THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your ordinary shares of 25p each in The British Land Company PLC, please forward this document, together with the accompanying documents at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The British Land Company PLC

To all ordinary shareholders and participants in the British Land Share Incentive Plan and, for information only, holders of the 10 1/2 and 11 3/8 per cent. First Mortgage Debenture Stocks 2019/24.

ANNUAL GENERAL MEETING 2006

NOTICE OF MEETING

NOTICE is hereby given that the Annual General Meeting of The British Land Company PLC will be held at The Landmark London Hotel, 222 Marylebone Road, London, NW1 6JQ, on Friday 14th July 2006, at 11.30 am for the following purposes:

1 To receive the Report of the Directors and audited Accounts for the year ended 31st March 2006.

2 To declare a Final Dividend for the year ended 31st March 2006.

3 To re-elect Sir John Ritblat, aged 70, as a director (see note 1).

4 To re-elect Michael Cassidy as a director (see note 1).

5 To re-elect Robert Swannell as a director (see note 1).

6 To re-elect Dr Christopher Gibson-Smith as a director (see note 1).

7 To re-elect David Michels as a director (see note 1).

8 To re-elect Lord Turnbull as a director (see note 1).

9 To re-elect Kate Swann as a director (see note 1).

10 To elect Andrew Jones as a director (see note 1).

11 To elect Tim Roberts as a director (see note 1).

12 To re-appoint Deloitte & Touche LLP as auditors.

13 To authorise the directors to fix the remuneration of the auditors.

14 To approve by ordinary resolution the Remuneration Report on pages 57 to 66 of the Annual Report and Accounts 2006 and the policy set out therein.

15 As special business, to renew by ordinary resolution the directors' authority to allot unissued share capital or convertible securities of the Company, granted by shareholders on 15th July 2005 pursuant to Section 80 of the Companies Act 1985.

16 As special business, partially to waive by special resolution the pre-emption rights held by existing shareholders which attach to future issues for cash of equity securities of the Company by virtue of Section 89 of the Companies Act 1985.

17 As special business, to grant to the Company by special resolution authority to exercise its power to purchase its own shares pursuant to the Articles of Association of the Company.

18 As special business, to approve by ordinary resolution a new performance plan to be known as The British Land Company PLC Fund Managers Performance Plan (the "Performance Plan").

19 As special business, to approve by ordinary resolution a new matching share plan to be known as The British Land Company PLC Matching Share Plan (the "Matching Share Plan").

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

20 As special business, to approve by ordinary resolution amendments to The British Land Company Long Term Incentive Plan (the "LTIP").

21 As special business, to approve by ordinary resolution the directors of the Company establishing further plans for overseas employees based on the Performance Plan and the Matching Share Plan but as modified, to take account of local tax, exchange control and securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against limits on individual or overall participation in the Performance Plan and the Matching Share Plan respectively.

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and upon a poll vote instead of him/her. A proxy need not be a member of the Company.

To be valid a form of proxy must be lodged, either in hard copy or electronically, not less than forty-eight hours before the meeting or any adjournment thereof.

Notes

1 Further information on the proposed re-elections of Sir John Ritblat, Michael Cassidy, Robert Swannell, Dr Christopher Gibson-Smith, David Michels, Lord Turnbull and Kate Swann, and the proposed elections of Andrew Jones and Tim Roberts, can be found on page 74 of the Annual Report and Accounts 2006. Their biographical details can be found on pages 54 and 55 of the Report and Accounts.

Pursuant to Sections 293(5) and 379 of the Companies Act 1985, special notice of the resolution to re-elect Sir John Ritblat (aged 70) has been given to the Company.

2 An explanation of resolutions 15 to 21 is set out in Appendix 1 to this document, and the full text of each resolution is attached as Appendix 2 to this document.

3 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 the time by which a person must be entered on the register of members of the Company in order to have the right to attend or vote at the Annual General Meeting is 6 pm on 12th July 2006. If the meeting is adjourned, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the adjourned meeting is 6 pm on the second day before the date fixed for the adjourned meeting. Changes to entries on the register of members after the relevant time will be disregarded in determining the rights of any person to attend or vote at the meeting.

4 The following documents will be available for inspection at 10 Cornwall Terrace, Regent's Park, London, NW1 4QP, during usual business hours on any weekday (Saturdays and public holidays excluded) from the date of this notice until 14th July 2006:

- **a** the register of directors' interests kept by the Company under Section 325 of the Companies Act 1985;
- **b** copies of all contracts of service between the directors and the Company;
- **c** a copy of the draft rules of the Performance Plan proposed under resolution 18;
- **d** a copy of the draft rules of the Matching Share Plan proposed under resolution 19; and
- **e** a copy of the rules of the LTIP, together with a copy of the amendments to those rules, proposed under resolution 20.

They will also be available for inspection at The Landmark London Hotel, 222 Marylebone Road, London, NW1 6JQ, for the period of 15 minutes prior to the Annual General Meeting and during that meeting.

By Order of the Board,

Anthony Braine
Secretary
9th June 2006
10 Cornwall Terrace, Regent's Park, London, NW1 4QP

Electronic appointment – CREST members

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. 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 made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's CREST Manual. The CREST message must be transmitted so as to be received by the issuer's agent (ID7RA01) by not later than 48 hours before the time appointed for the holding of the Annual General Meeting or the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST message by the CREST Applications Host) from which the issuer's agent is able to retrieve the CREST 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 provider(s), should note that CRESTCo does not make available 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(s) is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) is/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.

ANNUAL GENERAL MEETING 2006

APPENDIX 1 – EXPLANATION OF RESOLUTIONS 15 – 21

9th June 2006

Resolution 15: ALLOTMENT OF SHARES

Section 80 of the Companies Act 1985 (the "Act") requires shareholders' authority for the directors to allot the unissued share capital of the Company or convertible securities, other than shares which may be allotted under employee share schemes. Such authority may be granted for a period of no more than five years. The existing authority under Section 80 of the Act, given by shareholders to the directors at last year's Annual General Meeting, is in respect of unissued Ordinary Shares having an aggregate nominal value of £43,192,578, representing one third of the nominal amount of the issued ordinary share capital of the Company at that time. The existing Section 80 authority is due for renewal at the Annual General Meeting to be held in 2006. The directors consider that this authority should be renewed in respect of unissued Ordinary Shares having an aggregate nominal value of £43,265,524 representing 33.33% (one third) of the nominal issued ordinary share capital as at 9th June 2006 (at that date the Company held no treasury shares) so as to expire at the Annual General Meeting to be held in 2007. The directors have no present intention of exercising this authority, other than the issue of shares to non-executive directors in lieu of their directors' fees. The resolution to be proposed at the Annual General Meeting is shown as item 15 in Appendix 2.

Resolution 16: WAIVER OF PRE-EMPTION RIGHTS

In the case of a new allotment of shares or convertible securities for cash, Section 89 of the Act grants pre-emption rights to existing shareholders. The UK Listing Authority does not require the consent of shareholders to each specific allotment (made other than to existing shareholders on a proportional basis) provided that the authority of shareholders, which may be given under Section 95 of the Act, to disapply generally the provisions of Section 89 is obtained. Accordingly, the directors consider that it is in the best interests of the Company for the existing Section 95 authority granted by shareholders on 15th July 2005 to be renewed for a period expiring at the Annual General Meeting to be held in 2007. The authority will also permit the sale for cash on a non-pre-emptive basis of shares held by the Company in treasury up to the relevant limit. It is proposed that the waiver will be limited by value to 5 per cent. of the Company's nominal issued ordinary share capital as at 9th June 2006 and so will apply to equity securities having an aggregate nominal value of £6,489,828. The waiver will also disapply Section 89 of the Act in respect of fractional entitlements arising on rights issues. This proposal is consistent with the current recommendations of the Investment Committees of the Association of British Insurers and the National Association of Pension Funds.

If this approval is granted your directors would, in implementing it, have regard to the provisions of such recommendations which indicate that issues of equity securities for cash (other than by way of rights) should not, in any rolling three-year period, exceed 7½ per cent. of the issued ordinary share capital. The resolution to be proposed at the Annual General Meeting is shown as item 16 in Appendix 2.

Resolution 17: PURCHASE OF OWN SHARES

The Articles of Association of the Company empower the Company to purchase its own shares. The directors consider it desirable and in the Company's interests for shareholders to grant to the Company authority to exercise this power, within certain limits, to enable the Company to purchase its own shares. The authority to purchase shares would only be exercised as and when conditions were favourable, with a view to enhancing earnings per share and/or net asset value per share. Shares purchased under this authority out of distributable profits will become treasury shares which the Company can cancel or hold for sale for cash or transfer for the purposes of or pursuant to an employees' share scheme. In considering any proposed transfer of treasury shares for the purposes of or pursuant to an employees' share scheme, the Company will have regard to the limits relating to such schemes on the use of unissued shares as if the proposed transfer of treasury shares was an issue of unissued shares.

The directors propose an authority, to expire at the Annual General Meeting to be held in 2007, for the Company to purchase its own shares up to a total of 51,918,628 Ordinary Shares having an aggregate nominal value of £12,979,657, being 10 per cent. of the nominal issued ordinary share capital as at 9th June 2006. At that date the Company held no treasury shares and there were options outstanding to subscribe for 7,154,809 Ordinary Shares in the Company, representing 1.38% of the then issued share capital. In the event that the full authority to buy back shares being sought at the Annual General Meeting were used, these options would represent 1.53% of the then issued share capital. The resolution to be proposed at the Annual General Meeting is shown as item 17 in Appendix 2.

Resolutions 18 – 21: INCENTIVE ARRANGEMENTS

Following the appointment of a new Chief Executive Officer of the Company and the acquisition of Pillar Property PLC ("Pillar"), the Remuneration Committee (the "Committee") has reviewed and updated the structure and components of the Company's remuneration policy in order to support and promote the Company's revised business strategy and objectives.

As a result of this review, the Committee considers that it is necessary to introduce two new share incentive arrangements and to update the rules of the existing long term incentive plan (the "LTIP"). The two new incentive arrangements proposed are The British Land Company PLC Fund Managers Performance Plan (the "Performance Plan") and The British Land Company PLC Matching Share Plan (the "Matching Share Plan") (together the "Plans"). The details of the Plans have been finalised after consultations with Research Recommendation Electronic Voting and an investor group arranged by the Association of British Insurers.

The Performance Plan is designed to incentivise the former Pillar fund management executives who now operate the "Company advised" unit trusts (the "Unit Trusts"). This may, from time to time, include one or more executive directors to the extent that their responsibilities include fund management. It will replace the former Pillar Capital Reward Incentive Share Plan which was the long term incentive scheme for senior Pillar executives. The Performance Plan is intended to incentivise and retain the top fund managers by rewarding outperformance and to align the interests of those executives with investors in the Unit Trusts. The Company is one of the largest investors in those Unit Trusts.

The Matching Share Plan is targeted at executive committee members (and, by invitation, other key senior contributors to the Company or members of its group). It is intended to incentivise and retain senior executives, ensure that such executives are not focused exclusively on short term performance and, accordingly, increase the alignment of their interests with those of the shareholders.

In relation to share based payments made pursuant to the Plans, it is intended that the Plans will operate in conjunction with the trustees of The British Land Employee Ownership Plan (the "Trustees").

In terms of cost, the Committee consider that the operation of the Plans and the amendments to the LTIP will not create an unacceptable level of expense for the Company and indeed the operation of the Plans is expected to add value for shareholders from their incentive effect on relevant management. The Plans pay benefits when outperformance is achieved for shareholders. In the case of the Performance Plan, it replaces the previous Pillar plan whose expense has ceased.

Subject to shareholder approval, the Company intends to implement the Plans in the 2006/7 financial year. In addition, as part settlement of bonuses for the financial year ended 31 March 2006 it is intended that existing shares be delivered to individuals eligible to participate in the Matching Share Plan at their election and that the Matching Share Plan applies in relation to those share awards.

Furthermore, it is intended that part of the supplementary bonuses payable to fund management staff in respect of fund management performance fees receivable for the calendar year ended 31 December 2005 will be satisfied by share awards that are subject to the Performance Plan.

The Performance Plan

Following the end of each financial year, up to a maximum of 30 per cent. of the annual performance fees earned by the Unit Trusts will be set aside to provide incentives under the Performance Plan (the "Annual Incentive Pool"). At present, the Committee only expects awards to be made equal to 25 per cent. of the Annual Incentive Pool with the balance representing a reserve to be drawn upon if fund activity expands.

The Committee may in its absolute discretion grant, and recommend that the Trustees grant, awards under the Performance Plan. Factors that will be taken into account in making, and recommending the making of, awards will include individual performance, seniority and the performance fee contribution to the Annual Incentive Pool of each Unit Trust and its managers.

20 per cent. of the value of any award under the Performance Plan will be paid as a cash bonus. The remaining 80 per cent. of the value of any award will be delivered in the form of free shares in the Company (the "Share Award"). The Share Award will vest in three equal annual tranches. The first tranche will vest, and the shares comprised in that tranche will be delivered, on the first anniversary of the award date. The second and third tranches will vest, and the shares comprised in those tranches will be delivered, annually thereafter. No further performance conditions will need to be satisfied in order for a Share Award to vest. However, to the extent that performance fees (by reference to which the Annual Incentive Pool was calculated) are "clawed back" due to subsequent Fund underperformance, a pro rata proportion of all unvested awards for that year will cease to vest. In addition, each tranche of a Share Award will only vest if the recipient of that Share Award is an employee or officer of a group company on the relevant vesting date and has not given notice of intention to resign.

In general, no single award under the Performance Plan will represent more than 25 per cent. of the Annual Incentive Pool. However, the Committee may in its absolute discretion grant, and recommend that the Trustees grant, awards with a higher value. In addition, the Committee may in its absolute discretion make, and recommend that the Trustees make, awards to employees who work outside of the fund management group. Such awards would be based on contribution to fund activity and would represent, in total, no more than 20 per cent. of the Annual Incentive Pool.

It is important that Performance Plan recipients also remain focused on the Company's overall performance, and indeed many of them have broader responsibilities in that regard. They will therefore remain eligible for the Company's other share based award schemes. However, in line with practice at other companies and in order to avoid excessive overall awards, the combined value of awards in any year for a participant under both the Performance Plan and the LTIP will be the higher of (i) the value of their Performance Plan award plus an award equal to 20 per cent. of what would otherwise have been the value of their LTIP award, and (ii) 100 per cent. of the value of their LTIP award, or such other combined value as the Committee may determine in its absolute discretion from time to time.

A more detailed summary of the principal features of the Performance Plan appears in Appendix 3.

The Matching Share Plan

The Company's annual bonus incentive scheme is currently 100 per cent. cash payment. For those individuals who are eligible to participate in the Matching Share Plan, it is proposed that one third of their after tax bonus (or such other after tax proportion as the Committee may agree) (the "Deferred Bonus") be delivered in the form of existing shares in the Company (the "Bonus Shares"). This will normally be achieved by the Company putting the Trustees in sufficient funds to purchase such shares in the market.

Participants in the Matching Share Plan will be eligible to receive an award of free shares benchmarked by reference to the number of shares in the Company (the "Notional Bonus Shares") that equates in value to the gross amount of their Deferred Bonus on the date such Deferred Bonus was declared (a "Matching Share Award"). The receipt of such Matching Share Award will be subject to (i) the Bonus Shares being held by the Trustees for a three year period (the "Performance Period"), (ii) the participant remaining an employee or officer of a group company at the end of the Performance Period, and (iii) certain performance conditions being satisfied.

The level of any Matching Share Award will depend on the extent to which performance conditions are satisfied. In this regard, the Matching Share Award will be divided into two parts. One part of a Matching Share Award will be based on total shareholder return (the "TSR Part"). The other part of a Matching Share Award will be based on the growth in the Company's earnings per share (the "EPS Part"). Awards in relation to the TSR Part and EPS Part will be equal in notional terms but will not necessarily be equal in final value as that will depend on the satisfaction of the conditions applicable to each part. The combined maximum amount of shares that can be delivered to a participant pursuant to a Matching Share Award cannot exceed 200 per cent. of the number of their Notional Bonus Shares for any relevant year.

TSR Conditions

As regards the TSR Part, if the total shareholder return over the Performance Period relating to the TSR Part (the "TSR") is less than the median of a comparator group of UK property companies (the "Median"), no Matching Share Award will vest for participants in relation to the TSR Part. If the TSR is equal to the Median, a Matching Share Award equal to 35 per cent. of each participant's number of Notional Bonus Shares will vest in relation to the TSR Part. For every one per cent. that the TSR exceeds the Median, each participant's Matching Share Award in relation to the TSR Part shall be increased by an amount equal to 16.25 per cent. of that participant's number of Notional Bonus Shares, subject to a maximum amount under the TSR Part equal to 100 per cent. of that participant's number of Notional Bonus Shares.

EPS Conditions

As regards the EPS Part, if the increase in the underlying earnings per share of the Company during the Performance Period relating to the EPS Part (the "EPS") is less than 4 per cent. per annum during that Performance Period (the "Growth Requirement"), no Matching Share Award will vest for participants in relation to the EPS Part. If the increase in EPS is equal to the Growth Requirement, a Matching Share Award equal to 35 per cent. of each participant's number of Notional Bonus Shares will vest in relation to the EPS Part. For every one per cent. per annum that the EPS exceeds the Growth Requirement, each participant's Matching Share Award in relation to the EPS Part shall be increased by an amount equal to $21^2/_3$ per cent. of that participant's number of Notional Bonus Shares, subject to a maximum amount under the EPS Part equal to 100 per cent. of that participant's number of Notional Bonus Shares.

The TSR and EPS conditions have been selected to complement the net asset based LTIP vesting criteria and ensure a balanced alignment of interest with the key financial measures most used by shareholders. The vesting scales have been designed to reward outperformance - in the case of TSR, by reference to competitors - in the case of EPS, by reference to growth rates achieved and expected to be achieved by major competitors (median being in the region of 3 per cent.) which also represents a premium to expected long term rental growth rates in the economy from which EPS growth in property companies is derived.

For "good leavers", the Committee will recommend that the Trustees exercise their discretion to permit their Matching Share Award to vest. In such a case, their Matching Share Award may vest to the extent that the Trustees determine that performance conditions have been satisfied at that time by reference to an appropriately modified period and then on such time apportioned basis as the Trustees consider appropriate, in each case having first taken into account the recommendation of the Committee.

A more detailed summary of the principal features of the Matching Share Plan appears in Appendix 4.

Proposed amendments to the LTIP

The LTIP permits market value options or performance shares (which are similar to restricted shares) to be awarded at the recommendation of the Company from time to time. In general, the total value of option and share awards which can be granted to a participant in any financial year cannot exceed 150 per cent. of their annual basic salary.

Valuation of option awards

The rules of the LTIP currently require the notional value of option awards to be calculated at one third of the arithmetic average of the total market value of shares placed under option on the three dealing days immediately preceding the date of grant. The Committee has recently been advised that changes in the factors used in option valuation methodologies mean that the valuation of option awards under the LTIP no longer reflects current market practice or values. The advent of Real Estate Investment Trusts ("REITs") will exacerbate this.

In order to ensure that the valuation of option awards granted under the LTIP remains consistent with market practice and values, the Committee believes that it is appropriate for the rules of the LTIP to be amended so as to permit the Committee, based on external advice, to vary the valuation of option awards in order to reflect changes in market conditions. This would not result in any change to the total notional value of option and share awards referred to above.

The new valuation basis would be applied to all LTIP awards in the current financial year and thereafter. At present values this would imply four options being equivalent to one share and the additional option would be added to May and November awards based on the share price prevailing at the time of the AGM in the case of the former, or on the grant date in the case of the latter. New option valuations will be retested annually.

REITs and performance conditions

The vesting of awards under the LTIP depends in part on the satisfaction of performance conditions. These performance conditions are currently set by reference to the Company's net asset value ("NAV"). The Committee believes that the rules of the LTIP should be amended to enable the Committee or (where applicable) the LTIP Trustees, at the recommendation of the Committee, to alter performance conditions attached to awards:-

(i) in order to remove the effect on NAV (and the satisfaction of performance conditions) of any relevant financial and/or tax charges incurred by the Company in relation to, or in anticipation of, its conversion into a REIT, should such conversion be proposed;

(ii) in order to adjust vesting scales for the effect of any consequential changes that flow from the Company converting into a REIT, such as revised dividend requirements; or

(iii) where the LTIP Trustees consider that such performance conditions would not, without some amendment, continue to achieve their original purpose and maintain the alignment of participants' interests with those of shareholders, and without further shareholder approval.

In addition, in connection with the Company's possible conversion into a REIT and to guard against the dividend requirement of REITs rendering options less attractive, the Committee believes that the rules of the LTIP should be amended to enable the LTIP Trustees, at the recommendation of the Committee, to exchange outstanding option awards for an equivalent value of performance shares after taking account of any income tax and employee national insurance contribution liabilities which arise on such an exchange.

Furthermore, in connection with the Company's possible conversion into a REIT and to cater for the possibility that such a conversion might be implemented by way of a reconstruction involving a new holding company, the Committee believes that the rules that govern the performance share plan element of the LTIP should be amended in order to ensure that on any reconstruction the Company can procure that such LTIP awards are replaced with awards over shares in any new holding company that are substantially equivalent in value to the value of their unvested awards immediately prior to such a reconstruction.

Interaction with the Performance Plan

As noted on page 6 of this circular, in line with practice at other companies and in order to avoid excessive overall awards, the combined value of awards in any year for a participant under both the Performance Plan and the LTIP will be the higher of (i) the value of their Performance Plan award plus an award equal to 20 per cent. of what would otherwise have been the value of their LTIP award, and (ii) 100 per cent. of the value of their LTIP award, or such other combined value as the Committee may determine in its absolute discretion from time to time. Although this principle will be set out in the rules of the Performance Plan, the Committee also believes that it should be reflected in the LTIP rules and, therefore, it is proposed that the LTIP rules be amended accordingly.

Approval

The Company will be seeking the approval of shareholders to all of the proposed amendments to the LTIP rules. In addition, the approval of HM Revenue & Customs will be sought in relation to those proposed amendments to the LTIP rules that impact on the grant of approved options under the LTIP.

Minimum Shareholding Guideline

As part of the revised remuneration policy, a minimum shareholding guideline is being introduced. The guideline is for the Chief Executive Officer to hold approximately 175 per cent. of base salary in vested shares and for other executive directors to hold approximately 125 per cent. of base salary in vested shares.

Dilution limits

In line with the guidelines set by the Association of British Insurers, awards granted under the Plans (and the LTIP) will be subject to dilution limits so as to ensure that commitments to issue new shares under all of the Company's share schemes is limited to 10 per cent. of the Company's issued share capital in any rolling ten year period and that commitments to issue new shares under the Company's discretionary share schemes (including the Plans) is limited to 5 per cent. of the Company's issued share capital over the same period.

Resolutions

The resolutions proposed in relation to the incentive arrangements are shown as items 18-21 in Appendix 2.

RECOMMENDATIONS

Your directors consider that the passing of Resolutions 1 to 21 is in the best interests of the Company and its shareholders as a whole and accordingly recommend that you vote in favour of all the resolutions to be proposed at this year's Annual General Meeting. Your directors intend to vote in favour of these resolutions in respect of their own share interests, which amount to 4,266,474 Ordinary Shares, representing in aggregate 0.82 per cent. of the nominal issued ordinary share capital of the Company.

APPENDIX 2

THE FOLLOWING RESOLUTIONS NUMBERED 15 – 21 WILL BE PROPOSED AS SPECIAL BUSINESS AT THE 2006 ANNUAL GENERAL MEETING

The resolutions constituting the ordinary business of the Annual General Meeting are shown as items 1 to 14 in the Notice of Meeting set out on page 1 of this document.

15 As an ordinary resolution:

THAT the directors be generally and unconditionally authorised, pursuant to Section 80 of the Companies Act 1985 (the "Act"), to allot relevant securities of the Company PROVIDED THAT:

(a) the maximum amount of relevant securities that may be allotted pursuant to the authority given by this resolution shall be an aggregate nominal amount of £43,265,524;

(b) subject as provided in paragraph (c) of this resolution, such authority shall expire on the date of the Company's Annual General Meeting to be held in 2007 but may previously be revoked or varied by an ordinary resolution of the Company;

(c) such authority shall permit and enable the directors to make an offer or an agreement, before the expiry of such authority, which would or might require relevant securities to be allotted after such expiry;

(d) words and expressions defined in or for the purposes of Part IV of the Act shall bear the same meanings in this resolution; and

(e) the authority granted by this resolution is in substitution for the authority granted by the relevant ordinary resolution passed on 15th July 2005.

16 As a special resolution:

THAT:

(a) the directors be empowered, during the period expiring on the date of the Company's Annual General Meeting to be held in 2007, to allot equity securities of the Company, pursuant to the authority given to them by the preceding ordinary resolution and to sell equity securities which immediately before the sale are held by the Company as treasury shares (as defined in Section 162A of the Companies Act 1985 (the "Act")), as if Section 89(1) of the Act did not apply to any such allotment or sale, provided that such power shall be limited to the allotment or sale of equity securities:

(i) in connection with a rights issue of such securities to the holders of relevant shares and relevant employee shares of the Company (not being treasury shares), or in connection with any other form of issue of such securities in which such holders are offered the right to participate, in proportion (as nearly as may be) to their respective holdings and, if the terms of any other equity securities so provide, in favour of the holders of those equity securities in accordance with the terms thereof, subject to such exclusions or other arrangements as the directors consider necessary or expedient in connection with shares representing fractional entitlements or on account of either legal or practical problems arising in connection with the laws of any territory or of the requirements of any relevant regulatory body or stock exchange in any territory; and

(ii) (otherwise than under sub-paragraph (a) (i) above) having an aggregate nominal value of £6,489,828;

(b) such power shall permit and enable the directors to make an offer or agreement, before the expiry of such power, which would or might require equity securities to be allotted or sold after such expiry;

(c) words and expressions defined in or for the purposes of Part IV of the Act shall bear the same meanings in this resolution; and

(d) the authority granted by this resolution is in substitution for the authority granted by the relevant special resolution passed on 15th July 2005.

17 As a special resolution:

THAT pursuant to the Articles of Association of the Company and in accordance with Section 166 of the Companies Act 1985 (the "Act"), the Company be generally and unconditionally authorised, during the period expiring on the date of the Company's Annual General Meeting to be held in 2007, to make market purchases (as defined in Section 163 of the Act) of the Company's Ordinary Shares on such terms and in such manner as the directors may determine, PROVIDED THAT this authority shall:

(a) be limited to a maximum of 51,918,628 Ordinary Shares having a nominal value of £12,979,657;

(b) not permit the payment by the Company of less than 25 pence per Ordinary Share nor more than 105 per cent. of the average of the middle market quotations of the Company's Ordinary Shares as derived from the UK Listing Authority Daily Official List on the five business days immediately preceding the date of any proposed purchase; and

(c) permit the Company to complete a purchase of Ordinary Shares after the expiry of this authority if the contract for such purchase was concluded before such expiry.

18 As an ordinary resolution:

THAT:

(a) the adoption of The British Land Company PLC Fund Managers Performance Plan ("the Performance Plan"), the main features of which are summarised in Appendix 3 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:

 (i) to do all such acts and things as they may consider necessary or expedient to carry into effect the Performance Plan; and

 (ii) to vote, and be counted in the quorum, on any matter connected with the Performance Plan, notwithstanding that they may be interested in the same and the provisions of the Articles of Association of the Company be relaxed accordingly to that extent (except that no director may be counted in a quorum or vote in respect of his own participation).

19 As an ordinary resolution:

THAT:

(a) the adoption of The British Land Company PLC Matching Share Plan (the "Matching Share Plan"), the main features of which are summarised in Appendix 4 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:

 (i) to do all such acts and things as they may consider necessary or expedient to carry into effect the Matching Share Plan; and

 (ii) to vote, and be counted in the quorum, on any matter connected with the Matching Share Plan, notwithstanding that they may be interested in the same and the provisions of the Articles of Association of the Company be relaxed accordingly to that extent (except that no director may be counted in a quorum or vote in respect of his own participation).

20 As an ordinary resolution:

THAT:

(a) subject to the prior approval of HM Revenue & Customs (where applicable), the amendments to The British Land Company Long Term Incentive Plan (the "LTIP") as produced to the Meeting and signed by the Chairman for the purposes of identification, be and are hereby approved; and

(b) the Directors of the Company be and are hereby authorised:

 (i) to do all such acts and things as they may consider necessary or expedient to carry into effect the amendments to the LTIP, including making any changes to the proposed amendments to the LTIP which they consider appropriate in order to retain the approval of HM Revenue & Customs in relation to the grant of approved options under the LTIP; and

 (ii) to vote, and be counted in the quorum, on any matter connected with the amendments to the LTIP, notwithstanding that they may be interested in the same and the provisions of the Articles of Association of the Company be relaxed accordingly to that extent (except that no director may be counted in a quorum or vote in respect of his own participation).

21 As an ordinary resolution:

THAT:

(a) the directors of the Company be authorised to establish further plans for overseas employees based on the Performance Plan and the Matching Share Plan but as modified, to take account of local tax, exchange control and securities laws in overseas territories ("Overseas Plans"), provided that any shares made available under such further plans are treated as counting against limits on individual or overall participation in the Performance Plan and the Matching Share Plan respectively; and

(b) the Directors of the Company be and are hereby authorised:

(i) to do all such acts and things as they may consider necessary or expedient to carry into effect any Overseas Plans; and

(ii) to vote, and be counted in the quorum, on any matter connected with any Overseas Plans, notwithstanding that they may be interested in the same and the provisions of the Articles of Association of the Company be relaxed accordingly to that extent (except that no director may be counted in a quorum or vote in respect of his own participation).

APPENDIX 3

PRINCIPAL TERMS OF THE BRITISH LAND COMPANY PLC

PERFORMANCE PLAN ("THE PERFORMANCE PLAN")

1 Administration

The Performance Plan will be administered by the Remuneration Committee (the "Committee") in relation to cash awards and by the trustees of The British Land Employee Ownership Plan (the "Trustees") in relation to share awards. The Trustees are independent of The British Land Company PLC (the "Company") and its directors. The Trustees will normally seek the advice of the Committee before taking any decision in relation to the Performance Plan.

2 Eligibility

Awards may be made to senior executives who operate the "Company advised" unit trusts (which may include one or more executive directors to the extent that their responsibilities include fund management) and to certain other employees outside the fund management group who have contributed to fund activity and who have not given notice of their resignation.

3 Performance Plan Limits

Following the end of each financial year, up to 30% of the annual performance fees earned from the "Company advised" unit trusts will be set aside to provide incentives under the Performance Plan ("Annual Incentive Pool").

4 Individual Limit

The total value of awards granted to an individual in any year shall not exceed 25 per cent. of the Annual Incentive Pool. The Committee and/or the Trustees (having consulted with the Committee) may, in their discretion, grant awards with a higher value.

5 Awards

Awards will generally be made within the period of four months following the end of the Company's financial year. 20 per cent. of the value of any award under the Performance Plan will be paid immediately as a cash bonus. The remaining 80 per cent. of the value of any award will be delivered in the form of free shares in the Company (the "Share Award"). The Share Award will vest in three equal annual tranches. The first tranche will vest, and the shares comprised in that tranche will be delivered, on the first anniversary of the award date. The second and third tranches will vest, and the shares comprised in those tranches will be delivered, annually thereafter. No further performance conditions will need to be satisfied in order for a Share Award to vest. However, to the extent that performance fees (by reference to which the Annual Incentive Pool was calculated) are "clawed back" due to subsequent Fund underperformance, a pro rata proportion of all unvested awards for that year will cease to vest.

6 Cessation of Employment

Rights to unvested tranches of any share award ("Unvested Tranches") will normally lapse on the earlier of cessation of employment and notice of resignation. However, where participants who leave before the end of the three year vesting period are classified as "good leavers", the Committee will recommend that the Trustees exercise their discretion to permit Unvested Tranches to vest at the time when they would otherwise have vested or at such earlier time as they determine.

7 Corporate Events

In the event of a takeover, scheme of arrangement or winding up of the Company (not being an internal corporate reorganisation) all share awards will immediately vest provided that the Trustees (having consulted with the Committee) are satisfied that there is no likelihood of any remaining clawback exposures. If the Trustees are not so satisfied then share awards will vest, if at all, on such basis as the Trustees consider appropriate having consulted with the Committee.

In the case of an internal reorganisation, share awards will be replaced by equivalent value new awards over shares in a new holding company.

8 Variation of Capital

In the event of variation in, or reorganisation of, the share capital of the Company, the Trustees may (having consulted with the Committee) make such adjustment as they consider appropriate to the number of shares which may be acquired pursuant to a Share Award.

9 Dilution Limits

Awards granted under the Performance Plan will be subject to dilution limits so as to ensure that commitments to issue new shares under all of the Company's share schemes is limited to 10 per cent. of the Company's issued share capital in any rolling ten year period and that commitments to issue new shares under the Company's discretionary share schemes (including the Performance Plan) is limited to 5 per cent. of the Company's issued share capital over the same period.

10 Dividend Payments

To the extent that any tranche of a Share Award vests, a participant will receive a supplementary payment in cash or shares equal in value to the dividends that would have been paid on the shares comprised in such tranche since their award date.

11 Overseas Plans

The directors of the Company may from time to time and without additional formality establish further plans for overseas employees based on the Performance Plan but as modified, to take account of local tax, exchange control and securities laws in overseas territories. Shares made available under any further plan will count against limits on individual or overall participation in the Performance Plan.

12 Interaction with other incentive arrangements

The combined value of awards in any year for a participant under both the Performance Plan and the Company's long term incentive plan (the "LTIP") will be the higher of (i) the value of their Performance Plan award plus an award equal to 20 per cent. of what would otherwise have been the value of their LTIP award, and (ii) 100 per cent. of the value of their LTIP award, or such other combined value as the Committee may determine in its absolute discretion from time to time.

13 Pension Rights

The value of any awards acquired under the Performance Plan will not be pensionable.

14 Amendments

The Performance Plan may be amended at any time by the Committee or the Trustees (having consulted with the Committee), provided that the prior approval of the Company in general meeting will be required for amendments to the advantage of participants (except for minor amendments to benefit the administration of the Performance Plan to take account of changes in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, the Company or any member of the Company's group).

15 Termination

The Performance Plan may be terminated at any time by resolution of the Committee or the Company in general meeting. In any event, the Performance Plan will terminate on the tenth anniversary of the date on which it is approved by the Company in general meeting. Termination of the Performance Plan will not affect the outstanding rights of participants.

APPENDIX 4

PRINCIPAL TERMS OF THE BRITISH LAND COMPANY PLC

MATCHING SHARE PLAN ("THE MATCHING SHARE PLAN")

1 Administration

The Matching Share Plan will be administered by the trustees of The British Land Employee Ownership Plan (the "Trustees"). The Trustees are independent of The British Land Company PLC (the "Company") and its directors. The Trustees will normally seek the advice of the Remuneration Committee (the "Committee") before taking any decision in relation to the Matching Share Plan.

2 Eligibility

Awards may be made to executive directors, executive committee members and, by invitation, to other key senior employees of the Company or members of its group.

3 Awards

Participants will have one third of their after tax annual bonus (or such other after tax proportion as the Committee may agree) (the "Deferred Bonus") delivered in shares of the Company (the "Bonus Shares"). Such Bonus Shares will be held by the Trustees on their behalf.

Participants will be eligible to receive an award of free shares benchmarked (as nearly as possible) against the number of shares in the Company (the "Notional Bonus Shares") that equate in value to the gross amount of their Deferred Bonus on the date such Deferred Bonus was declared (a "Matching Share Award"). The receipt of such a Matching Share Award will be subject to (i) their Bonus Shares being held by the Trustees for a three year period (the "Performance Period"), (ii) the participant remaining an employee or officer of a group company at the end of the Performance Period, and (iii) certain performance conditions being satisfied.

The level of any Matching Share Award will depend on the extent to which performance conditions are satisfied.

Matching Share Awards will generally be made within the period of four months following the end of the Company's financial year.

4 Performance Conditions

The vesting of Matching Share Awards will be determined by reference to the total shareholder return during the Performance Period and the increase in earnings per share of the Company during the Performance Period. Further details of these performance conditions and the level at which Matching Share Awards vest are set out on pages 6 and 7 of this circular.

5 Individual Limit

The maximum amount of shares that can be delivered to a participant pursuant to a Matching Share Award cannot exceed 200 per cent. of the number of their Notional Bonus Shares for any relevant year.

6 Cessation of Employment

Rights to a Matching Share Award will normally lapse on cessation of employment. However, where participants who leave before the end of the Performance Period are classified as "good leavers", the Committee will recommend that the Trustees exercise their discretion to permit vesting of Matching Share Awards at the end of the Performance Period or earlier. In such a case, a Matching Share Award will only vest to the extent that the Trustees determine that the performance conditions have been satisfied at that time by reference to an appropriately modified period and then on such time apportioned basis as the Trustees consider appropriate, in each case having first taken into account the recommendation of the Committee.

7 Corporate Events

In the event of a takeover, scheme of arrangement or winding up of the Company (not being an internal corporate reorganisation) all Matching Share Awards may vest early if the Trustees (having consulted with the Committee) so determine. In such a case, a Matching Share Award will only vest to the extent that the Trustees determine that the performance conditions have been satisfied at that time by reference to an appropriately modified period. The level of any such Matching Share Award will then be pro-rated by reference to the vesting period that has elapsed at the time of the relevant event.

In the case of an internal reorganisation, share awards will be replaced by equivalent new awards over shares in a new holding company.

8 Variation of Capital

In the event of any increase or variation of share capital of the Company, the Trustees may (having consulted with the Committee) make such adjustment as they consider appropriate to the number of shares which may be acquired pursuant to a share award.

9 Dilution Limits

Awards granted under the Matching Share Plan will be subject to dilution limits so as to ensure that commitments to issue new shares under all of the Company's share schemes is limited to 10 per cent. of the Company's issued share capital in any rolling ten year period and that commitments to issue new shares under the Company's discretionary share schemes (including the Matching Share Plan) is limited to 5 per cent. of the Company's issued share capital over the same period.

10 Dividend Payments

To the extent that a Matching Share Award vests, a participant will receive a supplementary payment in cash or shares equal in value to the dividends that would have been paid on the shares comprised in such Matching Share Award during the Performance Period.

11 Overseas Plans

The directors of the Company may from time to time and without additional formality establish further plans for overseas employees based on the Matching Share Plan but as modified, to take account of local tax, exchange control and securities laws in overseas territories. Shares made available under any further plan will count against limits on individual or overall participation in the Matching Share Plan.

12 Pension Rights

The value of any awards acquired under the Matching Share Plan will not be pensionable.

13 Amendments

The Matching Share Plan may be amended at any time by the Committee or the Trustees (having consulted with the Committee), provided that the prior approval of the Company in general meeting will be required for amendments to the advantage of participants (except for (1) amendments to Performance Conditions which the Trustees consider are necessary to ensure that such Performance Conditions continue to achieve their original purpose and maintain the alignment of Participants' interests with shareholders, (2) minor amendments to benefit the administration of the Matching Share Plan, (3) amendments to take account of changes in legislation, or (4) amendments to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, the Company or any member of the Company's group).

14 Termination

The Matching Share Plan may be terminated at any time by resolution of the Committee or the Company in general meeting. In any event, the Matching Share Plan will terminate on the tenth anniversary of the date on which it is approved by the Company in general meeting. Termination of the Matching Share Plan will not affect the outstanding rights of participants.