

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser.

If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.



(incorporated and registered in England and Wales under number 621920)

LETTER FROM THE CHAIRMAN

13 June 2011

To the holders of ordinary shares
Notice of annual general meeting

Dear Shareholder,

I am pleased to send you details of the annual general meeting of The British Land Company PLC (the Company), which will be held at the Ocean Room, The Cumberland Hotel, Great Cumberland Place, London W1H 7DL on Friday 15 July 2011 at 11.00 am (British Summer Time (**BST**)) (the **AGM**).

Please find contained within this circular:

- this Chairman's letter;
- the formal notice of the AGM, detailing the resolutions to be proposed at the AGM; and
- explanatory notes to the formal notice of the AGM.

As separate documents, please find enclosed:

- the annual report and accounts for the year ended 31 March 2011; and
- the form of proxy for the AGM.

Notice of AGM

The formal notice of the AGM is set out on pages 3 to 7 of this circular. In addition to items of routine business such as the formal receipt of the directors' report and audited accounts, approval of the remuneration report, election and re-election of the board and re-appointment of the Company's auditor, the notice also contains items of special business.

Explanatory notes on all the ordinary and special business to be considered at this year's AGM appear on pages 8 to 12 of this circular.

Recommendation

The board considers that all the resolutions set out in the notice of the AGM are in the best interests of the Company and its shareholders as a whole. Accordingly, the board will be voting in favour of each resolution and unanimously recommends that you do so as well.

Action to be taken

The AGM is a principal occasion when shareholders are able to ask questions of their board and we look forward to seeing you there. I would also be very pleased to hear from you earlier if you have a specific issue that you would like considered at the AGM presentation.

If you would like to vote on the resolutions but cannot come to the AGM, please fill in the proxy form sent to you with this circular and return it to our registrars as soon as possible but, in any event, so as to reach our registrars **by no later than** 11.00 am (BST) on Wednesday 13 July 2011.

York House, 45 Seymour Street, London, W1H 7LX

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The British Land Company PLC: Registered Office at business address above. Reg No 621920 England – Established in 1856

Fourth interim dividend

On 23 May 2011 the Company announced that a fourth interim dividend of 6.5 pence per share for the quarter ended 31 March 2011 would be paid to shareholders on 12 August 2011.

Having regard to share price volatility the Board will announce whether a scrip dividend alternative is available via the Regulatory News Service and on the group's website (www.britishland.com), no later than 48 hours before the ex-dividend date of 6 July 2011. The Board also expects to announce the split between property income distribution (**PID**) and normal dividend (**non-PID**) income at that time. Any scrip dividend alternative will not be enhanced.

For further details of the Company's scrip dividend scheme (the **Scheme**), including its terms and conditions, details of how to join the Scheme and details of which shareholders are eligible to participate, please see the 'Scrip Dividend' section of our website (www.britishland.com/investors/dividends/scrip) or contact Equiniti Limited by telephone (0871 384 2143* from within the UK or +44 121 415 7593 from outside the UK).

Whether or not you are able to attend the AGM, please do feel welcome to contact us with any other queries you may have about any aspect of the business. Tony Braine, the Company Secretary (on 020 7467 2821 or tony.braine@britishland.com), will provide or arrange an answer for you: it is often possible to give a more detailed and personal answer outside of the AGM time constraints, especially for complex matters. On an administrative note, if in future you would like us to supply you with documents or information by email or other electronic means instead of or as well as in hard copy, we are happy to do so: please do not hesitate to contact the Company Secretary.

Yours sincerely



Chris Gibson-Smith
Chairman

* Calls to this number are charged at 8 pence per minute from a BT landline; other telephone providers' charges may vary.
Lines open 8.30am to 5.30pm, Monday to Friday.

NOTICE OF ANNUAL GENERAL MEETING

This year's annual general meeting of The British Land Company PLC (the **Company**) will be held at the Ocean Room, The Cumberland Hotel, Great Cumberland Place, London W1H 7DL on Friday 15 July 2011 at 11.00 am (British Summer Time (**BST**)) (the **AGM**). You will be asked to consider and pass the resolutions below. Resolutions 1 to 17 are items of ordinary business. Resolutions 18 to 24 are items of special business. Resolutions 1 to 21 are proposed as ordinary resolutions. Resolutions 22 to 24 are proposed as special resolutions.

As ordinary resolutions:

- 1 To receive the audited accounts of the Company for the year ended 31 March 2011, and the directors' report thereon.
 - 2 To approve the directors' remuneration report on pages 120 to 129 of the annual report and accounts for the year ended 31 March 2011.
 - 3 To elect Lucinda Bell as a director of the Company with effect from the end of the meeting.
 - 4 To elect Simon Borrows as a director of the Company with effect from the end of the meeting.
 - 5 To elect William Jackson as a director of the Company with effect from the end of the meeting.
 - 6 To re-elect Aubrey Adams as a director of the Company with effect from the end of the meeting.
 - 7 To re-elect John Gildersleeve as a director of the Company with effect from the end of the meeting.
 - 8 To re-elect Dido Harding as a director of the Company with effect from the end of the meeting.
 - 9 To re-elect Chris Gibson-Smith as a director of the Company with effect from the end of the meeting.
 - 10 To re-elect Chris Grigg as a director of the Company with effect from the end of the meeting.
 - 11 To re-elect Charles Maudsley as a director of the Company with effect from the end of the meeting.
 - 12 To re-elect Richard Pym as a director of the Company with effect from the end of the meeting.
 - 13 To re-elect Tim Roberts as a director of the Company with effect from the end of the meeting.
 - 14 To re-elect Stephen Smith as a director of the Company with effect from the end of the meeting.
 - 15 To re-elect Lord Turnbull as a director of the Company with effect from the end of the meeting.
 - 16 To re-appoint Deloitte LLP as the auditor of the Company with effect from the end of the meeting.
 - 17 To authorise the directors to agree the auditor's remuneration.
 - 18 That the Company and any company which is or becomes a subsidiary of the Company during the period to which this resolution relates be and are hereby authorised to:
 - (a) make donations to political parties and independent election candidates;
 - (b) make donations to political organisations other than political parties; and
 - (c) incur political expenditure,during the period commencing on the date of this resolution and ending on the date of the Company's next annual general meeting, provided that in each case any such donations and expenditure made by the Company or by any such subsidiary shall not exceed £20,000 per company and together those made by any such subsidiary and the Company shall not exceed in aggregate £20,000.
- Any terms used in this resolution which are defined in Part 14 of the Companies Act 2006 shall bear the same meaning for the purposes of this resolution.

19 That:

- (a) the amendments to the British Land Fund Managers' Performance Plan (the **FMPP**) as produced to the meeting and signed by the Chairman for the purposes of identification, be and are hereby approved; and
- (b) the directors of the Company be and are hereby authorised:
 - (i) to do all such acts and things as they may consider necessary or expedient to carry into effect the amendments to the FMPP; and
 - (ii) to vote, and be counted in the quorum, on any matter connected with the amendments to the FMPP, notwithstanding that they may be interested in the same and the provision of the Articles of Association be relaxed accordingly to that extent (except that no director may be counted in a quorum or vote in respect of his own participation).

20 That,

- (a) the British Land Share Incentive Plan (the **SIP**), the rules of which are produced to the meeting and signed by the Chairman for the purposes of identification and summarised in the explanatory notes in the notice of the annual general meeting of the Company to be held on Friday 15 July 2011, be and is hereby approved and renewed; and
- (b) the directors of the Company be and are hereby authorised:
 - (i) to do all such acts and things as they may consider necessary or expedient to carry the SIP into effect; and
 - (ii) to vote, and be counted in the quorum, on any matter connected with the amendments to the SIP, notwithstanding that they may be interested in the same and the provisions of the Articles of Association be relaxed accordingly to that extent.

21 That,

- (a) the directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the **2006 Act**) to:
 - (i) allot shares in the Company, and to grant rights to subscribe for or to convert any security into shares in the Company:
 - (A) up to an aggregate nominal amount of £73,935,963; and
 - (B) comprising equity securities (as defined in the 2006 Act) up to an aggregate nominal amount of £147,871,926 (including within the applicable limit any shares issued or rights granted under paragraph (A) above), in connection with an offer by way of a rights issue:
 - (i) to holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to people who are holders of other equity securities if this is required by the rights of those securities or, if the directors consider it necessary, as permitted by the rights of those securities,
 - 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;
 - for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the next annual general meeting of the Company after the date on which this resolution is passed; and
 - (ii) make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or convert any security into shares to be granted, after expiry of this authority and the directors may allot shares and grant rights in pursuance of that offer or agreement as if this authority had not expired;
- (b) subject to paragraph (c), all existing authorities given to the directors pursuant to section 551 of the 2006 Act be revoked by this; and
- (c) paragraph (b) shall be without prejudice to the continuing authority of the directors to allot shares, or grant rights to subscribe for or convert any security into shares, pursuant to an offer or agreement made by the Company before the expiry of the authority pursuant to which such offer or agreement was made.

As special resolutions:

22 That, subject to the passing of resolution 21 in the notice of the annual general meeting of the Company to be held on Friday 15 July 2011 (the **Notice**), and in place of the existing power given to them pursuant to the special resolution of the Company passed on 16 July 2010, the directors be generally empowered pursuant to section 570 and section 573 of the Companies Act 2006 (the **2006 Act**) to allot equity securities (as defined in the 2006 Act) for cash, pursuant to the authority conferred by resolution 21 in the Notice as if section 561(1) of the 2006 Act did not apply to the allotment. This power:

- (a) expires (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the next annual general meeting of the Company after the date on which this resolution is passed, but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired;
- (b) shall be limited to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under resolution 21(a)(i)(B), by way of a rights issue only):
 - (i) to the ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to people who hold other equity securities, if this is required by the rights of those securities or, if the directors consider it necessary, as permitted by the rights of those securities,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; and
- (c) in the case of the authority granted under resolution 21(a)(i)(A) shall be limited to the allotment of equity securities for cash otherwise than pursuant to paragraph (b) up to an aggregate nominal amount of £11,090,394.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the 2006 Act as if in the first paragraph of this resolution the words “pursuant to the authority conferred by resolution 21 in the Notice” were omitted.

23 That the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of its ordinary shares of 25 pence each, subject to the following conditions:

- (a) the maximum number of ordinary shares authorised to be purchased is 88,723,155;
- (b) the minimum price (exclusive of expenses) which may be paid for an ordinary share is 25 pence;
- (c) the maximum price (exclusive of expenses) which may be paid for each ordinary share is the higher of: (i) an amount equal to 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 (ii) 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 as derived from the London Stock Exchange Trading System (“SETS”);
- (d) this authority shall expire at the close of the next annual general meeting of the Company or, if earlier, at the close of business on 15 January 2013; and
- (e) a contract to purchase shares under this authority may be made before the expiry of this authority, and concluded in whole or in part after the expiry of this authority.

24 That a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days’ notice.

13 June 2011

By order of the Board

Anthony Braine

Company Secretary

The British Land Company PLC

Registered office: York House, 45 Seymour Street, London W1H 7LX

Incorporated and registered in England and Wales under number 621920

NOTES

Entitlement to attend and vote

- 1 The right to attend and vote at the AGM is determined by reference to the Company's register of members. Only a member entered in the register of members at 6.00pm on Wednesday 13 July 2011 (or, if the AGM is adjourned, in the register of members at 6.00pm on the date which is two days before the time of the adjourned AGM) is entitled to attend and vote at the AGM and a member may vote in respect of the number of ordinary shares registered in the member's name at that time. Changes to the entries in the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the AGM.
- 2 Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the AGM. A member may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's registrars, Equiniti, on 0871 384 2143 (or +44 121 415 7593 from outside the United Kingdom). Calls to this number cost 8p per minute from a BT Landline, other providers' costs may vary. Lines open 8.30am to 5.30pm, Monday to Friday.

A member may appoint a proxy or proxies:

- by completing and returning the form of proxy by post to Equiniti, Aspect House, Spencer Road, Lancing BN99 6DW;
- by going to www.sharevote.co.uk and following the instructions provided. A member will need their Voting ID, Task ID and Shareholder Reference Number from the proxy form;
- if a member has registered with the Equiniti on-line portfolio service, by logging onto their portfolio via www.shareview.co.uk and clicking on the link to vote under The British Land Company PLC then following the instructions provided; and
- if the member is a user of the CREST system (including CREST Personal Members), by having an appropriate CREST message transmitted. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent (ID number RA19) by 11.00 am (BST) on Wednesday 13 July 2011. 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. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings, please refer to the CREST Manual (which can be viewed at www.euroclear.com/CREST). We may treat a proxy appointment sent by CREST as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

IMPORTANT: Your proxy form in respect of the AGM must be received by the Company's registrars no later than 11.00 am (BST) on Wednesday 13 July 2011.

Further details of the appointment of proxies are given in the notes to the proxy form enclosed with this pack.

Please note that you may not use any electronic address provided in this notice of meeting to communicate with the Company for any purposes other than those expressly stated.

Corporate representatives

- 3 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers provided that they do not exercise their powers differently in relation to the same shares.

Nominated Persons

- 4 Any person to whom this notice is sent is a person nominated under section 146 of the Companies Act 2006 (the **2006 Act**) to enjoy information rights (a **Nominated Person**) may, under an agreement between him / her and the member by whom he / she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he / she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

- 5 The statement of the rights of members in relation to the appointment of proxies in paragraph 2 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by members of the Company.

Issued share capital and total voting rights

- 6 As at 13 June 2011 (being the last practicable date prior to the publication of this formal notice of the AGM) the Company's issued share capital consisted of 898,497,801 ordinary shares of 25 pence each carrying one vote each, of which 11,266,245 are held in treasury. Therefore, the total voting rights in the Company as at 13 June 2011 are 887,231,556.

Members' requests under section 527 of the 2006 Act

- 7 Under section 527 of the 2006 Act members meeting the threshold requirements set out in that section have the right to require the Company to publish a statement on a website setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the last AGM. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under section 527 of the 2006 Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the 2006 Act to publish on a website.

Members' rights to ask questions

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

Inspection of documents

- 9 Copies of the executive directors' service contracts and the letters of appointment of the non-executive directors will be available for inspection at the office of the Company during normal business hours until the date of the AGM, and at the place of the AGM from 15 minutes before the AGM until it ends.

Website

- 10 A copy of this notice, and other information required by section 311A of the 2006 Act, can be found at www.britishland.com/investors/agm.

Voting results

- 11 The results of the voting at the AGM will be announced through a regulatory information service and will appear on our website www.britishland.com/investors/agm on or before 18 July 2011.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

The notes on the following pages explain the resolutions proposed at this year's annual general meeting of The British Land Company PLC (the **Company**), to be held at the Ocean Room, The Cumberland Hotel, Great Cumberland Place, London W1H 7DL on Friday 15 July 2011 at 11.00 am (British Summer Time) (the **AGM**).

Resolutions 1 to 21 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 22 to 24 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three quarters of the votes cast must be in favour of the resolution.

Resolution 1 - Adoption of report and accounts

The directors must present the report of the directors and the accounts of the Company for the year ended 31 March 2011 at the AGM. The report of the directors, the accounts, and the report of the Company's auditor on the accounts are contained within the annual report and accounts for the year ended 31 March 2011 (the **Annual Report and Accounts**).

Resolution 2 - Approval of directors' remuneration report

The directors' remuneration report, which may be found on pages 120 to 129 of the Annual Report and Accounts, gives details of your directors' remuneration for the year ended 31 March 2011 and sets out the Company's overall policy on directors' remuneration. The Company's auditor, Deloitte LLP, have audited those parts of the directors' remuneration report capable of being audited and their reports may be found on pages 167 and 179 of the Annual Report and Accounts.

The board considers that appropriate executive remuneration plays a vital part in helping to achieve the Company's overall objectives and accordingly, and in compliance with the legislation, shareholders will be invited to approve the directors' remuneration report. The vote is advisory in nature in that payments made or promised to directors will not have to be repaid, reduced or withheld in the event that the resolution is not passed.

Resolutions 3 to 5 - Election of directors

Resolutions 3 to 5 propose the elections of Lucinda Bell, Simon Borrows and William Jackson, who were each appointed as directors since the last annual general meeting of the Company. They each now stand for election by the shareholders, as required by the articles of association of the Company.

Page 111 of the Annual Report and Accounts contains their biographical details. The board believes this information is sufficient to enable shareholders to make an informed decision on the election of these directors.

In reviewing the recommendations of the Nomination Committee concerning the election of Simon Borrows and William Jackson as non-executive directors, the board concluded and maintains that they are each independent in character and judgment, and that each makes effective and valuable contributions to the board and demonstrates commitment to their roles. Accordingly, the board unanimously recommends each of these directors' elections.

Resolutions 6 to 15 Re-elections of Directors

Resolutions 6 to 15 propose the re-elections of Aubrey Adams, John Gildersleeve, Dido Harding, Chris Gibson-Smith, Chris Grigg, Charles Maudsley, Richard Pym, Tim Roberts, Stephen Smith and Lord Turnbull. This is in accordance with provision B.7.1 of The UK Corporate Governance Code (June 2010) by the Financial Reporting Council, which provides that all directors should be subject to annual election by shareholders.

Page 111 of the Annual Report and Accounts contains their biographical details. The board believes this information is sufficient to enable shareholders to make an informed decision on their re-election.

Following the annual evaluation exercise conducted during the year, the board considers that each of the directors proposed for re-election continues to make an effective and valuable contribution and demonstrates commitment to their role. The board is content that each non-executive director offering himself or herself for re-election is independent in character and that there are no relationships or circumstances likely to affect his or her character or judgment. Accordingly, the board unanimously recommends these directors' re-election.

Resolutions 16 and 17 Re-appointment of auditor and auditor's remuneration

The auditor of a company must be re-appointed at each general meeting at which accounts are laid. Resolution 16 proposes the re-appointment of the Company's existing auditor, Deloitte LLP. Resolution 17 gives authority to the directors to agree the auditor's remuneration.

Resolution 18 Authority to make political donations

It is not proposed or intended to alter the Company's policy of not making political donations, within the normal meaning

of that expression. However, it may be that some of the Company's activities may fall within the potentially wide definition of a political donation in the Companies Act 2006 (the **2006 Act**) and, without the necessary authorisation, the Company's ability to communicate its views effectively to political audiences and to relevant interest groups could be inhibited. Such activities may include briefings at receptions or conferences, when the Company seeks to communicate its views on issues vital to its business interests, including, for example, conferences of a party political nature or of special interest groups.

Accordingly, the Company believes that the authority contained in this resolution is necessary to allow it and its subsidiaries to fund activities which it is in the interests of shareholders that the Company should support. Such authority will enable the Company and its subsidiaries to be sure that they do not, because of any uncertainty as to the bodies or the activities covered by the 2006 Act, unintentionally commit a technical breach of the 2006 Act. Any expenditure which may be incurred under authority of this resolution will be disclosed in next year's annual report.

Resolution 19 Amendment of the British Land Fund Managers' Performance Plan

The Remuneration Committee is seeking the approval of shareholders to an amendment of the British Land Fund Managers' Performance Plan (the **FMPP**).

The FMPP is designed to incentivise fund managers who operate the "Company advised" Unit Trusts (**Unit Trusts**) or the British Land owned portfolios. The FMPP is intended to incentivise and retain the fund managers by rewarding outperformance and to align the interests of those fund managers with investors in the Unit Trusts and the Company. Executive directors no longer participate in the FMPP.

Following the end of each financial measurement period, up to a maximum of 30% of the performance fees earned from the Unit Trusts is set aside to provide incentives under the FMPP (the **Incentive Pool**). To the extent that performance fees (by reference to which the Incentive Pool was calculated) are "clawed back" due to subsequent underperformance of the Unit Trusts, a pro rata proportion of all unvested awards for that year ceases to vest.

The Incentive Pool is currently funded from a portion of the performance fees from a single unit trust, Hercules Unit Trust (**HUT**). The performance fee calculation basis for HUT is to be changed from an annual fee that relates to performance of HUT during a single year, to an annual fee calculated on the basis of average performance over three consecutive years. This basis will first be used for the calculation of performance fees for the performance year to 31 December 2012 (which will depend on HUT's performance in 2010, 2011 and 2012).

In order for payments under the FMPP to be consistent with the new performance fee calculation basis, the Remuneration Committee considers it appropriate to amend the FMPP rules to enable awards to be made based on performance over three consecutive years. Once the FMPP is amended, clawback will only continue to apply to awards made in relation to the management of British Land owned portfolios. The approval of shareholders will be obtained under Resolution 19.

Resolution 20 Renewal of the British Land Share Incentive Plan

The Company obtained the approval of shareholders for the introduction of a HM Revenue & Customs (**HMRC**) approved Share Incentive Plan (the **SIP**) (then known as the British Land All Employee Share Ownership Plan) at the 2001 annual general meeting. It was designed to incentivise employees and align their interests with those of shareholders.

The Remuneration Committee has reviewed the operation of the SIP in light of the Company's strategic goals and concluded that it is operating well and is achieving its objectives. The directors therefore propose, in resolution 20, to renew the SIP on its existing terms for a further ten years from its original approval date. A summary of the SIP and its operation is set out below.

Eligibility

All employees or full-time directors of the Company and of such of its subsidiaries as are designated participating companies by the directors (together the **Group**), who are ordinarily resident in the UK for tax purposes and who have completed such minimum period of service not exceeding 18 months as the Remuneration Committee may determine, are eligible to join the SIP.

Basis for Participation

The SIP provides for three types of award to be granted and held in trust for participants:

- (i) an award of ordinary shares (**Free Shares**);
- (ii) the opportunity for employees to purchase ordinary shares with deductions from their pre-tax salary (**Partnership Shares**); and
- (iii) an award of ordinary shares (**Matching Shares**) to those employees who have purchased Partnership Shares.

The Remuneration Committee will determine in any year whether the SIP will be operated and, if so, on what basis or combination of bases. Currently the SIP is operated on all three bases.

Free Shares

The Remuneration Committee may decide to provide Free Shares to eligible employees up to a maximum value set from time to time by HMRC. The current maximum value is £3,000 per employee per annum. The value of Free Shares allocated to employees may be made conditional on performance targets, which will be determined by the Remuneration Committee. Where this is the case, participants will be informed of the performance targets which apply to them before the start of the period when their performance will be measured. Otherwise, Free Shares must be awarded to employees on the same terms subject only to variation according to an employee's remuneration, length of service or hours worked.

Each participant will contract with the Company and the Trustees to allow his Free Shares to be held by the Trustees for five years or such shorter period, being not less than three years, as the directors determine upon the occasion of each allocation. Free Shares may be withdrawn from the SIP after three years but, if they are withdrawn before the fifth anniversary of their allocation, the participant must generally pay income tax (and, if applicable, National Insurance contributions) on their value.

Partnership Shares

The Remuneration Committee may provide participants with the opportunity to acquire Partnership Shares from their pre-tax salary up to a maximum value set from time to time by HMRC, currently the lesser of £1,500 per annum or 10% of salary. Salary for these purposes includes base salary and bonus. There is a minimum monthly deduction of £10. Ordinary shares will be acquired on behalf of employees, within 30 days after each deduction, at a price equal to the market value of such ordinary shares on the date they are acquired.

A participant is able to ask the Trustees to transfer his Partnership Shares to him at any time but, if they are withdrawn before the fifth anniversary of their allocation, the participant must generally pay income tax (and, if applicable, National Insurance contributions) on their value.

Matching Shares

The Remuneration Committee may award Matching Shares to those participants who have purchased Partnership Shares. The Matching Shares must be offered on the same basis to all participants in such ratio as the Remuneration Committee may determine, but that ratio may not exceed two Matching Shares for every one Partnership Share purchased.

The terms on which Matching Shares may be allocated are the same as the terms for Free Shares.

Dividend Shares

Participants will be entitled to dividends paid on their Free Shares, Partnership Shares and Matching Shares while they are held in trust. The Remuneration Committee may require employees to re-invest such dividends in further ordinary shares (**Dividend Shares**) up to a maximum value set by HMRC. This value is currently £1,500 per annum.

Any such Dividend Shares will then be held in trust for at least three years. A participant who leaves the employment of the Group during the three-year holding period will have his Dividend Shares transferred to him when his employment terminates, subject to payment of dividend income tax (and, if applicable, National Insurance contributions).

Leavers

If a participant ceases to be an employee by reason of death, injury, disability, redundancy or retirement (at or after age 60), or by reason of the fact that his employing company or the part of the business in which he is employed is transferred out of the Group, all shares held by the Trustees for him under the SIP will be transferred to him (or to his personal representatives) free of income tax and National Insurance contributions.

If a participant ceases to be an employee for any other reason within five years of the allocation of Free, Partnership or Matching Shares, the participant must pay income tax and National Insurance on the value of the shares.

Issues and Corporate Events

In the event of a variation of the Company's ordinary share capital (for example, by reason of a bonus issue or a rights issue), participants in the SIP will be entitled to direct the Trustees as to what action they wish to be taken in respect of their shares under the SIP, in accordance with the terms of the legislation.

Similarly, in the event of any reconstruction or takeover of the Company participants may direct the Trustees how to act in respect of any ordinary shares held on their behalf.

Retention of Shares

All shares acquired by a participant under the SIP may be retained by the Trustees after the relevant holding periods referred to above until the participant's employment with the Group is terminated. The participant may request the transfer of his shares at any time after the relevant holding periods.

Changes to the SIP

Alterations to the basic structure of the SIP which are to the advantage of actual or potential participants may not be made without the prior approval of shareholders in general meeting. The requirement to obtain the prior approval of shareholders will not, however, apply to any alteration which benefits the administration of the SIP or to take account of changes in legislation, or to obtain favourable tax or regulatory treatment for participants. In addition, no amendment may operate to affect adversely any right already obtained by a participant.

Termination

Subject to the directors' right to terminate the SIP, it will continue for 10 years from its date of approval.

Limits on the issue of shares

Awards under the SIP may be satisfied using existing shares purchased in the market or newly issued shares. In any ten-year period, not more than 10% of the issued ordinary share capital of the Company may be issued or become issuable pursuant to the grant of options or subscription of shares for appropriation under all employees' share schemes established by the Company.

Resolution 21 Authority to allot shares

The Company's directors may only allot shares or grant rights to subscribe for, or convert any security into, shares if authorised to do so by shareholders. The authority conferred on the directors at last year's annual general meeting under section 551 of the 2006 Act to allot shares expires on the date of the forthcoming AGM. Accordingly, this resolution seeks to grant a new authority under section 551 of the 2006 Act to authorise the directors to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company and will expire at the conclusion of the next annual general meeting of the Company in 2012.

Paragraph (a)(i)(A) of resolution 21 will, if passed, authorise the directors to allot shares or grant rights to subscribe for, or to convert any security into, such shares in the Company up to a maximum nominal amount of £73,935,963. This amount represents no more than 33.33 per cent. of the Company's issued share capital (excluding treasury shares) as at 13 June 2011 (being the latest practicable date prior to publication of this notice of AGM).

Paragraph (a)(i)(B) of resolution 21 authorises the directors to allot, in addition to the shares referred to in (a)(i)(A), further of the Company's shares up to an aggregate nominal amount of 33.33 per cent. of the Company's issued share capital (excluding treasury shares) in connection with a pre-emptive offer to existing shareholders by way of a rights issue (with exclusions to deal with fractional entitlements to shares and overseas shareholders to whom the rights issue cannot be made due to legal and practical problems). This is in accordance with the latest institutional guidelines published by the Association of British Insurers (the **ABI**).

This authority will expire on the conclusion of the annual general meeting of the Company next year. The board has no present intention to exercise this authority, other than to allot new shares to non-executive directors in lieu of their directors' fees and to Shareholders pursuant to any scrip dividend. However it is considered prudent to maintain the flexibility that this authority provides. The Company's directors intend to renew this authority annually.

The Company holds 11,266,245 treasury shares as at 13 June 2011. This amount represents 1.27 per cent. of the Company's authorised and issued ordinary share capital (calculated exclusive of treasury shares) as at that date.

Where this additional headroom is taken and where: (a) the authority actually used exceeds one-third of the Company's shares; or (b) for an issue which is wholly or partly a fully pre-emptive rights issue, the monetary proceeds of a rights issue exceed one-third (or such lesser relevant proportion) of the pre-issue market capitalisation, then the ABI will expect that all of the directors wishing to remain in office will stand for re-election at the next annual general meeting following the decision to make the issue in question.

Resolution 22 Disapplication of pre-emption rights

Under section 561(1) of the 2006 Act, if the directors wish to allot ordinary shares, or grant rights to subscribe for, or convert securities into, ordinary shares, or sell treasury shares for cash (other than pursuant to an employee share scheme) they must in the first instance offer them to existing shareholders in proportion to their holdings. There may be occasions, however, when the directors need the flexibility to finance business opportunities by the issue of shares without a pre-emptive offer to existing shareholders. This cannot be done under the 2006 Act unless the shareholders have first waived their pre-emption rights.

Resolution 22 asks the shareholders to waive their pre-emption rights and, apart from rights issues or any other pre-emptive offer concerning equity securities, the authority contained in this resolution will be limited to the issue of shares for cash up to an aggregate nominal value of £11,090,394 (which includes the sale on a non pre-emptive basis of any shares held in treasury), which represents no more than 5 per cent. of the Company's issued ordinary share capital (excluding treasury shares) as at 13 June 2011 (being the latest practicable date prior to the publication of this notice of AGM). In accordance with the Pre-Emption Group's Statement of Principles, the board confirms its intention that no more than 7.5 per cent. of the issued share capital (excluding treasury shares) will be issued for cash on a non pre-emptive basis during any rolling three year period (disregarding for this purpose the sale on a non pre-emptive basis of any shares held in treasury).

This resolution seeks a disapplication of the pre-emption rights on a rights issue so as to allow the directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas shareholders. If given, the authority will expire at the conclusion of the next annual general meeting of the Company.

The directors have no present intention of exercising this authority, other than to allot shares to non-executive directors in lieu of their directors' fees. The directors intend to renew this authority annually.

Resolution 23 Authority to purchase own shares

This resolution, which will be proposed as a special resolution, renews the authority granted at last year's annual general meeting which expires on the date of the forthcoming AGM. The resolution authorises the Company to make market purchases of its own ordinary shares as permitted by the 2006 Act. The authority limits the number of shares that could be purchased to a maximum of 88,723,155 (representing no more than 10 per cent. of the issued share capital of the Company (excluding treasury shares) as at 13 June 2011) and sets minimum and maximum prices. This authority will expire at the conclusion of the next annual general meeting of the Company or, if earlier, at the close of business on 15 January 2013.

The directors have no present intention of exercising the authority to purchase the Company's ordinary shares but will keep the matter under review. The authority will be exercised only if the directors believe that to do so would result in an increase in earnings per share and / or increase asset value per share for the remaining shareholders, and would be likely to promote the success of the Company for the benefit of its shareholders as a whole.

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. Treasury shares may subsequently be cancelled, sold for cash or used to satisfy options or share awards issued to employees pursuant to the Company's employees' share schemes.

As at 13 June 2011 there were options over 11,656,100 ordinary shares in the capital of the Company which represent 1.31 per cent. of the Company's issued ordinary share capital (excluding treasury shares) at that date. If the authority to purchase the Company's ordinary shares was exercised in full, these options would represent 1.46 per cent. of the Company's issued ordinary share capital (excluding treasury shares).

Resolution 24 Notice of general meetings

Changes made to the 2006 Act by the Companies (Shareholders' Rights) Regulations 2009 (the **Shareholders' Rights Regulations**) increase the notice period required for general meetings of the Company to 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days (annual general meetings will continue to be held on at least 21 clear days' notice). Before the coming into force of the Shareholders' Rights Regulations on 3 August 2009, the Company was able to call general meetings other than an annual general meeting on 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability, resolution 24 seeks such approval.

It is intended that the shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be in the interests of shareholders as a whole. The Company undertakes to meet the requirements for electronic voting under the Shareholders' Rights Regulations before calling a general meeting on 14 clear days' notice.

If given, the approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed.



Buckley Wakefield 8706