

**Company no. 1528784
THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES**

SATURDAY



**RESOLUTIONS
OF DEVELOPMENT SECURITIES PLC
(passed on 7 May 2010)**

At the Annual General Meeting of the Members of the above-mentioned company duly convened and held at Portland House, Bressenden Place, London SW1E 5DS on 7 May 2010 the following Resolutions considered as Special Business were duly passed

Special Resolution

- 10 THAT the Company be and it is hereby generally and unconditionally authorised for the purpose of Section 701 of the Companies Act 2006 to make market purchases (as defined in Section 693(4) of the Companies Act 2006) of Ordinary shares of 50 pence each in the capital of the Company on such terms and in such manner as the Directors may determine PROVIDED THAT
- (i) the maximum number of Ordinary shares hereby authorised to be so acquired is 12,256,000,
 - (ii) the minimum price which may be paid for such shares is the nominal value per share (exclusive of expenses),
 - (iii) the maximum price which may be paid for such shares is, in respect of a share contracted to be purchased on any day, an amount equal to 105 per cent of the average of the middle market quotations for the Ordinary shares of the Company derived from the Daily Official List of the London Stock Exchange on the five business days immediately preceding the day on which the shares are contracted to be purchased (exclusive of expenses),
 - (iv) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2011 or 1st July 2011 if earlier, and
 - (v) the Company may under the authority hereby conferred and prior to the expiry of that authority make a contract to purchase its own shares which will or may be executed wholly or partly after the expiry of that authority and may make a purchase of its own shares in pursuance of any such contract

Ordinary Resolution

- 11 That the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 (the "2006 Act") to exercise all the powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares in the Company
- (i) up to a nominal amount of £13,709,412, and
 - (ii) comprising equity securities (as defined in Section 560 (1) of the 2006 Act) up to a further nominal amount of £13,709,412 in connection with an offer by way of a rights issue,

such authorities to apply in substitution for all previous authorities pursuant to Section 551 of the 2006 Act and to expire at the end of the next Annual General Meeting or 1st July 2011, whichever is the earlier but, in each case, so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to be granted after the authority ends

For the purposes of this Resolution "**rights issue**" means an offer to

- (a) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings, and
- (b) people who are holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,

to subscribe further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory

Special Resolution

- 12 That subject to the passing of Resolution 11 above, the Directors be empowered to allot equity securities (as defined in Section 560(1) of the 2006 Act) wholly for cash
- (i) pursuant to the authority given by paragraph (i) of Resolution 11 above or where the allotment constitutes an allotment of equity securities by virtue of section 560(3) of the 2006 Act in each case
 - (I) in connection with a pre-emptive offer, and
 - (II) otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of £2,056,411,
 - (ii) pursuant to the authority given by paragraph (ii) of Resolution 11 above in connection with a rights issue, as if Section 561(1) of the 2006 Act did not apply to any such allotment,

such power to expire at the end of the next Annual General Meeting or 1st July 2011, whichever is the earlier but so that the Company may make offers and enter into agreements during this period which would, or might, require equity securities to be allotted after the power ends and the Board may allot equity securities under any such offer or agreement as if the power had not ended

For the purposes of this Resolution

- (a) "**rights issue**" has the same meaning as in Resolution 11 above,
- (b) "**pre-emptive offer**" means an offer of equity securities open for acceptance for a period fixed by the Directors to holders (other than the Company) on the register on a record date fixed by the Directors of Ordinary shares in proportion to their respective holdings but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory,
- (c) references to an allotment of equity securities shall include a sale of treasury shares, and

- (d) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights

Special Resolution

- 13 That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice

Ordinary Resolution

- 14 That the new Development Securities PLC Strategic Profit Plan ("**SPP**") and underlying bonus arrangements, copies of the rules of which are produced to the meeting (initialled by the Chairman for the purposes of identification) and the principal features of which are summarised in the Appendix hereto, be approved and that the Directors be authorised to do all acts and things that they may consider necessary or expedient to carry the SPP into effect

S A Lanes
Company Secretary

Appendix

The Company intends to introduce a new cash bonus plan, the Development Securities PLC Strategic Profit Plan ("SPP"), which is funded by an additional amount from the maximum amounts available for distribution under each of three underlying plans

- Development Securities PLC Development Profit Plan ("DPP"),
- Development Securities PLC Joint Venture Profit Plan ("JVP"), and
- Development Securities PLC Investment Growth Plan ("IGP")

The principal terms of all four key bonus plans are summarised below (the "**Bonus Plans**") The Bonus Plans are cash bonus plans under which amounts may be payable to eligible employees from a pool calculated with reference to the achievement of the long term objectives of the three key activities of the Company

Eligibility

All executive directors and employees of the Company or of any subsidiary of the Company selected by the Remuneration Committee or other authorised committee (the "**Committee**") are eligible to participate in the Bonus Plans

It is the intention of the Committee to make awards under the SPP to those executive directors and employees who are not normally included within the award made under the DPP, JVP or IGP, with a guideline 75 per cent of the bonus pool being allocated to executive directors and 25 per cent to other employees

Awards under the DPP, JVP and IGP are normally made to those executive directors and employees who are directly involved in the relevant development project, joint venture or the Company's investment portfolio

Payment of bonuses

For the SPP, bonuses may be awarded at the Committee's discretion at the end of each financial year, to the extent amounts are available for distribution under the SPP bonus pool (see below) for that financial year

For the DPP, JVP and IGP, bonuses are a function of the participant's 'allocated percentage' This is set by the Committee for each participant and the total of all allocated percentages for all participants in each of the plans cannot add up to more than 100 per cent. Once the bonus pool under the SPP, JVP and IGP has been determined, the Committee will pay cash bonuses to participants representing their allocated percentage of the bonus pool

In the case of the JVP and IGP, the allocated percentage can be set after the amount of the bonus pool has been determined or at any time after the start of the financial year to which it relates

In the case of the DPP, percentage awards are made for each specific development project and applied to the adjusted profit actually realised upon completion, whereupon the bonus is then paid

Determination of the bonus pools

The Committee will determine the bonus pools as follows

(i) Strategic Profit Plan

For each financial year, the total bonus pool is based on the metrics (i.e. profits or returns in excess of an index) by reference to which the pools available for distribution under the DPP, JVP and IGP in that financial year are determined. The amount of the total bonus pool available for distribution under the SPP represents an additional maximum of four per cent of the metrics by which both the DPP and JVP bonus pools and a maximum of two per cent of each of the initial and deferred bonus pools under the IGP are available for distribution each year under those three existing plans, as described below (ignoring the cap under the IGP)

(ii) Development Profit Plan

The amount of the bonus pool represents up to 10 per cent of the net profit realised from significant development projects (those which the Committee determines are likely to produce profits in excess of £20 million) once these become unconditional. The net profit will be determined by reference to the profit realised from the particular project, with a deduction of (a) a notional allowance representing 125 per cent per annum on any equity committed by the Company to the project, and (b) an allowance representing the notional cost to the Company of any unhedged guarantees of any sort offered by the Company to tenants, funding partners or any other party in relation to the project.

(iii) Joint Venture Profit Plan

For each financial year, the amount of the bonus pool represents up to 10 per cent of the profits remitted during the financial year of the Company on all successful projects completed by the joint venture unless otherwise determined. All projects which have either crystallised or are forecast to make a loss are deducted and any actual profits or losses realised in subsequent years are rationalised against forecast losses already taken into account. In addition, an adjustment will be made by deducting (a) a notional allowance representing 125 per cent per annum on any equity committed by the Company to the projects, and (b) an allowance representing the notional cost to the Company of any unhedged guarantees of any sort offered by the Company to tenants, funding partners or any other party in relation to the projects.

(iv) Investment Growth Plan

The bonus pool under this plan will be zero unless the total investment portfolio return exceeds 120 per cent of the All-Fund Universe Index as published by Investment Property Databank if the index is greater than zero, or at least 0.1 per cent if the index is less than or equal to zero and, in addition, represents at least one percentage point above the total return under the index. The total investment portfolio return represents the sum of income return, net of irrecoverable property expenses, together with capital growth.

The amount of the initial bonus pool represents five per cent of the value determined by the excess of the total investment portfolio return over the benchmark index, with an additional five per cent forming part of a deferred bonus pool which is determined two years later provided that during the intervening period the total investment portfolio return exceeds a specified proportion of the index. Each of the initial and deferred bonus pools are subject to a cap of £10 million.

Performance taken into account in determining the bonus pool for distribution under the Bonus Plans, will be disregarded when assessing performance for the purposes of annual bonuses.

For future operations the Committee has discretion to set different performance conditions from those described above. To the extent executive directors participate, these will be described in the Remuneration Report in the Annual Report.

Leaving employment

A participant will not normally be entitled to any bonus if he leaves the group or has given or received notice before payment. The Committee has discretion to make a payment if the participant is leaving due to ill health, injury or disability, retirement, redundancy, death, where there is a sale of the employing business or company or for other reasons allowed by the Committee

Takeover

The Committee has discretion to pay a bonus to a participant if, before any bonus is paid, a person obtains control of the Company. The amount of the bonus would be a best estimate based on the available performance metrics at the time of the change of control

Amendments

The Committee may amend the Bonus Plans as it considers appropriate. However, shareholder approval will be required to amend certain provisions to the advantage of participants. These provisions relate to eligibility, overall limits, the basis for determining a participant's entitlement to bonuses under the plan and the amendment power itself

The Committee may, without shareholder approval, make minor amendments to facilitate the administration of the Bonus Plans, to comply with or take account of any proposed or existing legislation, to take account of any changes in legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for any participating company or any participant. They may also make changes to any current or future performance conditions for determining the bonus pool for distribution under the existing DPP, JVP and IGP (and therefore the SPP) without shareholder approval

Other provisions

The Bonus Plans may be terminated by the Committee at any time. Awards may not be granted after the tenth anniversary of the approval of the Bonus Plans by shareholders

Participation in the Bonus Plans is not pensionable