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If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, fund manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (“FSMA”) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or have sold or otherwise transferred all of your Existing Ordinary Shares, please send this Circular and the Form of Proxy as soon as possible to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you sell or have sold or otherwise transferred part only of your holding of Existing Ordinary Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected. However, neither this Circular nor the Form of Proxy should be forwarded to or sent in or into any jurisdiction in which to do so would constitute a breach of the relevant laws of such jurisdiction.

The distribution of this Circular and any accompanying documents into jurisdictions other than the United Kingdom may be restricted by law. Any person not in the United Kingdom into whose possession this Circular and any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction.



Landsec

Land Securities Group PLC

(incorporated and registered in England and Wales under number 4369054)

**Proposed Return of Capital to Shareholders of 60 pence per
Existing Ordinary Share by way of a B Share Scheme
and 15 for 16 Share Consolidation**

**Circular to Shareholders
and
Notice of General Meeting**

This Circular should be read as a whole. Your attention is drawn to the letter from your Chairman which is set out in Part I of this Circular and which contains the recommendation of the Board that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

You should note that the B Share Scheme and Share Consolidation are conditional upon, among other things, the approval by Shareholders of the Resolutions.

This Circular contains notice of a General Meeting of the Company to be held at 80 Victoria Street, London, SW1E 5JL at 3.00 p.m. on 27 September 2017. A Form of Proxy for use in connection with the Resolutions to be proposed at the General Meeting is enclosed.

Whether or not you intend to attend the General Meeting in person, holders of Existing Ordinary Shares are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it so as to be received by the Company's Registrar, Equiniti Limited of Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, as soon as possible but, in any event, so as to arrive no later than 3.00 p.m. on 25 September 2017. Alternatively, holders of Existing Ordinary Shares may appoint a proxy electronically at www.sharevote.co.uk using the Voting ID, Task ID and Shareholder Reference Number (SRN) printed on your Form of Proxy. CREST members may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Equiniti, CREST participant ID RA19. Electronic proxy appointments must be received by no later than 3.00 p.m. on 25 September 2017. Completion and return of a Form of Proxy (or the electronic appointment of a proxy) will not preclude you from attending and voting in person at the General Meeting if you wish to do so and are so entitled.

Application will be made to the UK Listing Authority and the London Stock Exchange, respectively, for the New Ordinary Shares resulting from the proposed Share Consolidation to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities in place of the Existing Ordinary Shares. It is expected that dealings in the Existing Ordinary Shares will continue until 4.30 p.m. on 27 September 2017 and that Admission of the New Ordinary Shares will become effective and dealings in them will commence on the London Stock Exchange at 8.00 a.m. on 28 September 2017.

No application will be made to the UK Listing Authority or to the London Stock Exchange for any of the B Shares to be admitted to the Official List or to trading on the London Stock Exchange's main market for listed securities, nor will the B Shares be listed or admitted to trading on any other recognised investment exchange. The B Shares will not be transferable, save in the very limited circumstances set out in paragraph (G) of Part III of this Circular.

The attention of Overseas Shareholders is drawn to paragraph 7 of Part II of this Circular.

No person has been authorised to give any information or make any representations other than those contained in this Circular and, if given or made, such information or representations must not be relied on as having been so authorised. The delivery of this Circular shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Circular or that the information in it is correct as at any subsequent time to its date.

The contents of this document are not to be construed as legal, business or tax advice. Each Shareholder should consult their own legal adviser, financial adviser or tax adviser for legal, financial or tax advice respectively.

PRESENTATION OF FINANCIAL INFORMATION

Percentages may have been rounded and accordingly may not add up to 100 per cent. Certain financial data has been rounded and, as a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

DEFINITIONS

Capitalised terms have the meanings ascribed to them in the "Definitions" section of this Circular.

CONTENTS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS	4
PART I LETTER FROM THE CHAIRMAN OF LANDSEC	5
PART II DETAILS OF THE B SHARE SCHEME AND SHARE CONSOLIDATION	8
PART III RIGHTS AND RESTRICTIONS ATTACHED TO THE B SHARES	15
PART IV UNITED KINGDOM TAXATION	17
DEFINITIONS	19
NOTICE OF GENERAL MEETING	21

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy and CREST Proxy Instructions	3.00 p.m. on 25 September 2017
General Meeting	3.00 p.m. on 27 September 2017
Latest time and date for dealings in Existing Ordinary Shares	4.30 p.m. on 27 September 2017
Record Time	6.00 p.m. on 27 September 2017
Existing Ordinary Share register closed and Existing Ordinary Shares disabled in CREST	6.00 p.m. on 27 September 2017
Record time for entitlement to B Shares and the Share Consolidation	6.00 p.m. on 27 September 2017
Cancellation of listing of Existing Ordinary Shares	before 8.00 a.m. on 28 September 2017
Admission Date	8.00 a.m. on 28 September 2017
New Ordinary Shares admitted to the Official List and to trading on the London Stock Exchange	8.00 a.m. on 28 September 2017
B Shares issued equal to number of Existing Ordinary Shares held at the Record Time	8.00 a.m. on 28 September 2017
CREST accounts credited with New Ordinary Shares	8.00 a.m. on 28 September 2017
Expected Redemption Date	29 September 2017
Expected redemption and cancellation of B Shares	29 September 2017
Despatch of payments and CREST accounts credited in respect of proceeds, if B Shares redeemed on 29 September	13 October 2017
Despatch of share certificates in respect of New Ordinary Shares	13 October 2017
Despatch of payments and CREST accounts credited in respect of proceeds from sale of fractional entitlements arising as a result of the Share Consolidation	13 October 2017

Notes:

- (1) If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement through the Regulatory News Service of the London Stock Exchange.
- (2) References to time in this document are to London time.
- (3) All events in the above timetable following the holding of the General Meeting are conditional on the passing of the Resolutions at such meeting and all events in the above timetable following the Admission Date are conditional upon Admission.

PART I

LETTER FROM THE CHAIRMAN OF LANDSEC

Directors

Alison Carnwath (*Chairman*)
Robert Noel (*Chief Executive*)
Martin Greenslade (*Chief Financial Officer*)
Edward Bonham-Carter (*Senior Independent Director*)
Kevin O'Byrne (*Non-executive Director*)
Chris Bartram (*Non-executive Director*)
Stacey Rauch (*Non-executive Director*)
Simon Palley (*Non-executive Director*)
Cressida Hogg (*Non-executive Director*)
Nicholas Cadbury (*Non-executive Director*)

Registered Office
100 Victoria Street
London
SW1E 5JL

4 September 2017

Dear Shareholder

Proposed Return of Capital to Shareholders of 60 pence per Existing Ordinary Share by way of a B Share Scheme and 15 for 16 Share Consolidation

1. Introduction

On 24 August 2017, the Company completed the sale of its 50 per cent stake in 20 Fenchurch Street to LKK Health Products Group Limited for £641.3 million. After costs of sale, the top up of unexpired rent free periods and other commitments, the Company received net cash proceeds of approximately £634.8 million from the sale.

From these proceeds, the Board proposes to return approximately £475 million in aggregate to Shareholders and has chosen to implement this as a return of capital through the issue of a new class of shares ("**B Shares**") which the Company will redeem for cash in order to return 60 pence per Existing Ordinary Share to Shareholders (the "**B Share Scheme**"). The balance of the proceeds will initially be used to repay short term debt, pending redeployment. As a result, the Company's current gearing is expected to remain unchanged.

The B Share Scheme is intended to enable all Shareholders to participate equally in the return and to provide capital treatment for most UK tax resident Shareholders. We expect the redemption to occur on or around 29 September 2017.

To maintain comparability, so far as possible, between the market price per Ordinary Share before and after the implementation of the B Share Scheme, and to reflect the value that will be returned to Shareholders, the B Share Scheme will be accompanied by a consolidation of the Company's share capital at a ratio of 15 New Ordinary Shares for every 16 Existing Ordinary Shares (the "**Share Consolidation**") (based on the market capitalisation of the Company as at 31 August 2017). Following the Share Consolidation, each Shareholder will continue to own the same proportion of the issued share capital of the Company as immediately before the Share Consolidation, subject to fractional entitlements.

The purpose of this document is to provide Shareholders with further information relating to the B Share Scheme and related Share Consolidation and to give notice of the General Meeting at which certain resolutions will be considered and, if thought fit, passed to allow the B Share Scheme and Share Consolidation to take place. This Circular also explains why the Board considers the resolutions proposed to be in the best interests of the Company and the Shareholders as a whole. **Accordingly, the Board recommends the Shareholders vote in favour of the resolutions to be proposed at the General Meeting in order that the B Share Scheme and Share Consolidation can proceed.**

2. The B Share Scheme

Under the terms of the B Share Scheme and assuming the Resolutions are passed at the General Meeting, each Shareholder will receive one B Share for each Existing Ordinary Share held at the Record Time. The return paid to Shareholders on the subsequent redemption of each B Share will

be 60 pence, giving a cash return of 60 pence per Existing Ordinary Share held at the Record Time.

The Company expects to redeem the B Shares on or around 29 September 2017 and for the proceeds to be paid to Shareholders approximately two weeks after the Redemption Date.

The B Shares will be a newly-created class of share and will not be transferable, save in the very limited circumstances set out in paragraph (G) of Part III of this Circular. The B Shares will not be admitted to the Official List, nor to trading on the London Stock Exchange's main market for listed securities, or listed or admitted to trading on any other recognised investment exchange. The B Shares will be cancelled on redemption. Part II of this Circular sets out further details of the B Share Scheme and Part III of this Circular sets out the rights and restrictions attaching to the B Shares.

This structure should result in the majority of UK taxpayers receiving their cash proceeds on redemption of the B Shares as capital for taxation purposes. Part IV of this Circular sets out a summary of the potential tax consequences in the UK. Shareholders who are subject to taxation in a jurisdiction other than the UK or who are in any doubt as to their tax position should consult an appropriate independent and authorised professional adviser.

The return of capital under the B Share Scheme is separate from and will not affect the Company's dividend policy. Any future interim or final dividends declared by the Company will be in addition to the return of capital under the B Share Scheme. Accordingly, payment of the first quarter dividend to all Shareholders is expected to proceed on 6 October 2017. It is expected that the record date for the first quarter dividend for the current financial year will be 8 September 2017. Assuming the Resolutions are passed at the General Meeting and the conditions to the implementation of the B Share Scheme are satisfied, any future dividend, other than the first quarter dividend, will be paid per share on the number of New Ordinary Shares held by each Shareholder after the Share Consolidation.

For the avoidance of doubt, the B Share Scheme is separate to, and excluded from, the Company's Dividend Reinvestment Plan.

3. Share Consolidation

To maintain comparability, so far as possible, between the market price per Ordinary Share before and after the return of capital, the return of capital will be accompanied by a consolidation of the Company's ordinary share capital. The Share Consolidation should also allow historical "per share" financial information in relation to the Company (for example, the dividend paid per Ordinary Share) to be directly comparable with future financial information on a per share basis without being distorted by the effect of the return of capital.

As a result of the Share Consolidation, the total number of Ordinary Shares in issue will be reduced by a ratio broadly equal to the ratio of the return of capital, being approximately £475 million, to the market capitalisation of the Company as at close of business on 31 August 2017, being the last practicable date prior to publication of this Circular. Based on the market capitalisation of the Company as at 31 August 2017, each Shareholder would receive a number of New Ordinary Shares at a ratio of 15 New Ordinary Shares for every 16 Existing Ordinary Shares held at the Record Time.

Dealings in New Ordinary Shares under the new ISIN of GB00BYW0PQ60 are expected to commence at 8.00 a.m. on 28 September 2017 and Shareholders who hold their Existing Ordinary Shares in CREST are expected to have their New Ordinary Shares credited to their CREST account on or soon after 8.00 a.m. on 28 September 2017. Share certificates representing the New Ordinary Shares should then be sent to Shareholders who hold their Existing Ordinary Shares in certificated form by 13 October 2017.

Where a Shareholder's holding of Existing Ordinary Shares is not exactly divisible by 16, this will result in an entitlement to a fraction of a New Ordinary Share. Fractional entitlements arising from the Share Consolidation will be aggregated and sold in the market on behalf of such Shareholders. Net proceeds of sale (after deduction of all expenses and commissions incurred) are expected to be distributed *pro rata* to entitled Shareholders by 13 October 2017. However, where the proceeds for a Shareholder from the sale of any fractional entitlement are less than £3.00, the proceeds will be retained by the Company for the benefit of all Shareholders generally.

Paragraph 4 of Part II of this Circular sets out further details of the Share Consolidation.

4. Taxation

A guide to certain UK tax consequences of the B Share Scheme and Share Consolidation under current UK law and HM Revenue & Customs' practice is set out in Part IV of this Circular.

The tax consequences of the B Scheme and Share Consolidation may vary for Overseas Shareholders. Shareholders who are subject to taxation in a jurisdiction other than the UK or who are in any doubt as to their tax position should consult an appropriate independent and authorised professional adviser.

5. General Meeting

The return of capital by way of the B Share Scheme and the Share Consolidation requires the approval of Shareholders to certain resolutions to be passed at a General Meeting. Accordingly, there is set out at the end of this document a notice of the General Meeting to be held at 3.00 p.m. on Wednesday 27 September 2017 at 80 Victoria Street, London, SW1E 5JL.

Further details of the resolutions to be proposed at the General Meeting can be found at paragraph 11 of Part II of this Circular.

6. Action to be taken

Enclosed with this Circular is a Form of Proxy for use by Shareholders in connection with the General Meeting. Shareholders should complete and return the Form of Proxy in accordance with the instructions printed on it as soon as possible and in any event so that it may be received by the Company's Registrars, Equiniti, by no later than 3.00 p.m. on 25 September 2017. As an alternative to completing a hard copy Form of Proxy, proxies may be appointed electronically at www.sharevote.co.uk using the Voting ID, Task ID and Shareholder Reference Number (SRN) set out on the Form of Proxy. In addition, CREST members who wish to appoint a proxy or proxies may do so by completing and transmitting a CREST Proxy Instruction to Equiniti, CREST participant ID RA19. Electronic proxy appointments must be received by no later than 3.00 p.m. on 25 September 2017. Appointment of a proxy will not preclude a Shareholder from attending and voting at the General Meeting if they wish to do so and are so entitled.

Further details of the electronic appointment methods are found in the notes to the notice of the General Meeting set out at the end of this document.

7. Recommendation

The Board considers the B Share Scheme, the Share Consolidation and the passing of the resolutions to be proposed at the General Meeting to be in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the resolutions to be proposed at the General Meeting, as each director intends to do in respect of his or her own beneficial holdings.

Yours faithfully



Dame Alison Carnwath
(Chairman)

PART II

DETAILS OF THE B SHARE SCHEME AND SHARE CONSOLIDATION

1. B Share Scheme

The B Share Scheme is the way in which the Company proposes to effect the return of capital to Shareholders. This will involve the allotment and issue of B Shares to Shareholders and the subsequent redemption of the B Shares by the Company. This will be accompanied by the Share Consolidation (described in paragraph 4 of this Part II).

The exact aggregate amount to be returned under the B Share Scheme will depend on the number of Existing Ordinary Shares in issue at the Record Time. However, based on the number of Existing Ordinary Shares in issue as at close of business on 31 August 2017 (being the last practicable date prior to publication of this Circular), the aggregate amount to be returned under the B Share Scheme is approximately £475 million, or 60 pence per Existing Ordinary Share.

2. Conditions to the implementation of the B Share Scheme

The B Share Scheme is conditional on:

- (A) approval by Shareholders of the resolutions to be proposed at the General Meeting; and
- (B) Admission.

If these conditions are not satisfied by 8.00 a.m. on the Admission Date, neither the B Share Scheme nor the Share Consolidation will take effect.

3. Allotment, issue and redemption of B Shares

Each Shareholder will receive one B Share for each Existing Ordinary Share held at the Record Time.

The Company will have the right to redeem each B Share for 60 pence without any further action from the holder of such B Share. The Company intends to redeem and then cancel each such B Share shortly following the issue of the B Shares.

The rights and restrictions attached to the B Shares are more fully set out in Part III of this Circular.

It is proposed that the Company will capitalise a sum of approximately £475 million standing to the credit of the Company's share premium account in order to pay up in full the B Shares with a nominal value of 60 pence each.

The exact number of B Shares to be issued will be equal to the number of Existing Ordinary Shares in issue at the Record Time (excluding those held in treasury by the Company). As at close of business on 31 August 2017 (being the last practicable date prior to publication of this Circular) there were 801,343,992 Existing Ordinary Shares in issue of which 10,495,131 were held in treasury by the Company, representing approximately 1.3 per cent of the Existing Ordinary Share capital in issue as at 31 August 2017.

The B Shares will not be admitted to listing on the Official List or admitted to trading on the London Stock Exchange's main market for listed securities, nor will they be listed or admitted to trading on any other recognised investment exchange. The B Shares will not be transferable, save in the very limited circumstances set out in paragraph (G) of Part III of this Circular.

No share certificates will be issued in respect of the B Shares.

The return of capital under the B Share Scheme is separate from and will not affect the Company's dividend policy. Any future interim or final dividends declared by the Company will be in addition to the return of capital under the B Share Scheme. Accordingly, payment of the first quarter dividend for the current financial year to all Shareholders is expected to proceed on 6 October 2017. It is expected that the record date for the first quarter dividend will be 8 September 2017. Assuming the Resolutions are passed at the General Meeting and the conditions to the implementation of the B Share Scheme are satisfied, any future dividend, other than the first quarter dividend, will be paid per share on the number of New Ordinary Shares held by each Shareholder after the Share Consolidation.

4. Share Consolidation

It is expected that, as a result of the decrease in the value of the Company due to the return of capital, there would, without a consolidation of the Company's ordinary share capital, be a corresponding decrease in the market price of the Existing Ordinary Shares. Accordingly, to maintain comparability, so far as possible, between the market price per Ordinary Share before and after the issue of the B shares, a consolidation of the Company's ordinary share capital is proposed. This allows comparability of share prices and per share financial metrics (including dividends, net asset value and earnings) with prior financial periods. The Share Consolidation involves a reduction of the total number of Ordinary Shares in issue by the consolidation of the Existing Ordinary Shares (which have a nominal value of 10 pence each) into a smaller number of New Ordinary Shares, each at a nominal value of $10\frac{2}{3}$ pence per New Ordinary Share.

As a result of the Share Consolidation, each Shareholder will receive a number of New Ordinary Shares at a ratio of 15 New Ordinary Shares for every 16 Existing Ordinary Shares held at the Record Time.

The return of capital of £475 million represents approximately 6 per cent of the Company's market capitalisation (based on the closing market price of 1010.00 pence per Existing Ordinary Share as at close of business on 31 August 2017, being the last practicable date prior to publication of this Circular) and the Share Consolidation will reduce the number of Ordinary Shares in issue by a similar percentage.

Although the number of Ordinary Shares in issue will decrease, each Shareholder will still own the same proportion of the issued share capital of the Company as immediately before the Share Consolidation, subject to fractional entitlements. The value of a Shareholder's holding in the Company immediately following the Share Consolidation, when added to the cash payment that is received or will be due to be received upon redemption, will be the same as the value of its holding in the Company immediately before the Share Consolidation.

Following the Share Consolidation, and assuming no further shares are issued, repurchased or cancelled between 31 August 2017 (being the last practicable date prior to publication of this Circular) and the date on which the Share Consolidation becomes effective, the Company's total issued share capital would comprise 753,263,352 New Ordinary Shares. The New Ordinary Shares will be equivalent in all material respects to the Existing Ordinary Shares (including as to dividend, voting and other rights), with the exception of the difference in nominal value and the New Ordinary Shares being subject to the rights of the B Shares.

Application will be made for the New Ordinary Shares to be admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities with a premium listing, with Admission expected to take place and dealings expected to commence at 8.00 a.m. on the Admission Date. The Company will apply for the New Ordinary Shares under the ISIN GB00BYW0PQ60 to be admitted to CREST with effect from Admission so that general market transactions in the New Ordinary Shares may be settled within the CREST system.

Depending upon the price of an Existing Ordinary Share and the number of Existing Ordinary Shares in issue shortly before the date of the General Meeting, the ratio proposed above may no longer maintain comparability of the price of the Ordinary Shares before and after issue of the B Shares. If this is the case, the Board may, at the General Meeting, propose certain changes to the second resolution contained in the Notice of General Meeting so as to adjust the ratio to maintain, as far as possible, the comparability. If such changes are to be proposed, notice will be given by issuing an announcement through the Regulatory News Service of the London Stock Exchange.

Share certificates representing the New Ordinary Shares will be issued following the Share Consolidation and sent to Shareholders by 13 October 2017. Shareholders who hold their Existing Ordinary Shares in CREST will automatically have their New Ordinary Shares credited to their CREST account. The relevant CREST accounts will be credited at approximately 8.00 a.m. on the Admission Date.

5. Fractional entitlements to New Ordinary Shares

Unless a holding of Existing Ordinary Shares is exactly divisible by 16, a Shareholder will have a fractional entitlement to a New Ordinary Share following the Share Consolidation. These fractional entitlements will all be aggregated into New Ordinary Shares and sold in the market. Subject to the below, the net proceeds of sale (after deduction of all expenses and commissions incurred) will be

distributed *pro rata* to relevant Shareholders. Cheques in respect of the net proceeds of sale will be despatched to relevant Shareholders or CREST accounts credited with the net proceeds, as appropriate, together with certificates for New Ordinary Shares, where applicable, by 13 October 2017. Should the cash consideration for any Shareholder's fractional entitlement be less than £3.00 (net of expenses), that Shareholder will have no entitlement or right to the proceeds of sale and so will not receive a cheque or have its CREST account credited in respect of that entitlement due to the administrative costs incurred in doing so; rather, the net proceeds will be retained by the Company.

If necessary, to ensure that a whole number of New Ordinary Shares is created following the implementation of the Share Consolidation, it is proposed that, in advance of the Record Time, the Company will cancel up to 15 Ordinary Shares held in treasury and transfer up to 15 Ordinary Shares held in treasury to the Company's Employee Benefit Trust.

6. Effect of B Share Scheme and Share Consolidation

For illustrative purposes, examples of how the B Share Scheme and Share Consolidation would affect Shareholders are set out below.

A. Number of Existing Ordinary Shares held at the Record Time	B. Number of New Ordinary Shares held after Share Consolidation	C. Proceeds under B Share Scheme
1	0	£0.60
112	105	£67.20
512	480	£307.20
1,008	945	£604.80

Although the number of Ordinary Shares held by each Shareholder will be reduced, each Shareholder will continue to own the same proportion of the issued share capital of the Company as immediately before the Share Consolidation, subject to fractional entitlements.

These examples do not show fractional entitlements, the value of which will depend on the market value of the New Ordinary Shares at the time of sale, as described in paragraph 5 above.

7. Overseas Shareholders

Shareholders who are not resident in the United Kingdom or who are citizens, residents or nationals of other countries should consult their professional advisers to ascertain whether the issue, holding, redemption or disposal of the B Shares will be subject to any restrictions or require compliance with any formalities imposed by the laws or regulations of, or any body or authority located in, the jurisdiction in which they are resident or to which they are subject. In particular, it is the responsibility of any Overseas Shareholder to satisfy itself as to full observance of the laws of each relevant jurisdiction in connection with the B Share Scheme, including the obtaining of any government, exchange control or other consents which may be required, or the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties in such jurisdiction.

The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Neither this document nor any other document issued or to be issued by or on behalf of the Company in connection with the B Share Scheme constitutes an invitation, offer or other action on the part of the Company in any jurisdiction in which such invitation, offer or other action is unlawful.

8. Land Securities Group PLC Employee Share Schemes

Under the Group Employee Share Schemes, the Company has granted options and awards over Existing Ordinary Shares at varying exercise prices and with varying vesting dates. Participants under the Group Employee Share Schemes are not the beneficial owners of Existing Ordinary Shares under those schemes (save where options are exercised before the Record Time) and so will not participate in the B Share Scheme and Share Consolidation, other than in their separate

capacity as Shareholders (if applicable). Where a participant under the Group Employee Share Scheme has exercised an option or award before the Record Time, the participant will receive the B Shares and their shares will be subject to the Share Consolidation in the same way as other Shareholders.

It is expected that the Share Consolidation will be neutral for participants under the Group Employee Share Schemes as options and awards over Existing Ordinary Shares will take effect as options and awards over the same number of New Ordinary Shares, which are expected to have approximately the same market value following the Share Consolidation as Existing Ordinary Shares, subject to market fluctuations. On this basis, it is anticipated that no adjustment will be made to the number of Ordinary Shares over which participants have options or awards or to the relevant strike price of such options or awards.

As at close of business on 31 August 2017 (being the last practicable date prior to publication of this Circular), the total number of unvested options and awards under the Group Employee Share Schemes was 2,357,541. In aggregate, these outstanding options and awards represented approximately 0.30 per cent of the issued Existing Ordinary Shares of the Company. Following the B Share Scheme, and assuming no further shares or options are issued between 31 August 2017 and the Share Consolidation becoming effective, the outstanding options and awards will represent approximately 0.32 per cent of the issued New Ordinary Shares of the Company.

Shares held by the Employee Benefit Trust

The Company has established an Employee Benefit Trust for the purpose of satisfying share options and awards under the Group Deferred Bonus Plan. The Trust holds Existing Ordinary Shares. Existing Ordinary Shares held by the Trust will have the same rights under the B Share Scheme and Share Consolidation as Existing Ordinary Shares held by other Shareholders.

9. Dealings and despatch of documents

The B Share Scheme will be carried out by reference to holdings of Existing Ordinary Shares on the Company's register of members as at the Record Time.

It is expected that dealings and settlement within the CREST system of the Existing Ordinary Shares under ISIN GB0031809436 will continue until 4.30 p.m. on 27 September 2017 when, in the case of Existing Ordinary Shares held in certificated form, the register of members will be closed for transfers and no further transfers of Existing Ordinary Shares will be able to be made. The registration of uncertificated holdings in respect of Existing Ordinary Shares will be disabled in CREST at the Record Time.

In respect of New Ordinary Shares, Shareholders who hold their Existing Ordinary Shares in CREST will have their CREST accounts credited with the New Ordinary Shares under ISIN GB00BYW0PQ60 at approximately 8.00 a.m. on the Admission Date. Shareholders holding New Ordinary Shares through the CREST system will not receive any share certificates.

With effect from Admission, share certificates in respect of Existing Ordinary Shares will cease to be valid. Share certificates in respect of New Ordinary Shares will only be issued following the Share Consolidation. It is therefore important that Shareholders holding certificate(s) in respect of Existing Ordinary Shares retain them until the New Ordinary Share certificates are despatched, which is expected to be by 13 October 2017. On receipt of share certificates in respect of New Ordinary Shares, certificates in respect of Existing Ordinary Shares should be destroyed.

No share certificates will be issued by the Company in respect of B Shares.

All share certificates and cheques will be sent by post, at the risk of the Shareholder(s) entitled thereto, to the registered address of the relevant Shareholder (or, in the case of joint Shareholders, to the address of the joint Shareholder whose name stands first in the register of members in respect of such joint shareholding).

10. General Meeting

The General Meeting will be held at 80 Victoria Street, London, SW1E 5JL at 3.00 p.m. on 27 September 2017. A notice convening the General Meeting is set out at the end of this Circular.

Shareholders will find enclosed with this Circular a Form of Proxy for use at the General Meeting. Alternatively, a proxy may be appointed electronically at www.sharevote.co.uk. Shareholders holding shares in CREST may appoint a proxy through a CREST Proxy Instruction.

Further details on proxy appointments and the action to be taken are set out in the Notice of General Meeting at the end of this Circular.

11. Summary of the resolutions to be proposed at the General Meeting

Six resolutions will be proposed at the General Meeting. Resolutions 1, 2, 4, 5 and 6 will be proposed as special resolutions, the passing of which requires at least 75 per cent of the votes cast (whether in person or by proxy) to be in favour. Resolution 3 will be passed as an ordinary resolution, the passing of which requires a simple majority of votes cast to be in favour.

A summary of the resolutions is set out below:

Resolution 1: To adopt new Articles of Association (“Resolution 1”)

This resolution is conditional on Admission occurring by 8.00 a.m. on the Admission Date. The Resolution proposes the adoption of new Articles of Association in order to implement the B Share Scheme. The new Articles of Association will include the insertion into the Articles of Association of the rights and restrictions attaching to the B Shares, as set out in Part III of this Circular.

Resolution 2: To approve the B Share Scheme and the Share Consolidation (“Resolution 2”)

This Resolution is conditional on the passing of Resolution 1 and on Admission occurring by 8.00 a.m. on the Admission Date. A summary of the paragraphs comprising the Resolution follows below.

(A) This paragraph proposes to authorise the Board to:

- (i) capitalise a sum not exceeding £475 million, standing to the credit of the Company's share premium account, to pay up in full the B Shares;
- (ii) allot and issue B Shares up to an aggregate nominal amount of £475 million, on the basis of one B Share for each Existing Ordinary Share (excluding Existing Ordinary Shares held by the Company in treasury) held at the Record Time. This authority granted to the Directors will expire at the end of the next annual general meeting of the Company.

(B) This paragraph proposes to authorise the subdivision and consolidation of the Existing Ordinary Shares into New Ordinary Shares. All fractional entitlements which arise will be aggregated and sold with the net proceeds of the sale (after deduction of all expenses and commissions incurred), where equal to or in excess of £3.00, paid in due proportion to the relevant Shareholders. The net proceeds of sale from fractional entitlements of less than £3.00 will be retained by the Company for the benefit of all Shareholders generally.

Resolution 3: To authorise the directors to allot securities (“Resolution 3”)

At the Annual General Meeting of the Company held on 13 July 2017, Shareholders authorised the directors, under section 551 of the Act, to allot Ordinary Shares without the prior consent of Shareholders for a period expiring at the conclusion of the next Annual General Meeting or, if earlier, on 13 October 2018 (the “**AGM Allotment Authority**”). Although the AGM Allotment Authority has not been used, Resolution 3 will seek to renew it and to authorise the directors under section 551 of the Act to allot New Ordinary Shares or grant rights to subscribe for or convert any security into New Ordinary Shares in the Company, for a period expiring at the conclusion of the next Annual General Meeting of the Company after the passing of Resolution 3 or, if earlier, the close of business on 13 October 2018 (being 15 months after the date of the 2017 Annual General Meeting). This is necessary in order to preserve the effect of the AGM Allotment Authority once the Share Consolidation has resulted in the issue of the New Ordinary Shares. If Resolution 3 is passed, the AGM Allotment Authority will therefore cease to have effect.

Paragraph (A)(i) of Resolution 3 will allow the directors to allot New Ordinary Shares up to a maximum nominal amount of £26,361,628 representing approximately one-third (33.3 per cent) of the Company's New Ordinary Share capital in issue immediately following the Share Consolidation (excluding treasury shares) (based on the total issued share capital of the Company as at close of business on 31 August 2017, being the last practicable date prior to publication of this Circular).

In accordance with institutional guidelines issued by the Investment Association, paragraph (A)(ii) of Resolution 3 will allow the directors to allot, including the Ordinary Shares referred to in paragraph (A)(i) of Resolution 3, further of the Company's New Ordinary Shares in connection with a pre-emptive offer by way of a rights issue to ordinary shareholders up to a maximum nominal amount of £52,723,256, representing approximately two-thirds (66.6 per cent) of the Company's New

Ordinary Share capital immediately following the Share Consolidation (excluding treasury shares). The directors have no present intention of exercising this authority. However, if they do exercise the authority, the directors intend to follow best practice as regards its use as recommended by the Investment Association.

Resolution 3 will be proposed as an ordinary resolution to renew this authority in relation to the New Ordinary Shares until the conclusion of the next Annual General Meeting of the Company or, if earlier, close of business on 13 October 2018.

*Resolution 4: To authorise the directors to disapply pre-emption rights (“**Resolution 4**”)*

At the Annual General Meeting of the Company held on 13 July 2017, a special resolution was passed, under sections 570 and 573 of the Act, empowering the directors to allot equity securities for cash without first being required to offer such shares to existing shareholders (the “**AGM General Disapplication of Pre-emption Rights**”). Resolution 4 will seek to renew this authority in relation to the New Ordinary Shares, in line with the latest institutional guidelines. If Resolution 4 is passed, the AGM General Disapplication of Pre-emption Rights will cease to have effect.

If approved, the Resolution will authorise the directors, in accordance with the Company’s Articles of Association, to issue shares in connection with a rights issue or other pre-emptive offer and otherwise to issue shares for cash (including the sale for cash on a non pre-emptive basis of any shares held in treasury) up to a maximum nominal amount of £3,954,244, which represents approximately 5 per cent of the Company’s New Ordinary Share capital, excluding treasury shares, immediately following the Share Consolidation (based on the total issued share capital of the Company as at close of business on 31 August 2017, being the last practicable date prior to publication of this Circular).

The directors do not intend to issue, under a general authority to dis-apply pre-emption rights, more than 7.5 per cent of the issued share capital of the Company (excluding treasury shares) for cash on a non pre-emptive basis in any rolling three-year period without prior consultation with Shareholders.

Resolution 4 will be proposed as a special resolution to renew this authority in relation to the New Ordinary Shares until the conclusion of the next Annual General Meeting of the Company after the passing of Resolution 3, or, if earlier, close of business on 13 October 2018.

*Resolution 5: To authorise the directors to disapply pre-emption rights for the purposes of acquisitions or capital investments (“**Resolution 5**”)*

At the Annual General Meeting of the Company held on 13 July 2017, a separate special resolution was passed, in line with the best practice guidance issued by the Pre-Emption Group, authorising the directors to allot equity securities or sell treasury shares for cash without first being required to offer such securities to existing shareholders (the “**AGM Additional Disapplication of Pre-emption Rights**”). If Resolution 5 is passed the AGM Additional Disapplication of Pre-emption Rights will cease to have effect.

Resolution 5 requests further Shareholder approval, by way of a separate special resolution, in line with the best practice guidance issued by the Pre-Emption Group, for the directors to allot equity securities or sell treasury shares for cash without first being required to offer such securities to existing shareholders, in relation to the New Ordinary Shares.

The proposed resolution reflects the Pre-emption Group 2015 Statement of Principles for the disapplication of pre-emption rights and will expire on 13 October 2018 or at the conclusion of the next Annual General Meeting of the Company, whichever is earlier.

The authority granted by Resolution 5, if passed:

- (A) will be limited to the allotment of equity securities and sale of treasury shares for cash up to an aggregate nominal value of £3,954,244, which represents approximately 5 per cent of the Company’s New Ordinary Share capital, excluding treasury shares, immediately following the Share Consolidation (based on the total issued share capital of the Company as at close of business on 31 August 2017, being the last practicable date prior to publication of this Circular); and

- (B) will only be used for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice.

The authority granted by this Resolution would be in addition to the general authority to disapply pre-emption rights under Resolution 4. The maximum nominal value of equity securities which could be allotted if both authorities were used would be £7,908,488, which represents approximately 10 per cent of the Company's New Ordinary Share capital, excluding treasury shares, immediately following the Share Consolidation (based on the total issued share capital of the Company as at close of business on 31 August 2017, being the last practicable date prior to publication of this Circular).

*Resolution 6: To authorise the Company to make market purchases of its own shares ("**Resolution 6**")*

A special resolution was also passed at the Annual General Meeting of the Company on 13 July 2017 enabling the Company to purchase its own shares in the market (the "**AGM Market Purchase Authority**"). Resolution 6 will seek to renew this authority in relation to the New Ordinary Shares. The maximum number of shares to which the authority relates is 74,142,080. This represents 10 per cent of the Company's New Ordinary Share capital, excluding treasury shares, immediately following the Share Consolidation (based on the total issued share capital of the Company as at close of business on 31 August 2017, being the last practicable date prior to publication of this Circular). If Resolution 6 is passed the AGM Market Purchase Authority will cease to have effect.

The directors only intend to make use of this authority if to do so would be expected to lead to an increase in the net asset value and earnings per ordinary share for the remaining Shareholders and would be in the best interests of Shareholders generally, having due regard to appropriate gearing levels, alternative investment opportunities and the overall financial position of the Company. The Company did not purchase any of its own shares during the financial year ended 31 March 2017.

The price paid for Ordinary Shares will not be less than the nominal value of 10²/₃ pence per New Ordinary Share and not more than the higher of 5 per cent above the average of the middle market quotations of the Company's Ordinary Shares, as derived from the London Stock Exchange Daily Official List, for the five business days preceding the day on which the Ordinary Shares are purchased and an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out.

Any purchases of Ordinary Shares would be by means of market purchases through the London Stock Exchange. Any shares purchased under this authority may either be cancelled or held as treasury shares by the Company. Treasury shares may subsequently be cancelled, sold for cash or used to satisfy options and awards issued to employees pursuant to the Company's employee share plans.

As at close of business on 31 August 2017 (being the last practicable date prior to publication of this Circular), employee share options and awards were outstanding over 2,357,541 Ordinary Shares which, if exercised using newly issued shares, would represent 0.32 per cent of the Company's New Ordinary Share capital (based on the total issued share capital of the Company as at close of business on 31 August 2017, being the last practicable date prior to publication of this Circular). If the proposed authority for the Company to purchase its own shares were used in full, that percentage would increase to 0.35 per cent. As at close of business on 31 August 2017, there were no outstanding warrants to subscribe for equity shares in the Company.

Resolution 6 will be proposed as a special resolution to renew this authority in relation to the New Ordinary Shares until the conclusion of the next Annual General Meeting of the Company or, if earlier, the close of business on 13 October 2018.

PART III

RIGHTS AND RESTRICTIONS ATTACHED TO THE B SHARES

The following sets out the rights of the B Shares and the restrictions to which they are subject. These are included in the revised Articles of Association proposed to be adopted at the General Meeting.

The following paragraphs will be inserted as a new Article 5A in the revised Articles of Association.

Please note that the defined terms in this Part III have been aligned with those in the Articles of Association and therefore defined terms used elsewhere in this Circular do not apply to this Part III.

5A. Rights and Restrictions Attached to B Shares

(A) General

The redeemable preference shares of 60 pence each in the capital of the company (the “**B Shares**”) shall have the rights, and be subject to the restrictions, attaching to those shares set out in these articles save that in the event of a conflict between any provision in this article 5A and any other provision in these articles, the provisions in this article 5A shall prevail.

(B) Income

Each B Share will carry a right to a fixed non-cumulative dividend of 1 per cent of its nominal value, payable annually in arrear on the anniversary of the B Share issuance (so long as the B Share remains in issue on that date).

(C) Capital

- (i) On a return of capital on a winding-up (excluding any intra-group reorganisation on a solvent basis), the holders of the B Shares shall be entitled, in priority to any payment to the holders of every other class of share in the capital of the company, to 60 pence per B Share held by them.
- (ii) On a winding-up, the holders of the B Shares shall not be entitled to any further right of participation in the profits or assets of the company in excess of that specified in article 5A(C)(i) above. In the event that there is a winding-up to which article 5A(C)(i) applies and the amounts available for payment are insufficient to pay the amounts due on all the B Shares in full, the holders of the B Shares shall be entitled to their *pro rata* proportion of the amounts to which they would otherwise be entitled.
- (iii) The aggregate entitlement of each holder of B Shares on a winding-up in respect of all the B Shares held by him shall be rounded down to the nearest whole penny.
- (iv) The holders of the B Shares shall not be entitled to any further right of participation in the profits or assets of the company in their capacity as holders of B Shares.

(D) Attendance and voting at general meetings

The holders of the B Shares shall not be entitled, in their capacity as holders of such B Shares, to receive notice of any general meeting of the company nor to attend, speak or vote at any such general meeting.

(E) Class rights

- (i) The company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority or subsequent to the B Shares. The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the B Shares) shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the B Shares.
- (ii) A reduction by the company of the capital paid up or credited as paid up on the B Shares and the cancellation of such shares shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the B Shares.
- (iii) Without prejudice to the generality of the foregoing, the company is authorised to reduce (or purchase shares in) its capital of any class or classes and such reduction (or purchase) shall not involve a variation of any rights attaching to the B Shares for any purpose or require the consent of the holders of the B Shares.

(F) Form

The B Shares shall not be listed or traded on any stock exchange nor shall any share certificates be issued in respect of such shares.

(G) Transfer

The B Shares may not be transferred except to:

- (i) satisfy *bona fide* market claims in connection with trades of Ordinary Shares initiated on or before the Record Time that have not settled as of such time;
- (ii) personal representatives upon the death of the holder or to any person entitled to the share on bankruptcy of the holder; or
- (iii) transfer the legal title in this share from one nominee to another, provided that there is no transfer of beneficial title to this share.

(H) Redemption of B Shares

Subject to the provisions of the Companies Act and these articles, the company may elect, by notice issued through the Regulatory News Service of the London Stock Exchange, to redeem, out of the profits available for distribution, the B Shares as follows:

- (i) The B Shares may be redeemed at such time as the board may in its absolute discretion determine (the “**Redemption Date**”).
- (ii) On redemption of a B Share on the Redemption Date, the company shall be liable to pay 60 pence the (“**Redemption Amount**”) to the holder of such B Share registered on the Company’s relevant register at the Redemption Date. The company’s liability to pay to such holder the Redemption Amount for each such B Share shall be discharged by the company by a payment to such holder of the Redemption Amount for each such B Share approximately 14 days after the Redemption Date.
- (iii) Neither the company nor any of its directors, officers or employees shall have any liability to any person for any loss or damage arising as a result of the determination of the Redemption Date in accordance with article 5A(H)(i) above.
- (vii) All B Shares redeemed shall be cancelled and the company shall not be entitled to re-issue them.

(I) Deletion of article 5A when no B Shares in existence

Article 5A shall remain in force until there are no longer any B Shares in existence, notwithstanding any provision in these articles to the contrary. Thereafter article 5A shall be, and shall be deemed to be, of no effect (save to the extent that the provisions of article 5A are referred to in other articles) and shall be deleted and replaced with the wording “article 5A has been deleted”, and the separate register for the holders of B Shares shall no longer be required to be maintained by the company; but the validity of anything done under article 5A before that date shall not otherwise be affected and any actions taken under article 5A before that date shall be conclusive and not be open to challenge on any grounds whatsoever.

PART IV

UNITED KINGDOM TAXATION

The following comments are intended as a guide to United Kingdom law and HM Revenue & Customs published practice current as at the date of this Circular, both of which are subject to change (potentially with retrospective effect). They do not constitute, and should not be taken as, tax advice. They relate only to certain limited aspects of the United Kingdom taxation treatment of the B Share Scheme and Share Consolidation and are intended to apply only to Shareholders who are resident in the United Kingdom for United Kingdom tax purposes, who are and will be the absolute beneficial owners of their Existing Ordinary Shares, B Shares and New Ordinary Shares and who hold, and will hold, them as investments (and not as securities to be realised in the course of a trade).

The comments may not apply to certain Shareholders, such as dealers in securities, insurance companies and collective investment schemes, Shareholders who are exempt from taxation and Shareholders who have (or are deemed to have) acquired their Existing Ordinary Shares by virtue of an office or employment. Such persons may be subject to special rules.

Shareholders should always seek their own advice from an appropriate independent and authorised professional if they are in any doubt as to their tax position.

1. Issue of B Shares and Share Consolidation

The following comments apply for the purposes of the taxation of capital gains and corporation tax on chargeable gains ("CGT").

The issue of the B Shares and the New Ordinary Shares should constitute a tax-free reorganisation of the share capital of the Company. Accordingly:

- Shareholders receiving B Shares and New Ordinary Shares should not be treated as having made a disposal of all or any part of their holding of Existing Ordinary Shares.
- A Shareholder's holding of B Shares and New Ordinary Shares should together be treated as the same asset as that Shareholder's holding of Existing Ordinary Shares and as having been acquired at the same time, and for the same consideration, as the holding of Existing Ordinary Shares.

To calculate the tax due on a subsequent disposal of all or part of a Shareholder's B Shares or New Ordinary Shares, that Shareholder's CGT base cost in their holding of Existing Ordinary Shares will need to be apportioned between the B Shares and the New Ordinary Shares by reference to their respective values on the first day on which the New Ordinary Shares are listed. A worked example with details of the respective values will be made available on the Company's website in due course.

The sale of fractional entitlements to New Ordinary Shares (as described under paragraph 5 in Part II of this Circular) should not generally be treated as a part disposal for CGT purposes. Instead, provided that it does not exceed the relevant Shareholder's existing base cost, an amount equal to any payment received by that Shareholder from such sale should in practice be deducted from the base cost of the New Ordinary Shares received.

2. Redemption of the B Shares

The redemption of the B Shares will be treated as a disposal for the purposes of CGT. This may, subject to the relevant Shareholder's individual circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss).

Any such gain or loss will be calculated by reference to the difference between (i) the redemption proceeds received by the Shareholder and (ii) the part of the Shareholder's original base cost in their Existing Ordinary Shares that is apportioned to the B Shares in the manner described under paragraph 1 above.

The amount of capital gains tax, if any, payable by an individual Shareholder as a consequence of the redemption of the B Shares will depend on their own personal tax position. No tax will be payable on any gain realised on the redemption of the B Shares if the amount of the net chargeable gains realised by the Shareholder, when aggregated with other gains realised by that Shareholder in the year of assessment (and after taking account of allowable losses), does not

exceed the annual exempt amount (£11,300 for 2017/18). Any gains in excess of this amount will be taxed at a rate of 10 per cent, or 20 per cent for higher rate and additional rate taxpayers. Where the gains of a basic rate taxpayer subject to CGT exceed the unused part of their basic rate band, that excess is subject to tax at the 20 per cent rate.

A corporate Shareholder is normally subject to corporation tax on all of its chargeable gains, subject to any available reliefs and exemptions. Corporate Shareholders should be entitled to indexation allowance up to the date the chargeable gain is realised.

The Finance Act 2015 enacted legislation which, broadly speaking, treats amounts paid on the redemption of shares as income in the hands of an individual shareholder (rather than a capital receipt) where shareholders are given a choice to elect for capital or income treatment. The Company is of the view that this legislation does not apply to the B Share Scheme on the basis that it does not permit Shareholders any such choice.

3. Stamp duty and stamp duty reserve tax (“SDRT”)

No stamp duty or SDRT will arise on the issue or redemption of the B Shares, or on the Share Consolidation.

DEFINITIONS

The following definitions apply throughout this Circular, unless the context requires otherwise and excluding Part III.

Act	means the Companies Act 2006;
Admission	means admission of the New Ordinary Shares to (i) the premium segment of the Official List and (ii) trading on the London Stock Exchange's main market for listed securities;
Admission Date	means 28 September 2017 or such later time and/or date as the Board may in its absolute discretion determine;
AGM Additional Disapplication of Pre-emption Rights	has the meaning given in paragraph 11 of Part II;
AGM Allotment Authority	has the meaning given in paragraph 11 of Part II;
AGM General Disapplication of Pre-emption Rights	has the meaning given in paragraph 11 of Part II;
Articles of Association	means the articles of association of the Company;
B Shares	means the redeemable preference shares of 60 pence each in the capital of the Company carrying the rights and restrictions set out in Part III of this Circular;
B Share Scheme	means the return of capital by way of payment of 60 pence per Existing Ordinary Share to be effected by the allotment, issue and redemption of the B Shares;
Board	means the board of directors of the Company;
Circular	means this document;
Company	means Land Securities Group PLC, of 100 Victoria Street, London, United Kingdom, SW1E 5JL, a company incorporated in England and Wales with registered number 4369054;
CREST	means the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the CREST Regulations);
CREST Manual	means the CREST manual issued by Euroclear UK & Ireland Limited;
CREST Proxy Instruction	means the instruction whereby CREST members send a CREST message appointing a proxy for the General Meeting and instructing the proxy how to vote and containing the information set out in the CREST Manual;
CREST Regulations	means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended;
CREST member	means a person who has been admitted by Euroclear UK & Ireland Limited as a system-member (as defined in the CREST Regulations);
Dividend Reinvestment Plan	means the Land Securities Group PLC Dividend Reinvestment Plan;
Employee Benefit Trust	means the Land Securities Group PLC Deferred Bonus Plan Trust;
Existing Ordinary Shares	means ordinary shares of 10 pence each in the capital of the Company, prior to the Share Consolidation;
Form of Proxy	means the Form of Proxy enclosed with this Circular;
FSMA	means the Financial Services and Markets Act 2000, as amended from time to time;

General Meeting	means the general meeting of the Company to be held on 27 September 2017 at 80 Victoria Street, London, SW1E 5JL;
Group	means the Company and its subsidiaries (as defined in the Act);
Group Deferred Bonus Plan	means the Land Securities Group PLC Deferred Bonus Plan;
Group Employee Share Schemes	means the Land Securities Group PLC Long-Term Incentive Plan (LTIP), Deferred Bonus Share Plan, Executive Share Option Scheme (ESOS) and Savings Related Share Option Plan;
Listing Rules	means the listing rules of the UK Listing Authority;
London Stock Exchange	means London Stock Exchange PLC;
London Stock Exchange Daily Official List	means the daily list of share prices maintained on the London Stock Exchange;
New Ordinary Shares	means ordinary shares of 10 ² / ₃ pence each in the capital of the Company, following the Share Consolidation;
Official List	means the official list maintained by the UK Listing Authority;
Ordinary Shares	means, as the context permits, Existing Ordinary Shares or New Ordinary Shares;
Overseas Shareholders	means Shareholders who are not resident in the United Kingdom or who are citizens, residents or nationals of a country other than the United Kingdom or who have a registered address which is not in the United Kingdom. For the avoidance of doubt, Shareholders who are not resident in the United Kingdom include Shareholders who are resident in the Channel Islands or the Isle of Man;
Record Time	means 6.00 p.m. on 27 September 2017 (or such other time and date as the directors may determine);
Redemption Date	has the meaning given in proposed Article 5A(H)(i), as set out in Part III of this Circular;
Resolutions	means the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting;
Share Consolidation	means the proposed subdivision and consolidation of the Company's share capital, as described in paragraph 4 of Part II of this Circular;
Shareholder	means holders of Ordinary Shares and, where the context so requires, holders of B Shares; and
UK Listing Authority	means the FCA in its capacity as competent authority for the purposes of Part VI of FSMA.

NOTICE OF GENERAL MEETING

of



Landsec

Land Securities Group PLC

(incorporated in England and Wales with registered number 4369054)

NOTICE IS HEREBY GIVEN that a **GENERAL MEETING** of Land Securities Group PLC (the “**Company**”) will be held at 80 Victoria Street, London, SW1E 5JL at 3.00 p.m. on 27 September 2017 for the purpose of considering and, if thought fit, passing the following resolutions. Resolutions 1, 2, 4, 5 and 6 will be proposed as special resolutions. Resolution 3 will be proposed as an ordinary resolution.

Resolution 1 – Amendment of Articles of Association

THAT, conditional upon the New Ordinary Shares (as defined below) being admitted to the official list of the UK Listing Authority and to trading on the London Stock Exchange PLC’s main market for listed securities by 8.00 a.m. on 28 September 2017 (or such later time and/or date as the directors may in their absolute discretion determine) (“**Admission**”), the draft articles of association produced to the meeting, marked “A” and signed by the Chairman of the meeting for identification purposes (the “**New Articles of Association**”), be and are hereby approved and adopted as the articles of association of the Company with effect from Admission in substitution for, and to the exclusion of, all existing articles of association of the Company.

Resolution 2 – Issue of B Shares and related Share Consolidation

THAT, subject to the passing of resolution 1 and also conditional upon Admission occurring by 8.00 a.m. on 28 September 2017 (or such later time and/or date as the directors may in their absolute discretion determine):

- (A) the directors of the Company be and are hereby generally and unconditionally authorised:
- (i) to capitalise a sum not exceeding £475 million standing to the credit of the Company’s share premium account, and to apply such sum in paying up in full up to the maximum number of redeemable preference shares of 60 pence each in the capital of the Company carrying the rights and restrictions set out in article 5A of New Articles of Association (the “**B Shares**”) that may be allotted to the holders of the ordinary shares of 10 pence each in the capital of the Company (the “**Existing Ordinary Shares**”) (excluding the Existing Ordinary Shares held by the Company in treasury) pursuant to the authority given by sub-paragraph 2(A)(ii) below;
 - (ii) pursuant to section 551 of the Companies Act 2006 (the “**Act**”), to exercise all powers of the Company to allot and issue credited as fully paid up (provided that the authority hereby confirmed shall expire at the end of the next annual general meeting of the Company) B Shares up to an aggregate nominal amount of £475 million to the holders of Existing Ordinary Shares on the basis of one B Share for every Existing Ordinary Share (excluding Existing Ordinary Shares held by the Company in treasury) held and recorded on the register of members of the Company at 6.00 p.m. on 27 September 2017 (or such other time and/or date as the directors may determine) (the “**Record Time**”), in accordance with the terms of the circular sent by the Company to its shareholders on 4 September 2017 and the directors’ determination as to the number of B Shares to be allotted and issued;
- (B) every Existing Ordinary Share (including the Existing Ordinary Shares held by the Company in treasury), as shown in the register of members of the Company at the Record Time, be sub-divided into 15 undesignated shares in the capital of the Company (each an

“**Undesignated Share**”) and immediately thereafter, every 16 Undesignated Shares be consolidated into one new ordinary share of $10\frac{2}{3}$ pence each in the capital of the Company (each a “**New Ordinary Share**”), provided that, where such consolidation and sub-division would result in any member being entitled to a fraction of a New Ordinary Share, such fraction shall, so far as possible, be aggregated with the fractions of a New Ordinary Share (if any) to which other members of the Company would be similarly so entitled and the directors of the Company be and are hereby authorised to sell (or appoint any other person to sell) to any person all the New Ordinary Shares representing such fractions at the best price reasonably obtainable to any person(s), and to distribute the proceeds of sale (net of expenses) in due proportion among the relevant members who would otherwise be entitled to the fractions so sold, save that (I) any fraction of a penny which would otherwise be payable shall be rounded up or down in accordance with the usual practice of the registrar of the Company, and (II) any due proportion of such proceeds of less than £3.00 (net of expenses) shall be retained by the directors for the benefit of the Company and the relevant member shall not be entitled thereto (and, for the purposes of implementing the provisions of this paragraph, any director of the Company (or any person appointed by the directors of the Company) shall be and is hereby authorised to execute one or more instrument(s) of transfer in respect of such New Ordinary Shares on behalf of the relevant member(s) and to do all acts and things the directors consider necessary or desirable to effect the transfer of such New Ordinary Shares to, or in accordance with the directions of, any buyer of such New Ordinary Shares).

Resolution 3 – Authority to allot securities

THAT, subject to the passing of resolutions 1 and 2:

- (A) pursuant to section 551 of the Act, the directors of the Company be and are hereby generally and unconditionally authorised to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:
 - (i) up to an aggregate nominal amount of £26,361,628; and
 - (ii) in so far as such shares comprise equity securities (as defined in section 560 of the Act) up to a further nominal amount of £26,361,628 in connection with an offer by way of a rights issue:
 - (a) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (b) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.
- (B) this authority shall expire at the earlier of the conclusion of the next Annual General Meeting of the Company or 13 October 2018, provided that the Company shall be entitled, at any time prior to the expiry of this authority, to make a contract of purchase which would or might be executed wholly or partly after the expiry of this authority and to purchase ordinary shares in accordance with such contract as if the authority had not expired.

Resolution 4 – General authority to disapply pre-emption rights

THAT, subject to the passing of resolutions 1, 2 and 3:

- (A) the directors of the Company be and are authorised to allot equity securities (pursuant to sections 570 and 573 of the Act) for cash under the authority given by resolution 3 and/or sell treasury shares as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power shall be limited to:
 - (i) the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities made to (but in the case of the authority granted under paragraph (A)(ii) of resolution 3, by way of a rights issue only):
 - (a) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

- (b) holders of other equity securities, as required by the rights of those securities or, if the director consider it necessary, as permitted by the rights of those securities,

and so that the director may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

- (ii) in the case of the authority granted under paragraph (i) of resolution 3 and/or in the case of any sale of treasury shares, to the allotment (otherwise than under paragraph (i) of this resolution) of equity securities or sale of treasury shares up to a nominal amount of £3,954,244 (being 5 per cent of the Company's New Ordinary Share capital, excluding treasury shares, as at 31 August 2017).
- (B) this authority shall expire at the earlier of the conclusion of the next Annual General Meeting of the Company or 13 October 2018, provided that the Company shall be entitled, at any time prior to the expiry of this authority, to make a contract of purchase which would or might be executed wholly or partly after the expiry of this authority and to purchase ordinary shares in accordance with such contract as if the authority had not expired.

Resolution 5 – Additional authority to disapply pre-emption rights for purposes of acquisitions or capital investments

THAT, subject to the passing of resolutions 1, 2 and 3:

- (A) in addition to any authority granted under resolution 4 to allot equity securities (pursuant to the Act) for cash under the authority given by that resolution, to authorise the directors to allot equity securities (pursuant to sections 570 and 573 of the Act) for cash under the authority given by resolution 3 and/or sell treasury shares as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power shall be:
- (i) limited, in the case of the authority granted under paragraph (A)(i) of resolution 3 and/or in the case of any sale of treasury shares, to the allotment of equity securities or sale of treasury shares up to a nominal amount of £3,954,244 (being 5 per cent of the Company's New Ordinary Share capital, excluding treasury shares, as at 31 August 2017); and
 - (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice.
- (B) this authority shall expire at the earlier of the conclusion of the next Annual General Meeting of the Company or 13 October 2018, provided that the Company shall be entitled, at any time prior to the expiry of this authority, to make a contract of purchase which would or might be executed wholly or partly after the expiry of this authority and to purchase ordinary shares in accordance with such contract as if the authority had not expired.

Resolution 6 – Authority to purchase own shares

THAT, subject to the passing of resolutions 1 and 2:

- (A) pursuant to section 701 of the Act, the Company be and is hereby generally and unconditionally authorised to make market purchases (as defined in section 693(4) of the Act) of its ordinary shares on such terms as the directors think fit, provided that:
- (i) the maximum number of ordinary shares that may be acquired is 74,142,080 (being 10 per cent of the company's New Ordinary Share capital, excluding treasury shares, as at 31 August 2017);
 - (ii) the minimum price (exclusive of expenses) which may be paid for an ordinary share is 10²/₃ pence; and

- (iii) the maximum price (exclusive of expenses) which may be paid for each ordinary share is the higher of:
 - (a) 105 per cent of the average of the middle-market quotations of an ordinary share of the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; and
 - (b) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent purchase bid for an ordinary share on the trading venues where the purchase is carried out.
- (B) this authority shall expire at the earlier of the conclusion of the next Annual General Meeting of the Company or 13 October 2018, provided that the Company shall be entitled, at any time prior to the expiry of this authority, to make a contract of purchase which would or might be executed wholly or partly after the expiry of this authority and to purchase ordinary shares in accordance with such contract as if the authority had not expired.

By Order of the Board

Tim Ashby

Group General Counsel and Company Secretary

4 September 2017

Shareholder notes

Ordinary shareholders' right to attend, speak and vote at the General Meeting

Ordinary shareholders have the right to attend, speak and vote at the General Meeting by signing the Attendance Card (attached to the Form of Proxy), bringing it along to the Meeting on 27 September 2017 at 3.00 p.m. and handing it in on arrival. If you do not have an Attendance Card but believe that you should have one, please contact Equiniti, our Registrar, on +44 333 207 6530. (Lines are open from 8.30 a.m. to 5.30 p.m., Monday to Friday, except public holidays in England and Wales.) Equiniti's overseas helpline number is +44 121 415 0915.

Only those shareholders entered on the Company's register of members at 6.30 pm on 25 September 2017 shall be entitled to attend or vote at the General Meeting in respect of the number of shares registered in their name at that time. If the Meeting is adjourned, the Company specifies that only shareholders entered on the Company's register of members not later than 6.30 pm on the day two days prior to the reconvened meeting shall be entitled to attend and vote at the Meeting. Changes to the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote.

Any shareholder attending the Meeting has the right to ask questions. The Company must provide an answer to any such question relating to the business being dealt with at the Meeting but no such answer need be given if (i) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information, (ii) the answer has already been given on a website in the form of an answer to a question, or (iii) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

Shareholder right to appoint a proxy

Members are entitled to appoint one or more proxies to exercise all or any of their rights to attend and to speak and vote on their behalf at the Meeting. A proxy need not be a member of the Company.

In the case of joint holders, any one holder may sign the Form of Proxy. The vote of the senior holder who tenders a vote will be counted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names appear on the register of shareholders.

A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice of Meeting. If you do not have a Form of Proxy but believe that you should have one, or if you require additional forms, please contact Equiniti on +44 333 207 6530. (Lines are open from 8.30 am to 5.30 pm, Monday to Friday, except public holidays in England and Wales.) Equiniti's overseas helpline number is +44 121 415 0915. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy.

A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. To do this, that shareholder must complete a separate Form of Proxy for each such proxy appointment. Shareholders can copy their original Form of Proxy or obtain additional Forms from Equiniti. A shareholder appointing more than one proxy should indicate the number of shares for which each proxy is authorised to act on their behalf.

To be valid, any Form of Proxy must be received by hand during normal business hours or by post at Equiniti Group PLC, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, England, no later than 3.00 p.m. on 25 September 2017 (i.e. 48 hours before the time of the Meeting).

Voting electronically by proxy

Shareholders who prefer to register the appointment of their proxy electronically via the internet can do so through the Equiniti website at www.sharevote.co.uk where full instructions on the procedure are given. The Voting ID, Task ID and Shareholder Reference Number printed on the Form of Proxy will be required to use this electronic proxy appointment system. Alternatively, shareholders who have already registered with Equiniti's online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk using their ID and password. Once logged in click 'View' on the 'My Investments' page, click on the link to vote then follow the on-screen instructions. A proxy appointment made electronically will not be valid if sent to any address other than those provided or if received after 3.00 p.m. on

25 September 2017. Please note that any electronic communication found to contain a computer virus will not be accepted.

You may not use any electronic address provided either in this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

The return of a completed Form of Proxy, any other such instrument or any CREST Proxy Instruction will not prevent a member attending the Meeting and voting in person (in place of their proxy vote) if he/she wishes to do so.

Indirect investors

Any person to whom this Notice is sent who is a person nominated under section 146 of the 2006 Act to enjoy information rights (Nominated Person) may, under an agreement between them and the member by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

The statement of the rights of shareholders in relation to the appointment of proxies above does not apply to a Nominated Person. The rights described in those paragraphs can only be exercised by shareholders of the Company.

CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting to be held on 27 September 2017 and any adjournment(s) thereof by using the procedures described in the CREST Manual which can be viewed at www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual available via www.euroclear.com. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in this Notice.

For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that there are no special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this regard, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Corporate representatives

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member, provided that they do not do so in relation to

the same shares. Such a corporate representative may be asked at the Meeting to produce a certified copy of the Resolution from which their authority is derived.

Total voting rights

As at close of business on 31 August 2017, being the last practicable date prior to the publication of this Notice, the Company's total issued share capital consisted of 801,343,992 ordinary shares carrying one vote each, excluding 10,495,131 shares held in treasury. Therefore, the total voting rights in the Company as at close of business on 31 August 2017 was 790,848,861.

Documents available for inspection

A copy of this Circular, including this Notice, and any other information required by section 311A of the 2006 Act, will be displayed on the Company's website at www.landsec.com from the date of this Notice until the conclusion of the Meeting.

Notes, Venue and Directions

Venue

The Meeting will be held on Wednesday 27 September 2017 at 80 Victoria Street, London, SW1E 5JL, United Kingdom.

Directions to the venue

If travelling by underground, the nearest underground stations are London Victoria (Circle, District and Victoria lines) and St James's Park (Circle and District Lines).

If travelling by bus, buses stop at or near London Victoria rail station. Please see Transport for London for details. Many buses are adapted for wheelchair users.

If travelling by railway, trains stop at London Victoria rail station.

Disabled access

80 Victoria Street offers access for disabled Shareholders and a loop system for the hearing impaired.

Time

The Meeting will start at 3.00 p.m.

For your safety and security, there may be checks and bag searches of those attending the Meeting. We recommend that you arrive a little early to allow time for these procedures.

Refreshments

Tea and coffee will be available before the Meeting.

