



# **Notice of Annual General Meeting**

**The Ocean Room  
The Cumberland Hotel  
Great Cumberland Place  
London  
W1H 7DL**

**18 July 2014**

**11.00 am**

**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.

**Letter from the Chairman to the Holders of Ordinary Shares**

**5 June 2014**

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 18 July 2014 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 (the **Notice**), detailing the resolutions to be proposed at the AGM; and
- explanatory notes to the resolutions, and further information in respect of the Notice and the AGM (including in respect of the appointment of proxies).

If we have posted you a hard copy of this Notice of AGM, please find enclosed a copy of the Company's Annual Report and Accounts and a proxy form. If you elected to receive notification of the publication of shareholder communications on our website by notification letter or email, you will find the Annual Report and Accounts for the year ended 31 March 2014 on the British Land website ([www.britishland.com](http://www.britishland.com)). If you received a notification letter you will find a hard copy proxy form enclosed with it; if you received a notification email, page 13 explains how you may appoint a proxy electronically.

**Notice of AGM**

The formal Notice of the AGM is set out on pages 4 to 6 of this circular. In addition to items of routine business, such as the formal receipt of the Annual Report and Accounts and the election and re-election of the Board members, the Notice also contains items of special business. This year the ordinary business includes the approval of British Land's Remuneration Policy, as well as the usual approval of the Remuneration Report, and the appointment by shareholders of PricewaterhouseCoopers LLP as the Company's auditor following a competitive tender process (as described further on page 10).

Explanatory notes on all the ordinary and special business to be considered at this year's AGM appear on pages 9 to 12 of this circular. Quick summaries of what we're asking you to approve appear on pages 7 and 8.

**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 in respect of the shares each member holds and unanimously recommends that you do so as well.

**Action to be taken**

The AGM is the 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 to be considered at the AGM presentation.

If you would like to vote on the resolutions but cannot come to the AGM and you received a hard copy proxy form, fill it in and return it to our Registrars as soon as possible, ensuring it will be received by them no later than 11.00 am (BST) on 16 July 2014. If you elected to receive notification of shareholder communications via email, and thus did not receive a hard copy proxy card, please follow the instructions on page 13 to appoint a proxy online.

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 14 May 2014 the Company announced that a fourth interim dividend of 6.75 pence per share for the quarter ended 31 March 2014 would be paid to shareholders on 8 August 2014.

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](http://www.britishland.com)), no later than four business days before the ex-dividend date of 2 July 2014. The Board also expects to announce the split between property income distribution and normal dividend 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](http://www.britishland.com/investors/dividends/scrip)) or contact Equiniti Limited by telephone (0871 384 2268\* from within the UK or +44 121 415 7173 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 (contactable on 020 7467 2821 or at [tony.braine@britishland.com](mailto: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 you currently receive hard copies of documents from us and 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 contact the Company Secretary, who will arrange this.

Yours sincerely

A handwritten signature in blue ink that reads "John Gildersleeve". The signature is written in a cursive style and is positioned above a horizontal line that extends to the right.

**John Gildersleeve**  
**Chairman**

\* Calls to this number are charged at 8p per minute plus network extras. Lines are open from 8.30 am to 5.30 pm, 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 18 July 2014 at 11.00 am (British Summer Time (**BST**)) (the **AGM**). You will be asked to consider and pass the resolutions listed below. Resolutions 1 to 16 are items of ordinary business. Resolutions 17 to 22 are items of special business. Resolutions 1 to 18 and 22 are proposed as ordinary resolutions. Resolutions 19 to 21 are proposed as special resolutions.

### **As ordinary resolutions:**

- 1 To receive the Annual Report and Accounts of the Company for the year ended 31 March 2014.
- 2 To approve the Directors' Annual Report on Remuneration which appears on pages 82 to 107 of the Annual Report and Accounts for the year ended 31 March 2014 (other than the Company's Remuneration Policy which is detailed on pages 84 to 93 of the Annual Report and Accounts), in accordance with section 439 of the Companies Act 2006.
- 3 To approve the Company's Remuneration Policy, which is detailed on pages 84 to 93 of the Annual Report and Accounts for the year ended 31 March 2014, in accordance with section 439A of the Companies Act 2006, to take effect from the date of this AGM.
- 4 To elect Tim Score as a Director of the Company with effect from the end of the meeting.
- 5 To re-elect Aubrey Adams as a Director of the Company with effect from the end of the meeting.
- 6 To re-elect Lucinda Bell as a Director of the Company with effect from the end of the meeting.
- 7 To re-elect Simon Borrows as a Director of the Company with effect from the end of the meeting.
- 8 To re-elect John Gildersleeve as a Director of the Company with effect from the end of the meeting.
- 9 To re-elect Chris Grigg as a Director of the Company with effect from the end of the meeting.
- 10 To re-elect Dido Harding as a Director of the Company with effect from the end of the meeting.
- 11 To re-elect William Jackson as a Director of the Company with effect from the end of the meeting.
- 12 To re-elect Charles Maudsley 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 Lord Turnbull as a Director of the Company with effect from the end of the meeting.
- 15 To appoint PricewaterhouseCoopers LLP as the auditor of the Company until the conclusion of the next general meeting of the Company at which the accounts are laid.
- 16 To authorise the Directors to agree the auditor's remuneration.
- 17 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 donation and expenditure made by the Company or by any such subsidiary shall not exceed £20,000 per company and together those made by any 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.

**18 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 £84,329,822; and
    - B. comprising equity securities (as defined in the 2006 Act) up to an aggregate nominal amount of £168,659,644 (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 or, if earlier, at the close of business on 18 October 2015; 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) below, all existing authorities given to the Directors pursuant to section 551 of the 2006 Act be revoked by this authority; and
- (c) paragraph (b) above 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:**

**19** That, subject to the passing of Resolution 18 in the notice of the annual general meeting of the Company to be held on Friday 18 July 2014 (the **Notice**), and in place of the existing power given to them pursuant to the special resolution of the Company passed on 19 July 2013, 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 18 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 or, if earlier, at the close of business on 18 October 2015, 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 18 (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 18 (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 £12,649,473.

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 18 in the Notice" were omitted.

**20** 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 101,195,786;
- (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;
- (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 18 October 2015; 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.

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


**As an ordinary resolution:**

**22** That:

- (a) the renewal of the Savings-Related Share Option Scheme (the **Scheme**), the main features of which are summarised in Appendix 2 on pages 17 and 18 of this document and the draft rules of which have been produced to the meeting and signed by the Chairman for the purposes of identification, be and is hereby approved; and
- (b) the Directors of the Company be and are hereby authorised to:
  - i. do all such acts and things as they may consider necessary or expedient to carry the Scheme into effect; and
  - ii. vote, and be counted in the quorum, on any matter connected with the Scheme, notwithstanding that they may be interested in the same (except that no Director may be counted in a quorum or vote in respect of his own participation).

5 June 2014

**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

## QUICK SUMMARY: WHAT ARE WE ASKING YOU TO APPROVE?

**Pages 9 to 12 contain detailed explanations of the resolutions we are asking you to approve at this year's AGM. The next two pages provide a quick summary of what we are asking you to approve.**

**An ordinary resolution is passed if it is approved by more than 50% of the votes cast. A special resolution is passed if it is approved by at least 75% of the votes cast.**

**Resolution 1** We are asking you to receive the Company's Annual Report and Accounts, for the year ended 31 March 2014. The Directors believe that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable.

**Resolution 2 and 3** We are asking you to approve the Directors' Annual Report on Remuneration by passing Resolution 2, except for the Remuneration Policy which we are asking you to approve separately by passing Resolution 3. The Directors' Annual Report on Remuneration is presented on pages 82 to 107 of the Annual Report and Accounts and includes the Company's Remuneration Policy, on pages 84 to 93.

This year shareholders have a binding vote on the Company's Remuneration Policy (Resolution 3). This means that once the policy is approved by shareholders, all remuneration payments and payments for loss of office to Directors following the date of this AGM have to be made in line with the stated policy.

The Remuneration Committee has recommended that the all-employee Savings-Related Share Option Scheme be renewed; this is subject to shareholder approval and covered separately in Resolution 22.

**Resolutions 4 to 14** In accordance with the recommendations contained in The UK Corporate Governance Code, our Directors are all standing for election or re-election at the AGM. Details of their roles, skills and experience can be found on pages 15 and 16 of this circular, and within the Directors' biographies on pages 66 and 67 of the Annual Report and Accounts.

**Resolutions 15 and 16** We are asking you, the shareholders, to approve the appointment of PricewaterhouseCoopers LLP as the Company's auditor for the year ending 31 March 2015, following its appointment by the Board to fill a casual vacancy earlier this year in accordance with the Companies Act 2006, and to authorise the Directors to agree the auditor's remuneration. In the 2013 Annual Report and Accounts the Audit Committee confirmed that it would tender the audit for the financial year ending 31 March 2015. In light of the longevity of Deloitte LLP's appointment as auditor of the Company, it was not invited to tender for the audit. The Report of the Audit Committee (pages 74 to 78 of the Annual Report and Accounts for the year ended 31 March 2014) details the process through which PricewaterhouseCoopers LLP was selected and appointed to fill the casual vacancy created on Deloitte LLP's resignation.

**Resolution 17** As in previous years, we do not intend to make any political donations during the year. However, we are seeking your authorisation to make political donations in case any of the Company's activities do fall within the wide definition of a "political donation" under the Companies Act 2006, so the Company does not inadvertently breach the relevant legislation.

**Certain activities of the Company are permitted by relevant legislation, provided that the requisite shareholder approval has been obtained. It is useful to obtain shareholder approval for such activities on an annual basis at the Company's annual general meeting, even if the Company has no intention of carrying out such activities. It means that shareholders will not be required to attend a separate, additional general meeting each time approval is needed. It also means that the Company has greater flexibility in carrying out its activities and can act quickly if circumstances change. This is why we are asking you to approve Resolutions 18 to 20.**

**Resolution 18** We are seeking your approval to authorise the Directors to allot shares up to (i) a maximum of 33.33 per cent. and (ii) a maximum of 66.66 per cent in connection with a rights issue, in each case of the Company's issued share capital as at 2 June 2014 (being the latest practicable date prior to the publication of this Notice of AGM). The limits are described in the explanation on pages 10 and 11. We do not currently intend to use this authority other than for Non-Executive Directors' fees in the form of shares and scrip dividends, but it is considered prudent to maintain the flexibility that this authority provides.

**Resolution 19** We are seeking your approval to waive pre-emption rights on shares issued for cash up to a maximum of five per cent. of the Company's issued share capital as at 2 June 2014 (being the latest practicable date prior to the publication of this Notice of AGM); the limits are described in the explanation on page 11. We do not currently intend to use this authority other than to allot Non-Executive Directors' fees in the form of shares.

**Resolution 20** We are asking for your approval to authorise the Company to purchase its own shares in the market, up to the limit described in the explanation on pages 11 and 12. At present we have no intention of making market purchases, and would only do so if we believed this would result in an increase in earnings per share and/or net asset value of the Company.

**Resolution 21** We are asking for your approval to permit the Company to call general meetings (other than annual general meetings) on not less than fourteen clear days' notice, when situations arise that are time-sensitive and require expedited shareholder approval. The usual twenty-one days' notice will be given for general meetings covering matters that are not time-sensitive. We currently have no intention of using the shorter notice period but, again, it is useful to have this flexibility should the need to use it arise.

**Resolution 22** The Remuneration Committee have recommended that the all-employee Savings-Related Share Option Scheme (the **Scheme**) be renewed. The Scheme was last approved at the 2004 AGM and has a ten year life which is coming to an end in July 2014. The Remuneration Committee believes the Scheme continues to operate effectively, incentivising employees and aligning their interests with those of shareholders. The Scheme's principal features are summarised in Appendix 2 on pages 17 and 18 of this circular.



## DETAILED EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

The notes on the following pages explain in detail 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 18 July 2014 at 11.00 am (British Summer Time) (the **AGM**).

Resolutions 1 to 18 and Resolution 22 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 19 to 21 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 Annual Report and Accounts of the Company for the year ended 31 March 2014 (the **Annual Report and Accounts**) 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.

### **Resolution 2 and 3 – Approval of Directors' Annual Report on Remuneration and the Company's Remuneration Policy**

The Directors' Annual Report on Remuneration, which may be found on pages 82 to 107 of the Annual Report and Accounts, gives details of the Directors' remuneration and payments for loss of office for the year ended 31 March 2014 and includes the Company's Remuneration Policy on pages 84 to 93. The Company's auditor for the year ended 31 March 2014, Deloitte LLP, has audited those parts of the Directors' Annual Report on Remuneration necessary to be audited and its report may be found on pages 111 to 113 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.

Shareholders will be invited to approve the Directors' Annual Report on Remuneration, other than the Remuneration Policy (the **Policy**), via Resolution 2. This 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.

Shareholders will be invited to approve the Remuneration Policy via Resolution 3. The Policy sets out the Company's forward looking policy on directors' remuneration and is subject to a binding shareholder vote. The Policy describes the components of the executive and non-executive directors' remuneration.

If Resolution 3 is passed, the Policy will take effect from the date of this AGM (the **Effective Date**) and, from the Effective Date, the Company may not make a remuneration payment or payment for loss of office to a person who is, is to be, or has been a director of the Company unless that payment is consistent with the Policy, or such payment has otherwise been approved by a shareholder resolution.

The Directors are required to seek shareholder approval for a remuneration policy at least every three years, except in the event that a change to the Policy is proposed or the advisory vote on the Directors' Annual Report on Remuneration is not passed in any year subsequent to the approval of the Policy. This timing complies with that recommended by the Association of British Insurers and in the relevant legislation.

### **Resolution 4 – Election of Director**

Resolution 4 proposes the election of Tim Score, who was appointed by the Board as a Non-Executive Director and Chairman of the Audit Committee on 20 March 2014. In accordance with the Company's articles of association and the UK Corporate Governance Code (September 2012) each new Director appointed to the Board is subject to election by shareholders at the first AGM following their appointment. Appendix 1 to this circular contains biographical details of Tim Score, and further information is provided on page 67 of the Annual Report and Accounts. The Board believes this information is sufficient to enable shareholders to make an informed decision on the election and unanimously recommends the election.

### **Resolutions 5 to 14 – Re-election of Directors**

Resolutions 5 to 14 propose the re-elections of Aubrey Adams, Lucinda Bell, Simon Borrows, John Gildersleeve, Chris Grigg, Dido Harding, William Jackson, Charles Maudsley, Tim Roberts and Lord Turnbull. This is in accordance with provision B.7.1 of The UK Corporate Governance Code (September 2012), which provides that all of the Directors should be subject to annual election by shareholders. Appendix 1 to this circular contains biographical details of the Directors, and further information is provided on pages 66 and 67 of the Annual Report and Accounts. 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 the re-election of all of the Directors.

#### **Resolutions 15 and 16 – Appointment of auditor and auditor’s remuneration**

The auditor of a company must be appointed at each general meeting at which accounts are laid. In the Annual Report and Accounts for the year ended 31 March 2013 the Audit Committee confirmed that it intended to tender the audit for the financial year ending 31 March 2015. Accordingly, the audit tender was conducted by the Audit Committee during the year ended 31 March 2014. In light of the longevity of Deloitte LLP’s appointment as the Company’s auditor, it was not invited to tender for the audit. Deloitte LLP resigned as the Company’s auditor on 27 May 2014 and provided the below statement of circumstances in connection with its resignation.

Following the audit tender, the Audit Committee recommended to the Board that PricewaterhouseCoopers LLP be appointed as the Company’s auditor by the Board to fill the casual vacancy until the 2014 AGM and that PricewaterhouseCoopers LLP then be recommended for appointment by shareholders as the Company’s auditor at the 2014 AGM. Resolution 15 proposes the appointment of PricewaterhouseCoopers LLP as the Company’s auditor. Resolution 16 gives authority to the Directors to agree the auditor’s remuneration.

#### **Statement of circumstances relating to the resignation of Deloitte LLP as auditors to The British Land Company PLC**

“The Company put the audit out to tender and we were not invited to participate because of our length of tenure and the desire by the Company to adhere to the principles of the Corporate Governance Code relating to auditor rotation. The Company has decided to appoint another firm as auditors and hence we have been asked to resign.

Unless the Company applies to the court, this statement of circumstances, which we consider should be brought to the attention of members or creditors of the Company, must be sent by the Company within 14 days to every person entitled under Section 423 of the Companies Act 2006 to be sent copies of the Company’s accounts. This is a requirement of Section 520(2) of that Act.”

Deloitte LLP  
27 May 2014

#### **Resolution 17 – 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 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 18 – 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 AGM 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 (or 18 October 2015 if earlier).

Paragraph (a)(i) A of Resolution 18 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 £84,329,822. This amount represents no more than 33.33% per cent. of the Company’s issued share capital (excluding treasury shares) as at 2 June 2014 (being the latest practicable date prior to the publication of this Notice of AGM).

Paragraph (a)(i) B of Resolution 18 authorises the Directors to allot, in addition to the shares referred to in (a)(i) A further of the Company's shares up to a maximum 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 next annual general meeting of the Company or 18 October 2015 if earlier. 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.

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.

As at 2 June 2014, the Company holds 11,266,245 treasury shares, representing 1.11% of the issued share capital of the Company (1,011,957,864 shares), excluding treasury shares.

#### **Resolution 19 – Disapplication of pre-emption rights**

This resolution will be proposed as a special resolution. 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 19 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 £12,649,473 (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 2 June 2014 (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 or 18 October 2015 if earlier.

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 20 – 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 101,195,786 (representing no more than 10 per cent. of the issued share capital of the Company (excluding treasury shares) as at 2 June 2014 (being the latest practicable date prior to the publication of this Notice of AGM)) 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 18 October 2015.

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 or an increased net asset value per share (or both) 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 2 June 2014 there were options over 9,134,026 ordinary shares in the capital of the Company which represented 0.90 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 1.00 per cent. of the Company's issued ordinary share capital (excluding treasury shares).

#### **Resolution 21 – Notice of general meetings**

This resolution will be proposed as a special resolution. Changes made to the 2006 Act by the Companies (Shareholders' Rights) Regulations 2009 (the **Shareholders' Rights Regulations**) increased the notice period required for general meetings of the Company to 21 clear 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 continue to preserve this ability, Resolution 21 seeks such approval. This is a standard resolution and similar resolutions have been passed at previous AGMs.

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.

#### **Resolution 22 – Renewal of The British Land Company PLC Savings-Related Share Option Scheme.**

The Company has always sought to incentivise its employees, and align their interests with those of shareholders, by utilising a full range of employee share schemes. The Company has been successfully operating its Savings-Related Share Option Scheme (the **Scheme**) for a number of years, and this Scheme is available to all employees who have completed the qualifying period of service.

The Remuneration Committee has reviewed the operation of the Scheme in light of the Company's strategic goals and concluded that it is operating well and is achieving its objectives. As the Scheme was last approved at the 2004 annual general meeting and has a ten year life which is coming to an end in July 2014, the Company is proposing to renew the rules of the Scheme for a further ten years from its original approval date.

As the underlying UK legislation has not changed materially, the Directors therefore propose, in Resolution 22, to renew the Scheme on its existing terms (save for legislative updates). A summary of the Scheme and its operation is set out in Appendix 2.

## SHAREHOLDER INFORMATION

### 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 6.00 pm on 16 July 2014 (or, if the AGM is adjourned, in the register of members at 6.00 pm 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. If you received (as described in the first bullet point below) a proxy form, this may be used to make such appointment and give proxy instructions. Please note that all shareholders who have elected to receive notification of the publication of shareholder communications by notification email will need to logon to [www.shareview.co.uk](http://www.shareview.co.uk) to vote and appoint a proxy and will not have received a proxy card.

A member may appoint a proxy or proxies:

- by completing the hard copy form of proxy (enclosed with this circular if you have elected to receive hard copies of the Annual Report and Accounts, or posted to you with the notification letter if you elected to receive shareholder communications online; if you elected to receive email notification of shareholder communications you will not have received a proxy form and should use [www.shareview.co.uk](http://www.shareview.co.uk) – please see third bullet point, below) and returning it by post to Equiniti, Aspect House, Spencer Road, Lancing BN99 6DA;
- by going to [www.sharevote.co.uk](http://www.sharevote.co.uk) and following the instructions provided. You will need your Voting ID, Task ID and Shareholder Reference Number from the hard copy proxy form;
- if you have registered with the Equiniti on-line portfolio service, by logging onto their portfolio via [www.shareview.co.uk](http://www.shareview.co.uk) and clicking on the link to vote then following the instructions provided; and
- if you are 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 16 July 2014. 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](http://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 16 July 2014.**

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 7047 from outside the United Kingdom). Calls from within the UK are charged at 8p per minute plus network extras. Lines are open from 8.30am to 5.30pm Monday to Friday.

Further details of the appointment of proxies are given in the notes to the proxy form itself.

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

### Corporate representatives

- 3 A shareholder of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the AGM. In accordance with the provisions of the Act, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder of the Company, though there are restrictions on more than one such representative exercising powers in relation to the same shares.

### Nominated Persons

- 4 Any person to whom this Notice of AGM is sent as 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 2 June 2014 (being the latest practicable date prior to the publication of this Notice of AGM) the Company's issued share capital consisted of 1,023,224,109 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 2 June 2014 are 1,011,957,864.

### 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, the letters of appointment of the Non-Executive Directors and the rules of The British Land Company Savings-Related Share Option Scheme 2014 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 of AGM, and other information required by section 311A of the 2006 Act, can be found at [www.britishland.com/agm](http://www.britishland.com/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/](http://www.britishland.com/) on or before 21 July 2014.

## **APPENDIX 1: DIRECTORS' BIOGRAPHIES**

### **Aubrey Adams**

#### **Non-Executive Director**

Aubrey was appointed a Non-Executive Director in September 2008 and is a member of the Audit Committee. He currently holds the position of Head of Property within RBS's Global Restructuring Group and is Non-Executive Chairman of Max Property Group PLC and Chairman of the Board of Trustees of Wigmore Hall. Aubrey was Chief Executive of Savills PLC until May 2008. He was formerly a Non-Executive Director of Pinnacle Regeneration Group Limited, Senior Independent Director of Associated British Ports PLC, Non-executive Chairman of Unitech Corporate Parks PLC and Non-Executive Chairman of Air Partner PLC.

### **Lucinda Bell**

#### **Finance Director**

Lucinda joined the Executive Committee in 2010, joined the Board in March 2011, and was appointed as British Land's Finance Director in May 2011. She chairs the Reporting and Accounting Committee of EPRA, the European Public Real Estate Association, and is a member of the Finance Committee of the British Property Federation and the Prince of Wales Accounting for Sustainability CFO Leadership Network, A4S. Lucinda qualified as a Chartered Accountant before joining British Land in 1991, where she has held a wide range of roles in the Group finance function, including the role of Tax Director. Lucinda was also formerly a Governor of the University of Westminster where she chaired the Finance and Property Committee

### **Simon Borrows**

#### **Non-Executive Director**

Simon joined the Board as a Non-Executive Director in March 2011 and is a member of the Audit Committee. Simon is Chief Executive of 3i Group plc and a Non-Executive Director of Inchcape plc. Before joining 3i Simon worked for 28 years in the banking and finance industry, most recently as Chairman of Greenhill & Co. International LLP, having previously served as Co-Chief Executive Officer of the firm and Co-President. Prior to Greenhill, Simon held the position of Chief Executive Officer of Baring Brothers International Limited, the corporate finance division of ING Barings.

### **John Gildersleeve**

#### **Chairman**

John became a Non-Executive Director in September 2008. He was Senior Independent Director from November 2010 until he was appointed Chairman of the Company on 1 January 2013. He is Chairman of the Nomination Committee. John is Deputy Chairman of Carphone Warehouse Group PLC and a Non-Executive Director of TalkTalk Telecom Group PLC. Until 2004, John was a Director of Tesco plc. He was formerly Chairman of New Look Retail Group Limited, EMI Group, Gallaher Group and Carphone Warehouse Group and was also a Non-Executive Director of Lloyds TSB Bank PLC and Vodafone Group.

### **Chris Grigg**

#### **Chief Executive**

Chris joined British Land as Chief Executive in January 2009. He is a member of the Executive Board of EPRA, the European Public Real Estate Association, and a Non-Executive Director of BAE Systems plc. Chris was Chief Executive of Barclays Commercial Bank until November 2008, having joined the bank in 2005 as Group Treasurer. Prior to Barclays, he held a broad range of leadership positions at Goldman Sachs, where his career spanned 20 years, rising to partner. He is on the Board of the British Property Federation and held the position of President for the year ended July 2013.

### **Dido Harding**

#### **Non-Executive Director**

Dido was appointed a Non-Executive Director of the Company in January 2010 and is a member of the Remuneration Committee and the Nomination Committee. She is Chief Executive Officer of TalkTalk Telecom Group PLC and is also a trustee of charity Go ON UK, which aims to make the UK the most digitally skilled nation in the world. Prior to joining TalkTalk in early 2010, Dido was Sainsbury's Convenience Director and a member of J Sainsbury plc's Operating Board. Dido previously held senior management positions within Tesco plc, Kingfisher Plc and Thomas Cook Ltd.

### **William Jackson**

#### **Non-Executive Director**

William joined the Board as a Non-Executive Director in April 2011 and is a member of the Remuneration Committee. He is Managing Partner of Bridgepoint, a leading private equity firm. William has served on a number of Bridgepoint portfolio Boards. He is currently Chairman of Pret A Manger and President of Dorna Sports SL. William began his career in NatWest's investment banking arm, before working extensively on private equity transactions in Europe. He was appointed Managing Partner of Bridgepoint, formerly NatWest Equity Partners, in 2001.

### **Charles Maudsley**

#### **Head of Retail and Leisure**

Charles joined the Board in February 2010, and is responsible for the Retail and Leisure sectors of the Company's portfolio. He joined British Land from LaSalle Investment Management, where he was Co-Head of Europe, Managing Director of the UK Business, a member of the Management Board and an International Director. Prior to LaSalle, Charles spent seven years at AXA Real Estate Investment Managers, where he was Head of Real Estate Fund Management in the UK.

### **Tim Roberts**

#### **Head of Offices and Residential**

Tim joined the Executive Committee in August 2005 and was elected as an Executive Director in July 2006. He has spent fifteen years at British Land, and has responsibility for the Office and Residential sectors of the Company's portfolio. He is currently a Trustee and Board Member of LandAid, the property industry charity. Before joining British Land, Tim was a Partner at Drivers Jonas, in the Investment Agency team.

### **Tim Score**

#### **Non-Executive Director**

Tim was appointed a Non-Executive Director on 20 March 2014, and is Chairman of the Audit Committee. Tim has been the Chief Financial Officer of ARM Holdings PLC since joining the company in 2002. Prior to joining ARM, Tim held senior financial positions at Rebus Group Limited, William Baird plc, Lucas Varsity plc and BTR plc. From 2005 to 2014 Tim was a Non-Executive Director of National Express Group PLC, where he was Chairman of the Audit Committee and a member of the Remuneration and Safety Committees. From December 2008 to April 2009 Tim was interim Chairman of National Express and he was Senior Independent Director from 2008 until leaving National Express in 2014.

### **Lord Turnbull**

#### **Senior Independent Director (SID)**

Andrew joined the Board as a Non-Executive Director in April 2006 and became SID in January 2013. He is a member of the Nomination Committee and Chairman of the Remuneration Committee. Andrew is a Non-Executive Director of Prudential PLC and Frontier Economics Ltd. He retired as Secretary of the Cabinet and Head of the Home Civil Service in July 2005, having previously held the positions of Permanent Secretary of HM Treasury and Permanent Secretary at the Department of the Environment. Andrew was a Non-Executive Director of the Arup Group from 2006–07 and Chairman of BH Global Limited for five years until January 2013. He entered the House of Lords as a Crossbench Life Peer in 2005.



## APPENDIX 2: SUMMARY OF THE PRINCIPAL FEATURES OF THE BRITISH LAND COMPANY PLC SAVINGS

### RELATED SHARE OPTION SCHEME (THE *SCHEME*)

The British Land Company PLC (the **Company**) wishes to obtain approval for the renewal of the Scheme. The Scheme was initially approved by shareholders in 2004 and it is proposed to renew the life of the Scheme until July 2024.

The following paragraphs summarise the main features of the Scheme in the form in which it will be renewed.

#### **1. Constitution**

The rules governing the Scheme are constituted in accordance with the provisions of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003 (the **Legislation**).

#### **2. Eligibility**

All employees of the Company and of such subsidiaries of the Company as are designated participating subsidiaries by the Directors, who, as of the date of invitation, have completed a qualifying period of continuous service and whose earnings are subject to PAYE deductions in any year immediately before the grant of the option, are eligible to participate. The Directors have discretion to extend participation to employees who do not fulfil these requirements.

Benefits under the Scheme are not pensionable.

#### **3. SAYE contracts**

All eligible employees who wish to participate will enter into a Save-As-You-Earn contract with an approved savings authority (the **SAYE Contract**) to make 36 or 60 monthly contributions of not less than £5 nor more than £500 (or such amount as is permitted by the legislation from time to time) or such lesser amount as the Directors may specify. Tax-free bonuses may be payable on completion of saving in respect of SAYE Contracts.

#### **4. Option price**

Each employee joining the Scheme will be granted an option to acquire ordinary shares in The British Land Company PLC (**Shares**) whether by subscription or purchase, at a price per Share (the **Option Price**) fixed by the Directors. The Option Price will not be lower than the average of the middle-market quotations of the Shares derived from the London Stock Exchange Daily Official List for the three dealing days immediately preceding the date of the invitation to take up options, discounted by up to 20 per cent. The Option Price must not be less than the nominal value of a Share. Each option granted will be over such number of Shares as have an aggregate Option Price not exceeding the total monthly contributions under, plus any bonus payable on maturity of, the relevant SAYE Contract.

#### **5. Grant of options**

Applications for the grant of an option may only be invited within the period of 42 days commencing on the dealing day following any of:

- the announcement by the Company of its results for any period;
- the issue by the Company of a prospectus, listing particulars or other documents containing equivalent information relating to its Shares;
- the announcement or introduction of changes to legislation or regulations affecting savings-related share option schemes; or
- any other date when the Directors resolve that the circumstances so warrant.

Where the grant of options is prohibited under the provisions of the Model Code, the periods stated above shall commence on the first day on which such restrictions cease to apply.

#### **6. Scaling down**

In the event that applications for options exceed the number of Shares available, the Directors shall scale down the applications by reducing the proposed monthly contributions and, if necessary, selecting by lot or by using such other method of scaling down as may be permitted under the legislation.

#### **7. Exercise of options**

An option may only be exercised by the person to whom it was granted, or his/her personal representative(s), and is not transferable. Options may normally only be exercised within six months following the third or fifth anniversary of the starting date of the SAYE Contract (depending on the period determined at the time of the grant). Any option not so exercised will normally lapse.

A former employee may exercise an option within six months, which may fall before the maturity of his SAYE Contract, where the employment ceased on account of injury or disability, redundancy, retirement, the employee leaving after the third anniversary of the date of grant on account of pregnancy, or disposal of the participating subsidiary company or business in which the employee is employed as a result of a transfer within the meaning given to that term under the Transfer of Undertakings (Protection of Employment) Regulations 2006 or otherwise.

The personal representative(s) of a deceased option holder may exercise an option within 12 months of his death.

Options will lapse if an option holder leaves the service of the Company or a participating subsidiary, other than in the circumstances referred to above or, where the circumstances referred to above apply, if the options are not exercised within the prescribed periods.

Options are also exercisable within a limited period in the event of a takeover, reconstruction or winding up of the Company, but may alternatively, with the agreement of an acquiring company following a takeover or reconstruction, be rolled over to become options over the acquiring Company's Shares. In the absence of exercise or roll-over, options will lapse at the end of the exercise period.

Where options are exercised before maturity of the SAYE Contract, the employee may only acquire the number of Shares that can be purchased with the accumulated savings up to the date of exercise plus interest (if any).

#### **8. Issue or transfer of Shares**

Within 28 days of the exercise of an option, the relevant number of Shares will be allotted and issued (or transferred from treasury or market purchase Shares) to the option holder concerned. Shares allotted (or transferred) will rank *pari passu* with the Shares then in issue other than in respect of the dividend and other entitlements arising by reference to a date prior to the date of exercise. Applications will be made to the London Stock Exchange for the admission of the Shares to the Official List.

#### **9. Repayment of savings**

When repayment is due under a matured SAYE Contract, a participant may exercise his option in whole or in part or take the cash proceeds on the termination of his SAYE Contract. An option holder can cancel his SAYE Contract at any time but, except in the circumstances referred to in 7 above, early termination of an SAYE Contract will cause the option holder's options to lapse.

#### **10. Issues and reorganisations**

The rights of option holders following any rights issue, capitalisation issues, sub division, consolidation of share capital or reduction of capital will be adjusted in such manner as the Directors may determine in accordance with the legislation.

#### **11. Amendments**

The Scheme may be amended by the Directors in any way, provided that the amendments comply with the legislation and those amendments which are to the advantage of option holders (present and future) may be made only by or with the prior approval of an ordinary resolution of the shareholders of the Company in general meeting unless they are minor amendments which the Directors consider necessary or desirable in order to benefit the administration of the Scheme, to take account of a change in legislation or developments in the law affecting the Scheme, or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the Scheme or the Company or any member of its group.

#### **12. Termination**

Unless renewed the Scheme will terminate on the tenth anniversary of its renewal by shareholders in 2014 and the Directors may at any time terminate it but the rights of existing option holders will not thereby be affected. In the event of termination no further options will be granted.

#### **13. Limits on the use of unissued Shares**

The Scheme is subject to limits on the number of Shares which may be subscribed for. In any period of ten years not more than 10 per cent of the issued share capital of the Company from time to time 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.

Shares transferred out of treasury will count towards the above limits for so long as this is required by institutional investor guidelines. Shares acquired on the market will not count towards these limits. Neither will options that lapse for any reason, and so do not lead to an issue of Shares.



