



LAND SECURITIES GROUP PLC

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

NOTICE OF ANNUAL GENERAL MEETING 23 JULY 2015

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the action you should take, you should immediately consult a stockbroker, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your shares in Land Securities Group PLC, please pass this document and the accompanying Form of Proxy 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.

Notice of the Annual General Meeting of the Company to be held at 11.00am on Thursday, 23 July 2015 in the Mountbatten Room at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE is set out on pages 4 to 7 of this document.

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Annual General Meeting

Mountbatten Room
The Queen Elizabeth II Conference Centre
Broad Sanctuary
Westminster
London
SW1P 3EE



- | | | |
|------------------|------------------------|----------------------|
| 1 NOVA, VICTORIA | 4 THE ZIG ZAG BUILDING | 7 62 BUCKINGHAM GATE |
| 2 PORTLAND HOUSE | 5 KINGS GATE | 8 WELLINGTON HOUSE |
| 3 CARDINAL PLACE | 6 123 VICTORIA STREET | |

Access by Public Transport



Rail

London Victoria
Charing Cross



Underground

Westminster:
District, Circle and Jubilee Lines
(Exit 6 towards Parliament Square. This is a step-free station.)

St James's Park: District and Circle Lines (Broadway exit)

Victoria: Victoria, District and Circle Lines



Bus

Buses around

Parliament Square:

11, 24, 53, 77A and 88

(Many buses are adapted for wheelchair users.)



18 June 2015

Dear Shareholder,

Annual General Meeting to be held on Thursday, 23 July 2015

I have pleasure in inviting you to the Company's Annual General Meeting to be held at 11.00am on Thursday, 23 July 2015 in the Mountbatten Room at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE.

This year's AGM is again being held close to Victoria so that shareholders can see the significant progress we are making on our major developments in the area. If you get time to walk down Victoria Street towards Victoria, you will be able to see this for yourself. Your enclosed Attendance Card shows a map of the AGM location as well as some of our nearby properties.

Following this letter is a Notice of Meeting, including the proposed Resolutions, and your Form of Proxy is also enclosed. A copy of the Notice, and the Company's 2015 Annual Report, can be viewed on our website at www.landsecurities.com.

The AGM provides an opportunity for your Directors to meet with you, provide our thoughts on the development of the Company and answer your questions. We therefore encourage you to attend. However, if you are unable to do so, please complete and return your Form of Proxy as soon as possible but in any event so as to arrive not later than 11.00am on Tuesday, 21 July 2015. Please note that if you return your Form of Proxy, you may still attend, speak and vote at the Meeting in person if you subsequently wish to do so.

There are 20 Resolutions proposed at this year's AGM and we will once again take all of these on a poll vote. This will be conducted at the Meeting by means of a paper poll, with each shareholder having one vote for each share held. The voting results will be immediately notified to the London Stock Exchange and posted on the Company's website.

Explanatory notes in respect of the proposed Resolutions are set out in Part I of the Notice. Your Directors consider the Resolutions to be in the best interests of the Company and its shareholders as a whole and unanimously recommend you vote in favour of them, as they intend to do in respect of their own beneficial shareholdings.

My Board colleagues and I look forward to seeing as many of you as possible at the Meeting and thank you for your continued support.

Yours sincerely,

A handwritten signature in black ink that reads "Alison Carnwath".

Dame Alison Carnwath
Chairman

Notice and Resolutions

Land Securities Group PLC
5 Strand, London WC2N 5AF
www.landsecurities.com



Registered in England and Wales: No. 4369054

Notice of the 2015 Annual General Meeting

Notice is hereby given that the 2015 Annual General Meeting (the **AGM** or **Meeting**) of Land Securities Group PLC (the **Company**) will be held at 11.00am on Thursday, 23 July 2015 in the Mountbatten Room at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE for the transaction of the following business.

Resolutions 1 to 18 will be proposed as Ordinary Resolutions. To be passed, an Ordinary Resolution requires the approval of shareholders representing a simple majority of the votes cast on the Resolution. Resolutions 19 and 20 will be proposed as Special Resolutions. To be passed, a Special Resolution requires the approval of shareholders representing at least 75% of the votes cast on the Resolution.

Explanatory notes to each of the Resolutions are set out in Part I of this Notice on pages 8 to 12.

1. 2015 Annual Report

To receive the Company's accounts, together with the Report of the Directors and the Auditor's Report on those accounts, for the financial year ended 31 March 2015 (the **2015 Annual Report**).

2. Directors' Remuneration – Policy Report

To approve the Directors' Remuneration – Policy Report (effective from the date of approval) set out on pages 61 to 67 of the 2015 Annual Report.

3. Directors' Remuneration – Annual Report on Remuneration

To approve the Directors' Remuneration – Annual Report on Remuneration set out on pages 68 to 78 of the 2015 Annual Report.

4. Final dividend

To declare a final dividend of 8.15 pence per ordinary share for the financial year ended 31 March 2015.

Re-election of Directors

5. To re-elect Dame Alison Carnwath as a Director of the Company.
6. To re-elect Robert Noel as a Director of the Company.
7. To re-elect Martin Greenslade as a Director of the Company.
8. To re-elect Kevin O'Byrne as a Director of the Company.
9. To re-elect Simon Palley as a Director of the Company.
10. To re-elect Christopher Bartram as a Director of the Company.
11. To re-elect Stacey Rauch as a Director of the Company.
12. To re-elect Cressida Hogg CBE as a Director of the Company.
13. To re-elect Edward Bonham Carter as a Director of the Company.

14. Adoption of Land Securities 2015 Long-Term Incentive Plan

To authorise the Directors to:

- (i) adopt the Land Securities 2015 Long-Term Incentive Plan on the terms of the rules produced to the Meeting and initialled by the Chairman for the purposes of identification and summarised in Part II of this Notice (the **LTIP**); and
- (ii) establish further plans based on the LTIP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against any limits on individual or overall participation in the LTIP.

15. Re-appointment of auditor

To re-appoint Ernst & Young LLP as auditor of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.

16. Remuneration of auditor

To authorise the Directors to determine the remuneration of the auditor.

17. Authority to make political donations

In accordance with sections 366 and 367 of the Companies Act 2006 (the **2006 Act**), to authorise the Company and any company which is or becomes its subsidiary at any time during the period for which this Resolution has effect to:

- (i) make political donations to political parties, other political organisations and/or independent election candidates; and
- (ii) incur other political expenditure,

providing such expenditure does not exceed £50,000 in aggregate for paragraphs (i) and (ii) above.

This authority shall expire after the conclusion of the Company's next Annual General Meeting. Any terms used in this Resolution which are defined in Part 14 of the 2006 Act shall have the same meaning as is given to those terms in Part 14 of the 2006 Act.

18. Authority to allot securities

To authorise the Directors generally and unconditionally to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:

- (i) up to an aggregate nominal amount of £26,351,468; and
- (ii) in so far as such shares comprise equity securities (as defined in section 560 of the 2006 Act) up to a further nominal amount of £26,351,468 in connection with an offer by way of a rights issue:
 - (a) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (b) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

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

This authority shall expire at the earlier of the conclusion of the next Annual General Meeting of the Company or 15 months from the date this Resolution is passed (unless previously renewed, varied or revoked by the Company in general meeting), provided that the Company may make

offers and enter into agreements before this authority expires which would, or might, require equity securities to be allotted or subscription or conversion rights to be granted after the authority ends and the Directors may allot equity securities or grant rights to subscribe for or convert securities into ordinary shares under any such offer or agreement as if the authority had not expired.

19. Disapplication of pre-emption rights

Subject to Resolution 18 being passed, to authorise the Directors to allot equity securities (as defined in the 2006 Act) for cash under the authority given by Resolution 18 and/or to sell treasury shares, as if section 561 of the 2006 Act (*Existing shareholders' rights of pre-emption*) did not apply to any such allotment or sale, provided that this authorisation shall be limited to:

- (i) the allotment of equity securities and sale of treasury shares for cash in connection with an offer or issue of, or invitation to apply for, equity securities made to (but in the case of the authority granted under paragraph (ii) of Resolution 18, by way of a rights issue only):
 - (a) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (b) holders of other equity securities, as required by the rights of those securities or, if the 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

- (ii) in the case of the authority granted under paragraph (i) of Resolution 18 and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than under paragraph (i) of this Resolution) of equity securities or sale of treasury shares up to a nominal amount of £4,005,196.

This authority shall expire at the earlier of the conclusion of the next Annual General Meeting of the Company or 15 months from the date this Resolution is passed, provided that the Company may make offers and enter into agreements before this authority expires which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authorisation expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

20. Authority to purchase own shares

To authorise the Company generally and unconditionally to make market purchases (as defined in section 693(4) of the 2006 Act) of its ordinary shares on such terms as the Directors think fit, provided that:

- (i) the maximum number of ordinary shares that may be acquired is 79,054,404 being 10% of the Company's issued ordinary share capital (excluding treasury shares) as at 3 June 2015;
- (ii) the minimum price (exclusive of expenses) which may be paid for an ordinary share is 10 pence; and
- (iii) the maximum price (exclusive of expenses) which may be paid for each ordinary share is the higher of: (a) 105% of the average of the middle market quotations of an ordinary share of the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; and (b) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venues where the purchase is carried out.

This authority shall expire at the earlier of the conclusion of the next Annual General Meeting of the Company or 15 months from the date this Resolution is passed, provided that the Company shall be entitled, at any time prior to the expiry of this authority, to make a contract of purchase which would or might be executed wholly or partly after the expiry of this authority and to purchase ordinary shares in accordance with such contract as if the authority had not expired.

By Order of the Board

Michael Arnaouti

Group Company Secretary

18 June 2015

Part I

Explanatory notes

Ordinary Resolutions

Resolution 1 – 2015 Annual Report

For each financial year, the Directors must present the report of the Directors and the accounts of the Company to shareholders at the AGM. The report of the Directors, the accounts and the report of the Company's auditor on the accounts, and on those parts of the Directors' Remuneration Report that are capable of being audited, are contained within the 2015 Annual Report.

Resolutions 2 and 3 – Directors' Remuneration Report

These Resolutions seek shareholder approval for the Directors' Remuneration – Policy Report set out on pages 61 to 67 of the 2015 Annual Report (the **Policy Report**) and the Directors' Remuneration – Annual Report on Remuneration set out on pages 68 to 78 of the 2015 Annual Report (the **Annual Report on Remuneration**), which together form the Directors' Remuneration Report in its entirety.

In accordance with legislation, the Company offers shareholders a binding vote to approve the Company's policy on Directors' remuneration at least once every three years, but on a more frequent basis if changes to it are proposed. This vote is binding in that the Company may not make a remuneration payment or payment for loss of office to a person who is, or is to be, or has been a Director of the Company unless that payment is consistent with the approved Directors' remuneration policy or has otherwise been approved by a resolution of the shareholders of the Company.

As changes are proposed to be made to the Company's policy on Directors' remuneration that was approved by shareholders at last year's AGM, Resolution 2 seeks shareholder approval of the Company's proposed new policy on Directors' remuneration, which is set out in the Policy Report. If Resolution 2 is passed, the Policy Report will become effective immediately. If Resolution 2 is not passed, the Company will continue to operate under its current Directors' remuneration policy and will seek shareholder approval for a revised policy as soon as practicable. Full details of the proposed changes to the current executive remuneration structure are set out on page 60 of the 2015 Annual Report.

Resolution 3 seeks shareholder approval of the Annual Report on Remuneration, which sets out details of the payments and share awards made to Directors in connection with their performance, and that of the Company, during the year ended 31 March 2015. The vote on the Annual Report on Remuneration 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 Resolution 3 is not passed.

The Company's auditor, Ernst & Young LLP, have audited those parts of the Directors' Remuneration Report required to be audited and their opinion forms part of their independent report to shareholders, which can be found on pages 83 to 85 of the 2015 Annual Report.

Resolution 4 – Final dividend

Pursuant to the Board's recommendation, the authority sought from shareholders under this Resolution is to declare a final dividend of 8.15 pence per ordinary share for the financial year ended 31 March 2015. If approved, the final dividend will be paid as a Property Income Distribution on 24 July 2015 to those shareholders on the Company's shareholder register as at the close of business on 19 June 2015. Together with the three interim dividends already paid during the financial year, if the final dividend is approved, the total dividend paid by the Company for the financial year ended 31 March 2015 will be 31.85 pence per ordinary share (2013/14: 30.7 pence).

The Company offers a Dividend Reinvestment Plan, whereby shareholders can use their cash dividends to purchase additional shares in the Company. Full details can be found on the Company's website at www.landsecurities.com/investors/shareholder-investor-information/dividend-reinvestment-plan.

Resolutions 5 to 13 – Re-election of Directors

In accordance with the Board's policy and in line with the UK Corporate Governance Code, all Directors are required to stand for re-election at each AGM of the Company. Accordingly, these Resolutions seek shareholder approval for the re-election of all the Company's current Directors, each of whom has confirmed their willingness to remain in office.

Before being proposed for re-election, and under the direction of the Chairman (or the Senior Independent Director in respect of the Chairman herself), each of the Directors has undergone a formal performance evaluation. In relation to Kevin O'Byrne, who has now been in office for more than six years, his evaluation extended to a more rigorous review conducted by the Nominations Committee. Having assessed the outcome of those performance evaluations, the Board is satisfied that each Director remains committed to the role and their performance continues to be effective. Details of the performance evaluation process can be found in the Corporate Governance section of the 2015 Annual Report on pages 38 to 87. The Board is also satisfied that each of the Non-executive Directors remains independent in both character and judgement and there are no relationships or circumstances likely to affect his or her independence. Accordingly, the Board recommends the re-election of all the Directors.

The Board currently has nine Directors (comprising a Non-executive Chairman, two Executive Directors and six other Non-executive Directors), whose experience and expertise are derived from a range of industries, sectors and personal characteristics that provide an invaluable perspective on the Company's business. Biographical details for each Director, including their career history, skills, competencies and experience can be found on pages 40 and 41 of the 2015 Annual Report and at www.landsecurities.com/aboutus/our-management/board-of-directors.

Resolution 14 – Land Securities 2015 Long-Term Incentive Plan

As the terms of the Land Securities 2015 Long-Term Incentive Plan (as amended with shareholder approval at the Company's 2012 AGM) (the **Existing LTIP**) will not be consistent with the Company's proposed new policy on Directors' remuneration set out in the Policy Report, the Board is seeking the approval of shareholders to adopt the LTIP in place of the Existing LTIP. The design of the LTIP is consistent with the Company's proposed new policy on Directors' remuneration.

The material terms of the LTIP are summarised in Part II of this Notice and the draft rules of the LTIP will be available for inspection at the Meeting and at the other times and locations specified in Part III of this Notice. The Company's policy on Directors' remuneration (see also the notes to Resolution 2) is summarised in the Policy Report on pages 61 to 67 of the 2015 Annual Report.

In considering the proposal to approve the LTIP, shareholders should note the following key changes as compared to the Existing LTIP:

- only conditional share awards and nil-cost options may be granted under the LTIP, whereas the Existing LTIP permits the grant of forfeitable shares;
- there will be no provision under the LTIP for the grant of matching awards;
- the individual limit on the value of awards that may be granted to a participant each year will increase from 150% of salary under the Existing LTIP to 300% of salary under the LTIP to reflect the loss of matching awards;
- changes to the performance targets for participants, which are described in Part II of this Notice and summarised in the Directors' Remuneration Report;
- in line with the updated UK Corporate Governance Code, the introduction of malus provisions (both plans have clawback provisions); and
- the introduction of a two year holding period post-vesting for awards granted to Executive Directors.

Resolutions 15 and 16 – Re-appointment of auditor and determination of their remuneration

Ernst & Young LLP have indicated their willingness to stand for re-appointment as auditor of the Company. On the recommendation of the Audit Committee, the Board is proposing their re-appointment to office until the conclusion of the AGM in 2016 and also seeking authority to determine their remuneration.

Resolution 17 – Political donations

The 2006 Act requires companies to obtain shareholder consent before they can make donations to a political party, other political organisations or an independent election candidate, or incur any political expenditure. However, the definitions of political donation and political expenditure used in the 2006 Act are very broad and as a result could inadvertently catch support which the Company may wish to give in relation to legitimate activities, such as policy review, law reform and the representation of the business community and special interest groups (such as those concerned with the environment). Such activities are not designed to support any political party or influence public support for any particular party. It is not proposed or intended to alter the Company's policy of not making political donations, within the normal meaning of that expression. The authority being sought under this Resolution is of a precautionary nature to ensure the Company and its subsidiaries do not inadvertently breach the 2006 Act.

Resolution 18 – Authority to allot securities

Under section 551 the 2006 Act, the Directors may only allot shares or grant rights to subscribe for, or convert any security into, shares if authorised to do so by shareholders in a general meeting. The existing authority provided at last year's AGM to allot shares in this way expires at the conclusion of this year's AGM. Consequently, this Resolution seeks to renew the authority for a further period until the earlier of the conclusion of next year's AGM or 15 months from the date this Resolution is passed (unless previously renewed, varied or revoked by the Company in general meeting).

The aggregate nominal value which can be allotted under the authority set out in paragraph (i) of the Resolution is limited to £26,351,468 (representing 263,514,679 ordinary shares with a nominal value of 10 pence each), which represents approximately one-third of the Company's issued ordinary share capital (excluding treasury shares), as at 3 June 2015, being the latest practicable date prior to the publication of this Notice.

In accordance with guidance issued by The Investment Association, the authority in paragraph (ii) of the Resolution permits the Directors to allot shares, or to grant rights to subscribe for, or convert any security into, shares in the Company only in connection with a fully pre-emptive rights issue, up to a further nominal value of £26,351,468. This amount, together with the authority provided under paragraph (i) of the Resolution, represents approximately two-thirds of the Company's issued ordinary share capital (excluding treasury shares) as at 3 June 2015.

The Directors currently have no intention of issuing new shares, or of granting rights to subscribe for or to convert any security into shares, except in connection with the Company's employee share plans.

As at 3 June 2015, there were 10,495,131 ordinary shares held in treasury, representing approximately 1.3% of the Company's issued ordinary share capital (calculated exclusive of treasury shares).

Special Resolutions

Resolution 19 – Disapplication of pre-emption rights

Under section 561(1) of the 2006 Act, if 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 Directors need the flexibility to finance business opportunities by the issue of shares or the sale of treasury shares for cash without a pre-emptive offer having to be made to existing shareholders. This cannot be done under the 2006 Act unless shareholders have first waived their pre-emption rights and this Resolution is designed to provide for that.

Apart from a rights issue 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 £4,005,196 (which includes the sale on a non-pre-emptive basis of any shares held in treasury), which represents approximately 5% of the Company's issued ordinary share capital as at 3 June 2015, being the latest practicable date prior to the publication of this Notice. This Resolution also seeks a disapplication of the pre-emption rights on a rights issue, so as to allow 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.

Shareholders should note that this Resolution also relates to treasury shares, is to be proposed as a Special Resolution and is subject to Resolution 18 being passed.

While the Directors have no present intention of issuing new shares other than pursuant to employee share plans, the Board considers the authority sought to be appropriate in order to provide the Company with flexibility to take advantage of business opportunities as they arise.

Operating within the Pre-emption Group's Statement of Principles, the Board confirms its intention that no more than 7.5% of the issued ordinary share capital of the Company (excluding treasury shares) will be issued for cash on a non-pre-emptive basis during any rolling three-year period without prior consultation with shareholders.

If approved, this authority will expire at the earlier of the conclusion of the next AGM or 15 months from the date this Resolution is passed.

Resolution 20 – Authority to purchase own shares

This Resolution, which will also be proposed as a Special Resolution, renews the authority granted at last year's AGM and which expires at the conclusion of this year's AGM. It authorises the Company to make market purchases of its own ordinary shares, subject to the 2006 Act, up to 10% of the Company's issued ordinary share capital (excluding any treasury shares), should market conditions and the share price justify such action.

The Directors only intend to make use of this authority if to do so would be expected to lead to an increase in the net asset value per ordinary share for the remaining shareholders and would be in the best interests of shareholders generally, having due regard to appropriate gearing levels, alternative investment opportunities and the overall financial position of the Company. The Company did not purchase any of its own shares during the financial year ended 31 March 2015.

The minimum price, exclusive of expenses, which may be paid for an ordinary share is 10 pence. The maximum price, exclusive of expenses, which may be paid for an ordinary share is the highest of: (i) an amount equal to 5% above the average market value for an ordinary share for the five business days immediately preceding the date of purchase, and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange.

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

As at 3 June 2015, employee share options were outstanding over 4,828,583 ordinary shares which, if exercised using new issue shares, would represent 0.61% of the Company's issued ordinary share capital (excluding treasury shares). If the proposed authority for the Company to purchase its own shares were used in full, that percentage would increase to 0.68%. As at 3 June 2015, there were no outstanding warrants to subscribe for equity shares in the Company.

The authority will only be valid until the earlier of the conclusion of the next AGM or 15 months from the date this Resolution is passed.

Part II

Summary of the Land Securities 2015 Long-Term Incentive Plan

Overview of the LTIP

The LTIP provides for two types of share incentive to be granted (each an **LTIP Award**):

- (i) a conditional share award, which entitles a participant to receive ordinary shares in the Company (**Shares**) for no payment; and
- (ii) a share option to acquire Shares at a nil (or nominal) exercise price.

LTIP Awards are not pensionable and may be granted over newly issued Shares, Shares held in treasury or Shares purchased in the market.

The LTIP will terminate on the tenth anniversary of its approval by shareholders, but the rights of existing participants will not be affected.

Eligibility

All of the Company's employees, including its Executive Directors and employees of the Company's subsidiaries, will be eligible to participate in the LTIP at the discretion of the Remuneration Committee (the **Committee**).

Grant of LTIP Awards

Subject to any applicable dealing restrictions, the Committee may grant LTIP Awards within 11 weeks, but usually within six weeks, commencing on either: (i) the date the LTIP is approved by shareholders, (ii) the announcement of the Company's results for any period, or (iii) at such other time as the Committee considers that exceptional circumstances exist that justify a grant.

No payment will be required for the grant of an LTIP Award. LTIP Awards are personal to the participant and may not be transferred, except to a participant's personal representatives on death.

Individual limits

The Committee will determine the appropriate level of grant for participants. However, the number of Shares under LTIP Awards granted to a participant in any financial year will have an aggregate market value, measured at the date of grant, not exceeding 300% of the participant's base salary. Market value will be based on the closing middle market quotation for a Share as derived from the London Stock Exchange Official List (the **Official List**) for the dealing day immediately preceding the date of grant.

Plan limits

To the extent that Shares are to be issued to satisfy LTIP Awards:

- (i) no options or awards may be granted under the LTIP or any other employee share plan if it would cause the aggregate number of Shares issued or issuable pursuant to options or other rights to subscribe for Shares which have been granted in the preceding ten years under the LTIP and any other employee share plan operated by the Company to exceed 10% of the Company's issued share capital at the date of grant; and
- (ii) no options or awards may be granted under the LTIP or any other discretionary executive share plan (together, **Executive Share Plans**) if it would cause the aggregate number of Shares issued or issuable pursuant to options or other rights to subscribe for Shares which have been granted in the preceding ten years under any Executive Share Plans operated by the Company to exceed 5% of the Company's issued share capital at the date of grant.

Shares held in treasury will be treated as newly issued for the purpose of these limits until such time as guidelines published by institutional investor representative bodies recommend otherwise. Shares purchased in the market to satisfy awards will not count towards these limits.

Dividend equivalents

The Committee may elect to grant LTIP Awards carrying a right to receive a payment (in cash and/or shares) at the time of delivery of Shares to reflect the value of dividends that would have been paid on those Shares during the vesting period. This amount may take into account the reinvestment of dividends.

Performance conditions

LTIP Awards will be subject to performance conditions imposed by the Committee at the date of grant. Performance will generally be measured over a period of at least three years. The extent to which the performance conditions are satisfied will determine how many (if any) Shares under an LTIP Award a participant is entitled to acquire. Performance conditions will not be capable of being retested, so that any proportion of an LTIP Award which does not vest will lapse.

Performance conditions will be demanding and stretching. Two performance conditions will apply to LTIP Awards granted in 2015, each responsible for the vesting of 50% of the Shares awarded. Performance will be measured over a three-year performance period.

The first of these performance conditions will measure the Company's total shareholder return (**TSR**), relative to a comparator group comprising all of the property companies in the FTSE 350 Real Estate (**TSR Index**). 10% of the total award subject to this condition will vest for performance in line with the TSR Index. Maximum vesting will require outperformance of the TSR Index by 3% per annum. Vesting is on a straight-line basis for intermediate performance. Nothing will vest for below TSR Index performance.

The second of these performance conditions will measure the Company's ungeared total property return from its investment and trading properties (**TPR**), relative to an index of all March-valued property within the Investor Property Databank (**TPR Index**). 10% of the total award subject to this condition will vest for performance in line with the TPR Index. Maximum vesting will require outperformance of the TPR Index by 1% per annum over the performance period. Vesting is on a straight-line basis for intermediate performance. Nothing will vest for below TPR Index performance.

The Company's total property return will be adjusted to take into account the value already extracted from its Queen Anne's Gate property, which was effectively sold by way of a bond issue secured against that property in 2009.

As explained in the Directors' Remuneration Report, these performance conditions have been selected on the basis that maximum vesting will only be achieved for outperformance that is around the upper quartile of both the TSR and TPR Indices, both of which are externally recognised and calculated measures.

Ungeared TPR was chosen because it is widely used in the real estate industry as a measure of relative real estate portfolio performance. TSR was also chosen as a recognised measure of relative performance. Neither measure rewards general movements in the value of real estate or listed real estate companies, only outperformance. Satisfying these performance conditions will generate considerable additional value for shareholders.

The Committee may set different performance conditions and vesting levels in future years but in doing so shall ensure that all targets remain stretching.

The Committee may vary performance conditions applying to existing LTIP Awards if an event occurs which causes the Committee to consider it appropriate to amend them. Any variation must be fair and reasonable and the new conditions must, in the reasonable opinion of the Committee, be materially no more or less difficult to satisfy than the original conditions (but for the event in question).

Holding period

Other than Shares sold to fund tax withholding obligations, Executive Directors (and other participants at the Committee's discretion) will be required to retain Shares acquired under an LTIP Award for a minimum period of two years after the vesting date, even if they leave the employment of the Land Securities group (the **Group**).

Vesting of LTIP Awards

LTIP Awards will usually vest on the later of (i) the third anniversary of the date of grant or on such later date as the applicable performance period expires and (ii) the date on which the Committee assesses the extent to which any applicable performance conditions have been satisfied, provided (ordinarily) that the participant remains employed within the Group at that time.

Vested share options will be exercisable from the vesting date until the tenth anniversary of the date of grant. Shares will be released to participants within 30 days of the date of an LTIP Award vesting (or being exercised, in the case of an option). Such Shares will be subject to any applicable holding period (as described above).

Shares allotted or transferred will rank *pari passu* with Shares then in issue other than in respect of dividend and other entitlements arising by reference to a record date prior to the date of allotment or transfer. As soon as practicable after the allotment of any Shares, application will be made to the UK Listing Authority for their admission to the Official List.

The Committee has discretion to require that on vesting or exercise of any LTIP Award, the participant will receive, instead of some or all of those Shares, a cash amount equal to the market value of the number of Shares that would otherwise have been issued or transferred. This discretion has been included to provide flexibility should the Company wish to reduce the dilution of its share capital as a result of the vesting and exercise of LTIP Awards or to mitigate dealing costs.

Cessation of employment

LTIP Awards will normally only vest if the participant remains employed by, or holding office with, a company in the Group at the vesting date.

However, if the reason for leaving is injury, disability, redundancy, retirement with the agreement of the participant's employer, the sale of the participant's employer or the business in which he is employed out of the Group or any other reason at the Committee's discretion, LTIP Awards will not lapse but will vest on the normal vesting date, to the extent that the Committee determines that the performance conditions have been satisfied over the full performance period but subject to a time pro rating reduction (based on the total number of complete months from the date of grant to the cessation of employment relative to the length of the vesting period). Alternatively, the Committee may, in its absolute discretion, determine that LTIP Awards should vest on the date of leaving, subject to the satisfaction of the performance conditions (over the shortened performance period) at such date and to a time pro rating reduction.

In these circumstances, the Committee may determine that the pro rating reduction should not apply at all or should apply to a lesser extent if it considers that exceptional circumstances justify such treatment.

If a participant dies, his/her LTIP Awards will vest in full on the date of death and, if granted in the form of an option, the personal representative may exercise the option within 12 months of the date of the participant's death.

Malus and clawback

The Company has the right, before an LTIP Award vests, to reduce the number of Shares over which the award was granted in the event that: (a) the LTIP Award was granted over too many Shares in error, or (b) there was a material misstatement in the audited accounts and/or an error or reliance on misleading information when assessing the size or the vesting of: (i) the LTIP Award that was granted, or (ii) any annual bonus received by the participant.

The Company also has the right to require the transfer back to the Company of any benefit received by a participant on the vesting of an LTIP Award within two years of the vesting date if there has been a material misstatement in the audited accounts resulting in the over-vesting of the award and/or it is discovered that the participant could reasonably have been dismissed during the vesting period as a result of his/her misconduct. The amount to be clawed back may be satisfied by the reduction in any future bonus to be awarded to the participant, a reduction in the vesting of outstanding LTIP Awards or any other share awards, or by the payment of a cash amount by the participant.

Variation of capital

In the event of any variation in the Company's share capital (including a rights issue or any sub-division or consolidation of the Company's share capital), or a demerger, special dividend or other similar event which affects the market price of a Share to a material extent, the Committee may adjust the number of Shares under an LTIP Award.

Corporate events

In the event of a change of control, scheme of arrangement or voluntary winding-up, unvested LTIP Awards will vest to the extent that the performance conditions have been satisfied at the time of the relevant event, but subject to a time pro rating reduction (based on the number of complete months from the date of grant to the date of the relevant event relative to the length of the vesting period). The Committee may determine that the pro rating reduction should not apply at all, or should apply to a lesser extent, where it considers that exceptional circumstances apply. LTIP Awards granted in the form of options will be deemed to have been automatically exercised on the relevant vesting date.

LTIP Awards will be exchanged for equivalent awards over shares in a new holding company if the change of control of the Company is part of an internal corporate reorganisation (unless the Committee decides otherwise, in which case LTIP Awards will vest on the same basis as described above).

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the price of a Share to a material extent, the Committee may decide that LTIP Awards will vest as described above.

Employee Benefit Trust

The LTIP may be operated in conjunction with an employee benefit trust established by the Company (the **Trust**). The Company and participating subsidiaries will provide funds, by gift or loan to be held in accordance with the terms of the Trust, to enable the trustee to acquire Shares to satisfy LTIP Awards.

The Company shall determine whether Shares to satisfy LTIP Awards will be purchased or issued. Where the Company decides that Shares will be issued, the trustee will subscribe for them at such time and at such price as shall be agreed with the Company.

Amendments

The Committee may amend the rules of the LTIP in any respect. However, provisions governing eligibility requirements, the limits on the number of Shares available for LTIP Awards, the maximum entitlement of participants, the basis for determining a participant's entitlement and the adjustment of LTIP Awards following a variation of the Company's share capital may not be altered to the advantage of participants without the prior approval of shareholders in general meeting (with the exception of minor amendments made to benefit the administration of the LTIP to take account of a change in legislation or to obtain or maintain favourable (or avoid unfavourable) tax, exchange control or regulatory treatment for eligible employees, participants or for any company in the Group).

No alteration to the material disadvantage of participants may be made without the prior consent of a majority of those participants who reply to a request for their consent.

Part III

Shareholder notes

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

Ordinary shareholders have the right to attend, speak and vote at the AGM by signing the Attendance Card, bringing it along to the Meeting on Thursday, 23 July 2015 at 11.00am and handing it in on arrival. If you do not have an Attendance Card but believe that you should have one, please contact Equiniti, our Registrar, on 0871 384 2128. (Calls to this number cost 8p per minute plus network extras. Lines are open from 8.30am to 5.30pm, Monday to Friday, except UK public holidays). Equiniti's overseas helpline number is +44 121 415 7049.

Only those shareholders entered on the Company's register of members at 6.00pm on 21 July 2015 shall be entitled to attend or vote at the AGM in respect of the number of shares registered in their name at that time. If the Meeting is adjourned, the Company specifies that only shareholders entered on the Company's register of members not later than 6.00pm on the day two days prior to the reconvened meeting shall be entitled to attend and vote at the Meeting. Changes to the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote.

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

Shareholder right to appoint a proxy

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

A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice of Meeting. If you do not have a Form of Proxy but believe that you should have one, or if you require additional forms, please contact Equiniti on 0871 384 2128. (Calls to this number cost 8p per minute plus network extras. Lines are open from 8.30am to 5.30pm, Monday to Friday, except UK public holidays.) Equiniti's overseas helpline number is +44 121 415 7049. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy.

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

To be valid, any Form of Proxy must be received by hand during normal business hours or by post at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, England, no later than 11.00am on Tuesday, 21 July 2015 (i.e. 48 hours before the time of the Meeting).

Voting electronically by proxy

Shareholders who prefer to register the appointment of their proxy electronically via the internet can do so through the Equiniti website at www.sharevote.co.uk where full instructions on the procedure are given. The Voting ID, Task ID and Shareholder Reference Number printed on the Form of Proxy will be required to use this electronic proxy appointment system. Alternatively, shareholders who have already registered with Equiniti's online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk and clicking on the link to vote. A proxy appointment made electronically will not be valid if sent to any address other than

those provided or if received after 11.00am on Tuesday, 21 July 2015. Please note that any electronic communication found to contain a computer virus will not be accepted.

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

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

Indirect investors

Any person to whom this Notice is sent who is a person nominated under section 146 of the 2006 Act to enjoy information rights (**Nominated Person**) may, under an agreement between 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.

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

CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on 23 July 2015 and any adjournment(s) thereof by using the procedures described in the CREST Manual which can be viewed at www.euroclear.com. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

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

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

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

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

Corporate representatives

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member, provided that they do not do so in relation to the same shares. Such a corporate representative may be asked at the Meeting to produce a certified copy of the Resolution from which their authority is derived.

Information available on Land Securities Group PLC website

Under section 527 of the 2006 Act, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement 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 previous meeting at which annual accounts and reports were laid in accordance with section 437 of the 2006 Act. The Company may not require shareholders 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.

The 2015 Annual Report and this Notice are now available on the Company's website at www.landsecurities.com/investors. However, this notification of availability is not a substitute for shareholders reading those documents themselves.

Total voting rights

As at 3 June 2015, being the last practicable date prior to the publication of this Notice, the Company's total issued share capital consisted of 801,039,169 ordinary shares carrying one vote each, including 10,495,131 shares held in treasury. Therefore, the total voting rights in the Company as at 3 June 2015 was 790,544,038.

Documents available for inspection

Copies of the Executive Directors' Service Agreements, the Letters of Appointment of the Non-executive Directors and the rules of the Land Securities 2015 Long-Term Incentive Plan, as proposed to be adopted, are available for inspection at the registered office of the Company during normal business hours from the date of this Notice and will be available at the place and on the day of the Meeting from 10.45am until its conclusion.

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

Land Securities Group PLC
5 Strand, London WC2N 5AF

Telephone +44 (0)20 7413 9000
investor.relations@landsecurities.com
www.landsecurities.com