:

The Board believes that the classified board provides important benefits to Jones Lang LaSalle and our stockholders:

The classified board helps to assure continuity and stability in the business and affairs of Jones Lang LaSalle. It does so by reducing the possibility of a sudden and disruptive change in the composition of the Board and the potential sudden changes in strategy, policies and business relations which may result. Continuity and stability provide a competitive advantage to a professional services business such as ours, as our clients depend on and demand the delivery of consistent high quality services.

The classified board provides a strong balance in Jones Lang LaSalle's governance. It ensures that a majority of directors at any given time will have experience in our business and affairs while at the same time affording stockholders the opportunity to change up to one-third of the Board annually if they are not satisfied.

The classified board is a widely used safeguard to protect against unsolicited attempts to gain control of a company. It encourages a person seeking to obtain control of a company to negotiate with the board of directors. Because at least two annual meetings will generally be required to effect a change in control of the board of directors, the classified board gives the incumbent directors the time and leverage necessary to review any takeover proposal, negotiate more favorable terms for stockholders and consider alternate proposals and strategies.

The Board takes its responsibility to our stockholders seriously, and Jones Lang LaSalle does not believe that the use of a classified board minimizes accountability. Stockholders have an annual opportunity to express their approval, or disapproval, of the performance of the Board as each class of directors stands for election.

Approval of this proposal would not automatically eliminate the classified board, but would be a recommendation to the Board that it propose to stockholders an amendment to Jones Lang LaSalle's Articles of Incorporation to eliminate the classified board. Under Jones Lang LaSalle's Articles of Incorporation, an amendment to eliminate the classified board would require the approval of at least 80% of the outstanding shares of Common Stock. This proposal, however, requires the approval of only a majority of the votes cast at the Annual Meeting.

For these reasons, the Board recommends a vote AGAINST this proposal.

STOCKHOLDER PROPOSALS

Stockholder proposals intended to be presented at the year 2003 Annual Meeting and included in Jones Lang LaSalle's proxy statement and form of proxy relating to that meeting pursuant to Rule 14a-8 under the Exchange Act must be received by Jones Lang LaSalle at Jones Lang LaSalle's principal

executive offices by December 4, 2002. In order for stockholder proposals made outside of Rule 14a-8 under the Exchange Act to be considered "timely" within the meaning of Rule 14a-4(c) under the Exchange Act, such proposals must be received by Jones Lang LaSalle at Jones Lang LaSalle's principal executive offices by February 15, 2003. The Amended Bylaws require that proposals of stockholders made outside of Rule 14a-8 under the Exchange Act must be submitted, in accordance with the requirements of the Amended Bylaws, not later than February 15, 2003 and not earlier than January 14, 2003.

PROXY SOLICITATION EXPENSE

The proxies being solicited by this Proxy Statement are being solicited by the Board of Jones Lang LaSalle. Proxies may be solicited by officers, Directors and regular employees of Jones Lang LaSalle, none of whom will receive any compensation other than their regular compensation. Jones Lang LaSalle has retained Morrow & Co., Inc. to aid in the solicitation. For these services, Jones Lang LaSalle will pay Morrow & Co., Inc. a fee of approximately \$3,000 and reimburse it for certain out-of-pocket disbursements and expenses. Solicitations may be made personally, or by mail, email, facsimile, telephone, telegraph or messenger. Jones Lang LaSalle will, upon request, pay persons holding shares of Common Stock in their names or the names of nominees, but not owning such shares beneficially, such as brokerage houses, banks and other fiduciaries, for the expense of forwarding solicitation materials to the beneficial owners. All of the costs of the solicitation of proxies will be paid by Jones Lang LaSalle.

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Mark this box with an X if you have made changes to your name or address details above.

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The undersigned hereby appoints Stuart L. Scott, Christopher A. Peacock and Fritz E. Freidinger, and each of them, with full power of substitution, to represent the undersigned and as proxies to vote all the Common Stock of Jones Lang LaSalle Incorporated which the undersigned has power to vote, with all powers which the undersigned would possess if personally present, at the annual meeting of stockholders to be held on May 14, 2002, or at any adjournment or postponement thereof.

This proxy will be voted as specified by the undersigned. If no choice is specified, this proxy will be voted FOR the election of all the nominees, FOR Proposal Number 2 and AGAINST Proposal Number 3.

PLEASE VOTE, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE.

(Continued and to be signed on reverse side.)

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