PROSPECTUS DATED 15 NOVEMBER 2021

DERWENT LONDON

DERWENT LONDON PLC

(incorporated with limited liability under the laws of England and Wales)

£350,000,000 1.875 per cent. Green Bonds due 2031

The issue price of the £350,000,000 1.875 per cent. Green Bonds due 2031 (the "**Bonds**") of Derwent London plc (the "**Issuer**") is 99.466 per cent. of their principal amount.

Unless previously redeemed or cancelled the Bonds will be redeemed at their principal amount on 17 November 2031 (the "**Maturity Date**"). Subject to certain conditions, the Bonds may be redeemed at the option of the Issuer in whole but not in part at any time after the Issue Date at a redemption price per Bond equal to (a) if the Optional Redemption Date (as defined in Condition 6(c) (*Redemption at the option of the Issuer*)) is on or after 17 August 2031 the principal amount of the Bond; or (b) otherwise, the higher of the principal amount of the Bond and an amount calculated by reference to the then yield of the UKT 0.250 per cent. due July 2031 plus a margin of 0.15 per cent., in all cases together with accrued interest, described under Condition 6(c) (*Redemption and Purchase – Redemption at the option of the Issuer*). Subject to certain conditions set out in Condition 6 (*Redemption and Purchase*), the Bonds may also be redeemed at any time upon the occurrence of certain changes affecting taxes in the United Kingdom ("**UK**"). In addition, upon the occurrence of certain change of control events which result in a negative ratings action being taken by a relevant credit rating agency, each holder of the Bonds (a "**Bondholder**") shall have the option to require the Issuer to redeem or, at the Issuer's option, purchase the Bonds of such Bondholder at their principal amount together with accrued interest. See Condition 6(d) (*Redemption and Purchase – Redemption at the option of Bondholders following a Change of Control*).

The Bonds will bear interest from 17 November 2021 (the "**Issue Date**") at the rate of 1.875 per cent. per annum payable annually in arrear on 17 November of each year commencing on 17 November 2022. Payments on the Bonds will be made in pounds sterling without deduction for or on account of taxes imposed or levied by the United Kingdom to the extent described under Condition 8 (*Taxation*).

This document (the "**Prospectus**") has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**"), which is the United Kingdom competent authority under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) ("**EUWA**") (the "**UK Prospectus Regulation**") as a prospectus issued in compliance with the UK Prospectus Regulation for the purpose of giving information with regard to the issue of the Bonds. The FCA has only approved this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus nor as an endorsement of the quality of any Bonds that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in such Bonds. Application has been made for the Bonds to be admitted to listing on the Official List of the FCA (the "**Official List**") and to trading on the Main Market and the Sustainable Bond Market of the London Stock Exchange plc (the "**London Stock Exchange**").

UK MiFIR professionals / ECPs-only / No UK PRIIPs KID – the manufacturers' target market is eligible counterparties, as defined in the Financial Conduct Authority's Handbook Conduct of Business Sourcebook and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) ("**UK MiFIR**") (all distribution channels). No key information document pursuant to Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") has been prepared as the Bonds are not available to retail investors in the UK.

MIFID II professionals/ECPs only / No EU PRIIPs KID – the manufacturers' target market is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"). No Regulation (EU) No. 1286/2014 (as amended, the "**EU PRIIPs Regulation**") key information document has been prepared as the Bonds are not available to retail investors in the EEA.

The Bonds have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the state securities laws of any state of the United States, and the Bonds are subject to United States tax law requirements. The Bonds are being offered outside the United States by the Joint Lead Managers (as defined in "*Subscription and Sale*") in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

The Bonds will be in bearer form and in the denominations of £100,000 and integral multiples of £1,000 in excess thereof, up to and including £199,000. The Bonds will initially be in the form of a temporary global bond (the "**Temporary Global Bond**"), without interest coupons, which will be deposited on or around 17 November 2021 (the "**Closing Date**") with a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). The Temporary Global Bond will be exchangeable, in whole or in part, for interests in a permanent global bond (the "**Permanent Global Bond**"), without interest coupons, not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Bonds cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Bond will be exchangeable in certain limited circumstances in whole, but not in part, for Bonds in definitive form ("**Definitive Bonds**") in the denomination of £100,000 each and integral multiples of £1,000 in excess thereof, up to and including £199,000 and with interest coupons attached. See "*Summary of Provisions Relating to the Bonds in Global Form*".

An investment in the Bonds involves risk. Prospective investors in the Bonds are recommended to read this Prospectus, including the section entitled "*Risk Factors*" carefully. Investors should reach their own investment decision about the Bonds only after consultation with their own financial and legal advisers about the risks associated with an investment in the Bonds and the suitability of investing in the Bonds in light of the particular characteristics and terms of the Bonds in light of each investor's particular financial circumstances.

The Bonds are expected to be rated A by Fitch Ratings Ltd ("**Fitch**"). Fitch is established in the United Kingdom ("**UK**") and registered under Regulation (EU) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) (the "**UK CRA Regulation**"). Fitch appears on the latest update of the list of registered credit rating agencies (as of 15 November 2021 on UK FCA's Financial Services Register). Fitch is not established in the European Union and it has not applied for registration under Regulation (EU) No. 1060/2009 (as amended) (the "**EU CRA Regulation**"). The rating issued by Fitch has been endorsed by Fitch Ratings Ireland Limited which is established in the European Union and registered under the EU CRA Regulation. As such, Fitch Ratings Ireland Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the EU CRA Regulation. **A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

Joint Lead Managers and Joint Green Structuring Agents

Barclays **HSBC**

Joint Lead Managers

NatWest Markets **Wells Fargo Securities**

15 November 2021

CONTENTS

Page

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect the import of such information.

The information set out in the section of this Prospectus "*Description of the Group*" include extracts from information and data, including industry and market data, released by publicly available third-party sources in Europe and elsewhere. Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading in any material respect. The source of third party information is identified where it is used.

The Issuer has confirmed to the Joint Lead Managers named under "*Subscription and Sale*" (the "**Joint Lead Managers**") that this Prospectus contains all information regarding the Issuer and the Bonds which is (in the context of the issue of the Bonds) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Issuer are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer and the Bonds other than as contained in this Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer, the Joint Lead Managers or HSBC Corporate Trustee Company (UK) Limited (the "**Trustee**").

Neither the Joint Lead Managers, the Trustee nor any of their respective affiliates have authorised the whole or any part of this Prospectus, nor have they independently verified the information contained herein, and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus or takes any responsibility for any acts or omissions of the Issuer or any other person (other than the relevant Joint Lead Manager) in connection with the issue and offering of the Bonds. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Bond shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Prospectus. Neither the Joint Lead Managers nor the Trustee accept any liability in relation to the information contained in this Prospectus or any other information provided by the Issuer in connection with the distribution of the Bonds. Neither this Prospectus nor any other information supplied in connection with the distribution of the Bonds is intended to constitute, and should not be considered as, a recommendation by any of the Issuer, any member of the Group (as defined below), the Joint Lead Managers or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the distribution of the Bonds should purchase the Bonds. Each potential purchaser of Bonds should determine for itself the relevance of the information contained in this Prospectus and its purchase of Bonds should be based upon such investigation as it deems necessary. Neither the Joint Lead Managers nor the Trustee undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus or to advise any investor or potential investor in the Bonds of any information coming to their attention.

Neither the Joint Green Structuring Agents, the Joint Lead Managers, the Trustee nor any of their respective affiliates make any representation as to the suitability of the Bonds to fulfil environmental criteria required by any prospective investors. Neither the Joint Green Structuring Agents, the Joint Lead Managers, the Trustee nor any of their respective affiliates have undertaken, nor are they responsible for, any assessment of the Eligible Green Projects (as defined in the "*Use of Proceeds*" section of this Prospectus), any verification of whether the Eligible Green Projects meet any eligibility criteria set out in the Green Finance Framework (as defined in the "*Use of Proceeds*" section of this Prospectus) or the monitoring of the use of proceeds (or amounts equal thereto) or the allocation of the proceeds to particular Eligible Green Projects. DNV GL (the "**Second Party Opinion Provider**"), has been appointed by the Issuer. Investors should refer to the Green Finance Framework, the Second Party Opinion (as defined in the "*Use of Proceeds*" section of this Prospectus) and any public reporting by or on behalf of the Issuer in respect of the application of proceeds (each of which will be available on the Issuer's website (https://www.derwentlondon.com) and which will not be incorporated by reference in this Prospectus) for information. Neither the Joint Green Structuring Agents, the Joint Lead Managers, the Trustee nor any of their respective affiliates make any representation as to the suitability or content of such materials.

Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds: (i) is intended to provide the basis of any credit or other evaluation; or (ii) should be considered as a recommendation by the Issuer or any member of the Group (as defined below) that any recipient of this Prospectus or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Bonds in any jurisdiction where such offer or invitation is not permitted by law.

The distribution of this Prospectus and the offering, sale and delivery of Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus come are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Bonds and on distribution of this Prospectus and other offering material relating to the Bonds, see "*Subscription and Sale*".

The Group uses certain measures to assess the financial performance of its business. Certain of these measures are termed "non-IFRS" measures because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with International Financial Reporting Standards ("**IFRS**"), or are calculated using financial measures that are not calculated in accordance with IFRS. These non-IFRS financial measures are included in this Prospectus because the Group believes that these measures enhance prospective investors' understanding of the Group's underlying business performance, indebtedness and its current ability to fund ongoing operations and the Group's ability to service debt requirements. Certain of these non-IFRS financial measures, such as loan-to-value ratios, interest cover ratios and earnings from operational activities and excluding fair value movements on property, debt and interest rate swap valuations) ("**EPRA**") , are widely used by certain investors, securities analysts and other interested parties as supplemental measures of financial position, financial performance and liquidity. However, these non-IFRS financial measures are not measures based on IFRS and prospective investors should not consider such items as an alternative to the historical financial position or other indicators of the Group's cash flow and forward position based on IFRS measures. These non-IFRS financial measures are not measurements of operating performance under IFRS and should not be considered a substitute for such measurements. These non-IFRS financial measures may not be indicative of the Group's historical operating results nor are they meant to be predictive of potential future results. Other companies may calculate such measures in a different way, and the presentation may not be comparable to similarly entitled measures of other companies.

Unless the context otherwise requires, all references in this document to the "**Group**" shall have the meaning given to that term in the Conditions (as defined below).

Each potential investor in the Bonds should determine the suitability of such investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Prospectus;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;

(iii) understand thoroughly the terms and conditions of the Bonds;

(iv) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the potential investor's currency is not pounds sterling; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

In particular, the Bonds have not been and will not be registered under the Securities Act and the Bonds are subject to United States tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to U.S. persons.

In this Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the EEA, and references to "**£**", "**pounds sterling**" or "**Sterling**" are to the lawful currency of the UK.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

The Group uses certain adjusted figures and underlying growth rates which are not defined by generally accepted accounting principles. Adjusted figures and underlying growth rates are presented as additional performance measures used by management, as they provide relevant information in assessing the Group's performance, position and cash flows. The Group believes that these measures enable investors to more clearly track the core operational performance of the Group, by separating out items of income or expenditure relating to acquisitions, disposals, capital items and excluding currency translation effects, while providing investors with a clear basis for assessing the Group's ability to raise debt and invest in new business opportunities. The Group's management uses these financial measures in evaluating the operating performance of the Group as a whole and the individual business segments. Adjusted and underlying financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with generally accepted accounting principles. Such measures may not be directly comparable to similarly reported measures by other companies.

RESTRICTIONS OF SALES TO U.S. PERSONS (AS DEFINED IN REGULATION S) – The Bonds have not been and will not be registered under the Securities Act or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by the EU PRIIPs Regulation for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently no key information document required by the UK PRIIPs Regulation for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

UK MiFIR product governance/professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds in the UK has led to the conclusion that: (i) the target market for the Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

In connection with the issue of the Bonds, NatWest Markets Plc (the "Stabilising Manager") (or persons acting on behalf of the Stabilising Manager) may over-allot Bonds or effect transactions with a view to

supporting the price of the Bonds at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with:

(i) the unaudited consolidated financial statements of the Group as at and for the six months ended 30 June 2021, as set out on pages 29 to 60 inclusive of the document entitled "Interim Results 2021 Announcement" released by the Group on 10 August 2021 (available at: https://www.derwentlondon.com/uploads/downloads/Investors/Interim-2021-PAGINATED-w.-cover.pdf);

(ii) the audited consolidated financial statements of the Group as at and for the year ended 31 December 2020 together with the independent auditor's report and notes to the financial statements thereon, as set out on pages 178 to 241 inclusive of the Group's 2020 annual report and accounts (available at: https://www.derwentlondon.com/uploads/downloads/Derwent_Annual_Report_2020_Final_Single.pdf); and

(iii) the audited consolidated financial statements of the Group as at and for the year ended 31 December 2019 together with the independent auditor's report and notes to the financial statements thereon, as set out on pages 171 to 235 inclusive of the Group's 2019 annual report and accounts (available at: https://www.derwentlondon.com/investors/results-and-reports).

Such documents shall be incorporated with, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the registered office of the Issuer during normal business hours and may also be obtained at the Issuer's website (https://www.derwentlondon.com/investors/results-and-reports) and on the website of the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html

The contents of the Issuer’s website or any website directly or indirectly linked to the Issuer’s website do not form part of this Prospectus and investors should not rely on them.

Any information contained in or incorporated by reference in any of the documents specified above which is not incorporated by reference in this Prospectus is either not relevant to investors or is covered elsewhere in this Prospectus and, for the avoidance of doubt, unless specifically incorporated by reference into this Prospectus, information contained on any website does not form part of this Prospectus.

OVERVIEW

This overview must be read as an introduction to this Prospectus and any decision to invest in the Bonds should be based on a consideration of this Prospectus as a whole.

Words and expressions defined in the "Terms and Conditions of the Bonds" or elsewhere in this Prospectus have the same meanings in this overview.

Issuer:	Derwent London plc
Joint Lead Managers:	Barclays Bank PLC, HSBC Bank plc, NatWest Markets Plc and Wells Fargo Securities International Limited
Joint Green Structuring Agents:	Barclays Bank PLC and HSBC Bank plc
Trustee:	HSBC Corporate Trustee Company (UK) Limited
Principal Paying Agent:	HSBC Bank plc
Bonds:	£350,000,000 1.875 per cent. Green Bonds due 2031
Issue Price:	99.466 per cent. of the aggregate principal amount
Issue Date:	17 November 2021
Use of Proceeds:	The Issuer intends to apply an amount equal to the net proceeds of the issue of the Bonds in accordance with the Green Finance Framework (as defined below) for financing or re-financing Eligible Green Projects (as defined below).
Interest:	The Bonds will bear interest from (and including) the Issue Date at a rate of 1.875 per cent. per annum payable annually in arrear on 17 November in each year commencing on 17 November 2022.
Status:	The Bonds constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Form and Denomination:	The Bonds will be issued in bearer form in the denominations of £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000, each with interest coupons attached. The Bonds will initially be in the form of a Temporary Global Bond, without interest coupons, which will be deposited on or around the Closing Date with a common depositary for Euroclear and Clearstream, Luxembourg. The Temporary Global Bond will be exchangeable, in whole or in part, for interests in a Permanent Global Bond, without interest coupons, not earlier than 40 days after the Closing Date upon certification as to non U.S. beneficial ownership. Interest payments in respect of the Bonds cannot be collected without such certification of non U.S. beneficial ownership. The Permanent Global Bond will be exchangeable in certain limited circumstances in whole, but not in part, for Definitive Bonds in the denomination of £100,000 each and integral multiples of £1,000 in excess thereof, up to and including £199,000 and with interest coupons attached.
Maturity Date:	17 November 2031

Optional Redemption:	The Issuer may, at its option, redeem or purchase, or procure that any of its Subsidiaries shall purchase the Bonds in whole or in part at a redemption price per Bond equal to: (a) if the Optional Redemption Date (as defined in Condition 6(c) (*Redemption at the option of the Issuer*)) is on or after 17 August 2031, the principal amount of the Bond; or (b) otherwise, the higher of the principal amount of the Bond and an amount calculated by reference to the then yield of the UKT 0.250 per cent. due July 2031 plus a margin of 0.15 per cent., in all cases together with accrued interest, as described under Condition 6(c) (*Redemption at the option of the Issuer*).
Change of Control Put Event:	Upon the occurrence of a Change of Control (as defined in Condition 6(d) (*Redemption at the option of Bondholders following a Change of Control*)) leading to certain contemporaneous negative ratings action being taken by any relevant credit rating agency or agencies, each Bondholder shall have the option to require the Issuer to redeem or, at the option of the Issuer, purchase the Bonds of such holder at a cash purchase price equal to the principal amount thereof plus accrued interest, as described under Condition 6(d) (*Redemption at the option of Bondholders following a Change of Control*).
Tax Redemption:	In the event of certain tax changes, the Issuer may redeem the Bonds in whole, but not in part, at any time at an amount equal to their principal amount outstanding, together with unpaid interest accrued to (but excluding) the date fixed for redemption, as more fully provided in Condition 6(b) (*Redemption for tax reasons*).
Negative Pledge:	The Bonds will have the benefit of a negative pledge as described in Condition 3 (*Negative Pledge*).
Financial Covenants:	In addition to the negative pledge described above, the Bonds will have the benefit of certain financial covenants relating to Gearing, Interest Cover and Priority Debt as described in Condition 4 *(Financial Covenants).*
Cross Acceleration:	The Bonds will have the benefit of a cross acceleration provision as described in Condition 9(c) (*Events of Default - Cross-acceleration*).
Rating:	The Bonds are expected to be rated A by Fitch.
Taxation:	All payments of principal and interest in respect of the Bonds and the Coupons made by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the UK or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall, save as provided in Condition 8 (*Taxation*), pay such additional amounts as will result in receipt by Bondholders and Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required. See Condition 8 (*Taxation*).
Governing Law:	The Bonds, the Trust Deed, the Agency Agreement and the Subscription Agreement (each as defined below) and any non-contractual obligations arising out of or in connection with them will be governed by English law.

Listing and Trading:	Application has been made for the Bonds to be admitted to listing on the Official List of the FCA and to trading on the Main Market and the Sustainable Bond Market of the London Stock Exchange.
Clearing Systems:	Euroclear and Clearstream, Luxembourg.
Selling Restrictions:	See "*Subscription and Sale*".
Risk Factors:	Investing in the Bonds involves risks. See "*Risk Factors*".
ISIN:	XS2407733844
Common Code:	240773384

RISK FACTORS

Any investment in the Bonds is subject to a number of risks. Prior to investing in the Bonds, prospective investors should carefully consider risk factors associated with any investment in the Bonds, the business of the Issuer and the industries in which each of them operates together with all other information contained in this Prospectus, including, in particular, the risk factors described below. Words and expressions defined in the Conditions below or elsewhere in this Prospectus have the same meanings in this section.

Prospective investors should note that the risks relating to the Issuer, the industries in which each of them operates and the Bonds are the risks that the Issuer believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Bonds. However, as the risks which the Issuer faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider, among other things, the risks and uncertainties described below.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Bonds and should be used as guidance only. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that either currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Bonds may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Bonds is suitable for them in light of the information in this Prospectus and their personal circumstances.

1. Risks related to the Issuer and the Group

Strategic risks

1.1 Failure to implement Group strategy

Following the Group's merger with London Merchant Securities plc in February 2007, the Group has been delivering the strategy detailed in "*Description of the Group – Strategy*". The Group's success depends on implementing its strategy and responding appropriately to internal or external factors including responding to changing work practices as described in "*Risk Factors – the future of offices*", occupational demand and London's global appeal. In addition, the Group must respond and/or adapt appropriately to economic cycles as the London office market has generally been cyclical in recent decades, with strong growth followed by sharp economic downturns precipitated by rising interest rates coinciding with significant oversupply. The amplitude of these cycles has sometimes been reinforced when banks have held above average property loan exposure. Should the Group fail to respond and adapt to such cycles or execute the projects that underpin its strategy, this may have a negative impact on the Group's expected growth and financial performance.

1.2 Implications of Brexit

On 31 January 2020, the UK left the EU (otherwise referred to as "**Brexit**"). A trade deal was agreed between the UK and the EU prior to the end of the transition period ("**The EU-UK Trade Agreement**"). The EU-UK Trade Agreement was given legal effect from 1 January 2021 when it was approved by the European Council and European Commission. The EU-UK Trade Agreement was subsequently ratified by the European Parliament on 28 April 2021.

Given the size and global significance of the UK's economy, uncertainty about the effects of the EU-UK Trade Agreement, and thus uncertainty as to the substance of its future legal, political and economic relationships with Europe may continue to be a source of instability, produce currency fluctuations or have other adverse effects on international markets, international trade and other cross-border cooperation arrangements. The future trading relationships between the UK and other trading partners around the world are also being re-established following the UK's exit from the EU.

While it is not yet possible to fully evaluate the impact that Brexit will have on the Group's operations, the main risk to the Group posed by Brexit is that economic growth in the UK may be negatively impacted which may in turn affect London’s growth and demand for office space. A reduction in demand for office space in London may have a material adverse effect on the Group's tax position or business, results of operations or financial position more generally.

1.3 Covid-19 pandemic

The outbreak of Covid-19 was declared a global pandemic on 11 March 2020 by the World Health Organisation. The ramifications of the outbreak have been far-reaching across all sectors and the pandemic has created extreme economic volatility which has had a significant impact on the markets in which the Group operates and the Group's business. The medium to long-term economic impact of the Covid-19 pandemic is still uncertain and the rate of economic recovery could vary significantly between and even within markets which could significantly impact the Group's financial results. Any future economic downturns in the UK and global economies more widely (including any further deterioration as a result of the ongoing impact of the Covid-19 pandemic) may cause increased volatility and declines in financial markets. If the pandemic continues to have a prolonged effect, or further diseases emerge that give rise to similar effects, the adverse impact on global economies could be deepened and further affect the financial markets, the mergers and acquisitions markets and ultimately the Group's business and its capacity to meet its financial obligations.

The extent of the long term impact of the Covid-19 pandemic on the Group will depend on external factors which are outside the Group's control, including, for example, if vaccination rollouts are slower than expected or if other preventative measures become less effective against any new variants of Covid-19 which may be identified. There is a risk of ongoing 'waves' of infections or the spread of new variants which could result in further lockdowns in the UK, and/or societal restrictions, which could prolong the adverse impact of Covid-19 on businesses. Further lockdowns in the UK could have a significant impact on the Group's business, its occupiers and the economic outlook for London.

1.4 The future of offices

The Covid-19 pandemic, and the associated lockdown restrictions, has led to widespread agile and homeworking for some of the UK's office-based workforce. As a result, the future role of offices has been subject to considerable discussion among both landlords and occupiers, and more widely in the media. There is a risk that if agile and/or homeworking continues at high levels, and is sustained in the long-term, it could lead to occupiers requiring less space, increased vacant space and downward pressure on rental levels. Office space which has fewer desks, more collaboration space, meeting rooms, video conference facilities and other amenities is likely to be more desirable to occupiers. Buildings that are unable to meet these objectives may suffer in value unless they can be redeveloped or repurposed. If the Group fails to develop or update its properties to meet these objectives, this would likely have a material adverse effect on the Group's performance.

1.5 Failure to stay ahead of competition

Competitors may recognise and react to shifts in demand more effectively than the Group. For example, competitors may respond to issues posed by the Covid-19 pandemic faster and/or providing solutions that deal with Covid-19 and the changes described in "*Risk factors – Changing macroeconomic factors: income decline*" more effectively than the Group. As a result, the Group may no longer act as a 'disrupter' within the market and the Group's brand may suffer. The Group may also be unable to maintain target occupancy levels or may have to offer lower rents if an increase in competition in the market leads to oversupply. Further, the extent of the increase in competition will depend on whether the properties offered by competitors are located in areas of London or in buildings which appeal to the Group's typical occupiers.

A failure to stay ahead of competition may therefore negatively impact the Group's ability to secure occupiers for its properties at satisfactory rental rates and on a timely basis, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

<u>Financial risks</u>

1.6 Changing macroeconomic factors: income decline

Changes in macroeconomic factors may adversely affect London's office market. The Group is exposed to external factors which are outside the Group's control, such as the risks to the future demand for office space described in "*Risk factors – The future of offices*" above, the depth of any future recession and subsequent rise in unemployment, and/or interest rates. Such macroeconomic conditions may lead to a general property market contraction, a decline in rental values and decline in Group income.

The Group's property income is used in its interest cover covenant calculations under the Group's existing financing arrangements. Although the Group has grown its level of interest cover significantly over the past few years and, as at 30 September 2021, rental income would need to fall by c. 69 per cent. before breaching the main interest cover ratio covenant of 145 per cent., should there be a breach of a financial covenant, the Group may be required to cure such breaches through repaying its borrowings. In addition, the Group is required to meet certain financial covenants in respect of gearing and unencumbered assets. Curing a breach of any financial covenant may adversely affect the net asset value of the Group, as the Group may be required to sell some of its assets at less than their market value in order to repay such borrowings. Any reduction in property income could also have an adverse impact on the value of the Group's properties and may hinder any future dividend payments.

1.7 Tenants defaulting and tenant failure

The Issuer's ability to fulfil its obligations under the Notes depends on the Group continuing to collect rent from its tenants. The majority of the Group's revenues are comprised of rent received from its tenants and any deterioration in businesses and/or profitability of the Group's tenants could in turn adversely affect the Group's rental income or increase the Group's bad debts and/or number of lease terminations. Ultimately, this could lead to the Issuer having insufficient funds to pay interest on the Notes to Holders.

Due to the economic impact of Covid-19, and its potential long-term implications, occupiers could be facing increased financial difficulty. Tenants in the retail sector (including, in particular, restaurants and hospitality tenants) account for approximately 6 per cent. of the Group's portfolio income. Despite re-opening restaurants, retail and leisure properties, footfall is lower than pre- Covid-19 levels, disproportionately impacting on the revenues and operations of such tenants.

If any of the Group's tenants enter default, the Group could incur impairments and write-offs of IFRS 16 lease incentive receivable balances, due to the accounting requirement to spread any rent-free incentives given to a tenant over the respective lease term. Such impairments and write-offs may adversely affect the Group's balance sheet and earnings.

1.8 Changing macroeconomic factors: introduction of a new tax to replace or complement business rates

Due to the ongoing weakness of physical retail trading, government spending in supporting the UK economy and the loss of tax revenues, there is a risk that the UK government may introduce new taxes and/or increase existing taxes. In particular, in 2021, the government sought views on how the business rates system currently works and on a number of alternative means of taxing non-residential property to either replace or complement the business rates system. Should the UK government choose to introduce a capital or land values tax payable by landowners, this could have a negative impact on the financial position of the Group.

1.9 REIT status risks, including the restrictions on the ability to make investments and the consequences of losing REIT status

The UK Real Estate Investment Trust ("**REIT**") regime was launched on 1 January 2007. On 1 July 2007, Derwent London plc elected to convert to REIT status. A REIT is exempt from corporation tax on qualifying income and gains of its property rental business providing various conditions are met.

The REIT distribution requirements potentially limit the Group's ability to fund acquisitions and capital expenditures through retained income earnings. To maintain REIT status and obtain full exemption from UK corporation tax on the profits of the qualifying property rental business of the Issuer (i.e. that part of the Issuer's business from which it generates income from land for rent), the Issuer is required to distribute annually to the Issuer's shareholders an amount sufficient to meet the 90 per cent. distribution test by way of Property Income Distributions ("**PIDs**"). The Issuer would be required to pay tax at regular UK corporation tax rates on any shortfall to the extent that it distributes as PIDs less than the amount required to meet the 90 per cent. distribution test for each accounting period. Therefore, the Group's ability to fund acquisitions and other capital expenditures would be limited if the Issuer were unable to obtain further debt, issue further shares or dispose of properties. Further, differences in timing between the receipt of cash and the recognition of income for the purposes of the REIT rules and the effect of any potential debt amortisation payments could require the Issuer to borrow funds to meet the distribution requirements that are necessary to achieve the full tax benefits associated with qualifying as a REIT, even if the then-prevailing market conditions are not favourable for these borrowings. As a result of these factors, the constraints of maintaining REIT status could limit the Issuer's flexibility to make investments.

The requirements for maintaining REIT status are complex and the REIT regime, having commenced in 2007, has as yet no case law history of interpretation. Furthermore, there may be changes subsequently introduced (including changes in interpretation) to the requirements for maintaining REIT status. Prospective investors should note that there is no guarantee that the Group will continue to maintain REIT status (whether by reason of failure to satisfy the conditions for REIT status or otherwise) nor can the Issuer guarantee that it will maintain continued compliance with all of the REIT conditions and there is a risk that the REIT regime may cease to apply in some circumstances. In addition, if the conditions for REIT Group status relating to the share capital of the Issuer or the prohibition on entering into certain prohibited loans with abnormal returns are breached, or the Issuer ceases to be UK tax resident, becomes dual tax resident or an open-ended investment company, the Group will automatically lose its REIT status. The Group could therefore lose its status as a REIT as a result of actions by third parties, for example, in the event of a successful takeover by a company that is not a REIT. Alternatively, the Group could voluntarily give notice to cease to be a REIT. If the Group fails to remain qualified as a REIT, members of the Group may be subject to UK corporation or income tax on some or all of its property rental income and chargeable gains on the sale of properties which could have a material impact on the financial condition of the Group. Any of the above matters may have an adverse effect on the Group's business, financial condition and/or results of operations.

1.10 Impact on businesses arising from the UK's commitment to be carbon neutral by 2050

As more of the Group's tenants commit to becoming net zero carbon, it is likely that tenants will demand environmentally-friendly buildings. Buildings that fail to reach these standards could lose tenants, suffer a discount and fall in value. In order to improve its older buildings, the Group may need to commit to additional capital expenditure, which may not be recoverable through higher rents. The Group may also be unable to lease the space during the improvement phase, leading to reduced rental income and longer void periods.

There is a risk that carbon taxes on greenhouse gas emissions will lead to increased costs for the Group. In addition, while current environmental regulation in the UK only prohibits the leasing of space with an Energy Performance Certificate ("**EPC**") rating of 'F' or below, the government has proposed increasing the minimum EPC rating to B by 2030. An increase in the minimum EPC rating will lead to increased capital expenditure requirements for the Group. Any material increase in the capital expenditure of the Group which cannot be offset through higher rents would have an adverse effect on the Group's financial condition as a whole.

1.11 Credit risk

The Group is mainly exposed to credit risk from lease contracts in relation to its property portfolio. As a matter of policy, the Group assesses the credit risk of new tenants before entering into such contracts and the Board of Directors of the Issuer (the "**Board**") has a Credit Committee which assesses each new tenant before a new lease is signed. The Credit Committee also reviews existing tenant covenants from time to time. Additionally, the Group operates predominantly in central London, which exposes it to some geographical risk.

The impact of the Covid-19 pandemic has given rise to higher estimated probabilities of default for some of the Group's occupiers, as described at "*Risk Factors – Tenants defaulting and tenant failure*" and "*Risk Factor – Covid-19 pandemic*". As a result, impairment calculations on the receivables balance have been carried out using the expected credit loss model within IFRS 9 and the Group may be required to further increase its expected loss rates for trade receivables and make future impairments in its reported financial results. While material changes are not expected in the foreseeable future, there can be no assurance that the Group will not be required to make future impairments which would have a material adverse effect on the Group's financial results.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. While the Group seeks to diversify its exposure to bank counterparties and only deposits funds with independently rated financial institutions with a minimum rating grade, to the extent that the Group relies on such counterparties for operational or investment purposes, the Group is exposed to such counterparties defaulting which may have a negative impact on the Group's financial performance.

1.12 Market risk

Market risk arises for the Group from its use of variable interest bearing instruments. It is currently Group policy that generally between 60 per cent. and 85 per cent. of external Group borrowings (excluding finance lease payables) are at fixed rates and, as a 30 June 2021, the proportion of fixed debt held by the Group was 89 per cent. (31 December 2020: 85 per cent.). Where the Group wishes to vary the amount of external fixed rate debt it holds, the Group makes use of interest rate derivatives to achieve the desired interest rate profile. The Group also manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. The Group is therefore exposed to future cash flow fluctuation risks, due to changes in market interest rates. Although the Group's overall exposure to interest rate risks is low, significant changes in interest rates may have an impact on the Group's financial results.

1.13 Liquidity risk

The Group has obligations to make payments on its indebtedness and to maintain the covenants required by its financing facilities. Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. This risk arises from the Group's management of its working capital and the finance charges and principal repayments on its debt instruments. If market or operating conditions deteriorate significantly, the Group may be unable to make payments on its indebtedness or it may breach its interest cover ratios (for example, if income falls or non-hedged interest rates rise significantly) or other financial covenants (for example, loan-to-value ratios may be breached if property valuations fall significantly).

While the Group's policy is to ensure that it will always have sufficient headroom in its loan facilities and to maintain committed facilities to meet the expected requirements (and as at 30 June 2021, the Group had cash and undrawn facilities of £527 million), a breach of the facilities could, subject to any applicable waiver or agreement, result in the facilities being withdrawn or becoming immediately repayable. This could require the Group to dispose of assets at significantly less than full value in order to make required payments. Any such breach, withdrawal, repayment, remedy or restriction could have an adverse impact on the Group's business, financial condition and/or results of operations in the longer term. Any cross-default provisions in the Group's financing facilities could magnify the effect of an individual default if such provisions were exercised by the Group's creditors.

In addition, the Group's obligation to make payments on its indebtedness and to maintain its covenants could limit its financial and operational flexibility. This could have an adverse impact on the **Groups** business, financial condition and/or results of operations.

Operational risks

1.14 Development activities

The Group creates new properties and refurbishes existing properties with the aim of generating a substantial return on its investments. The Group's developments are large, high-value projects with life cycles that can be up to five years. The success of the Group's development activities is reliant on managing risk and delivering the office space occupiers desire when it is needed. The Group's development projects may not produce the targeted financial returns due to delays on-site, increased construction costs or adverse letting conditions. Returns from the Group's developments may be adversely impacted due to delays or cost increases caused by main contractors or major subcontractors defaulting during the project. There have been ongoing issues within the construction industry in respect of the level of risk and narrow profit margins being accepted by contractors. In addition, there is an increased risk of insolvencies in the construction industry as a result of the cessation of the government's Covid-19 furlough scheme. Due to restrictions introduced to prevent the spread of Covid-19, the Group's on-site developments have been subject to minor delays. Despite strict Covid-19 protocols on-site, there is a risk of labour and resource shortages, which could lead to productivity disruption and project delay. Any delay in completing the development projects may result in significant financial penalties or a reduction in the Group's targeted financial returns.

Furthermore, the potential for the redevelopment, expansion, refurbishment and ongoing improvement of the Group's properties may be adversely affected by a number of factors, including constraints on location, required planning permissions and licences, consents and approvals and increased construction costs and capital expenditure required due to the age or condition of the property.

If the Group fails to: (i) adequately appraise investments prior to starting work on-site, including through taking into account contingencies and inflationary cost increases; (ii) use a procurement process that is properly designed (to minimise uncertainty around costs) and that includes the use of highly regarded quantity surveyors; (iii) benchmark development costs; (iv) conduct thorough site investigations to reduce the risk of unidentified issues such as asbestos; (v) implement its pre-letting strategy; or (vi) conduct detailed reviews on construction projects to evaluate programme forecasts made by contractors, development projects may be significantly delayed.

If any of the foregoing risks negatively impact targeted financial returns, this could negatively impact rental returns or the value of the properties, which would in turn have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

1.15 Inability to re-let leases upon expiry of lease agreements

Lease management is an important element of the Group's business and involves engaging with the Group's occupiers to expand their leased space or extend their leases. In any given year, a significant number of leases come up for renewal and the Group may be unable to re-let space to customers on favourable terms or at all or to realise any alternative use value for the property, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Any required increase in capital expenditure may negatively affect the Group's targeted financial returns.

1.16 Property is inherently difficult to value

The valuation of the Group's properties is inherently uncertain due to, amongst other things, the individual nature of each property, its location and the expected future rental revenues from that particular property and the fact that the valuation of property is inherently a subjective exercise based on a range of assumptions and estimations which require professional judgement.

Valuers are required to make certain assumptions in determining market value, which may prove to be inaccurate. Incorrect assumptions or flawed assessments underlying a valuation report could negatively affect the Group's financial condition and potentially inhibit the Group's ability to realise a sale price that reflects the stated valuation. This is particularly so in periods of volatility or when there has been limited transactional evidence against which property valuations can be benchmarked. Further, if the Group acquires properties based on inaccurate valuations, the Group's net assets and results of operations may be materially adversely affected.

In accordance with IAS 40, the Group's properties are externally valued on a semi-annual basis and any increase or decrease in the value of its properties, after taking account of any capital expenditure or change in ownership, is recorded as a revaluation gain or loss in the relevant consolidated income statement for the period during which the revaluation occurs. As a result, the Group may have significant non-cash revenue gains and losses from periods to periods depending on changes in the fair market value of its properties, whether or not they are sold.

There can be no assurance that the valuations of the Group's current and prospective properties will be reflected in actual transaction prices, even where any such transactions occur shortly after the relevant valuation date, or that the estimated yield and estimated annual rental income will prove to be attainable. In addition, property valuations are dependent on the level of rental income receivable and anticipated to be receivable on that property in the future and, as such, declines in rental income could have an adverse impact on revenue and the value of the Group's properties. Any of the above factors could therefore have a negative impact on the Group's financial condition and results of operations as a result.

1.17 Cyber-attack on the Group's IT systems or its properties

The Group may be subject to a cyber-attack that results in it being unable to use its information systems and/or losing data. Such an attack could severely restrict the ability of the Group to operate, lead to an increase in costs and/or require a significant diversion of management time. This risk has been heightened during the Covid-19 pandemic, as cyber-criminals seek to exploit the disruption caused by employees working from home. Additionally, the Group is exposed to cyberattacks on its properties which may result in data breaches or significant disruption to IT-enabled tenant services. A major cyber-attack against the Group or its properties could negatively impact the Group's business, reputation and operating results.

The Group is also subject to regulation regarding the use of private data relating to customers and employees, primarily pursuant to the Data Protection Act 2018 ("**DPA**") and the EU General Data Protection Regulation as it forms part of domestic law by virtue of the EUWA ("**GDPR**"), in each case, as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU exit) Regulations 2019. In the ordinary course of business, the Group collects, stores and transmits confidential information, including as part of the operation of its Derwent London app, and is described further at "*Description of the Group – Recent Developments*". It is critical that the Group does so in a secure manner in order to maintain the integrity of such confidential information. Although the Group has policies and risk management controls in place to do this, there can be no assurance that the Group's efforts will prevent service interruptions or security breaches. A breach of the Group's security measures or the accidental loss, inadvertent disclosure, unapproved dissemination or misappropriation or misuse of trade secrets, proprietary information or other confidential information could lead to liability under the DPA and/or the GDPR and adversely affect the Group's business position. Further, any such interruption, security breach, loss or disclosure of confidential information could result in financial, legal, business, and reputational harm to the Group.

1.18 Business interruption

Major incidents may significantly interrupt the Group's business, its occupiers and/or supply chain. Such incidents could be caused by a wide range of events such as a pandemic, terrorism-related events, natural catastrophes or fires. This could result in issues such as being unable to access or operate the Group's properties, tenant failures or reduced rental income, share price volatility or loss of key suppliers. Such risks have been heightened by the ongoing Covid-19 pandemic, as described in detail at "*Risk Factors – Covid-19 pandemic*".

1.19 Reliance on, and disputes with, key suppliers and contractors

The Group outsources construction work to contractors. Due to the size of the Group's development projects, the Group tends to use principal contractors who manage underlying subcontractors. Due to the limited number of principal contractors, these companies face limited competition, which may lead to a risk of overreliance on particular contractors if not actively managed by the Group.

In addition, there is a risk that if the Group becomes overly reliant on a key contractor or supplier, the failure of that contractor or supplier could significantly delay the provision of critical services and development, as well as lead to increased costs for the Group. This could lead to a material adverse effect on the Group's operating performance and the overall financial position of the Group. In addition, the failure of a key contractor or supplier could lead to reputational damage for the Group, the consequences of which are described in detail at "*Risk Factors – Reputational damage*".

Further, any disputes with customers and other commercial parties could result in income decline, legal costs and diversion of management time. Disputes with the Group's principal contractors could potentially lead to project delays, increased costs and occupier penalty fees, which may in turn negatively impact the Group's performance.

1.20 Reputational damage

The Group has invested significantly in developing a well-regarded and respected brand. However, the Group's reputation may be damaged, for example, through unauthorised or inaccurate media coverage. Further, unfavourable incidents or unethical behaviour of the Group's executives, practices or failure to comply with relevant legislation could damage the Group's reputation. This could lead to a material adverse effect on the Group's operating performance and the overall financial position of the Group.

1.21 Regulatory risks

Should the Group breach any of the legislation that forms the regulatory framework within which the Group operates, the Group's cost base could increase and management time could be diverted. For example, a major health and safety incident could cause significant business interruption for the Group.

This could be a local issue which impacts a small number of the Group's properties or, in the most extreme case, a wider issue which impacts the Group as a whole. Any breach of the legislation and regulations which apply to the Group could lead to reputational damage and/or loss of the Group's licence to operate.

During 2021, the Competition and Markets Authority (the "**CMA**") has been investigating uncompetitive behaviour in the construction industry, including price fixing, marketing sharing and bid rigging. Although the Group seeks assurances from prospective contractors on the status of any CMA investigations in which they are involved, the use of contractors which are found to be engaging in uncompetitive behaviour could lead to reputational damage for the Group.

1.22 Adoption of technology

With technology in the sector advancing at a rapid pace the Group needs to ensure it is embracing these changes sufficiently whilst making sure that the Group's strategy is driving which technology is adopted and not being driven by the technology itself. A failure to adopt technology could lead to the Group becoming less efficient than its competitors, leading to a loss of competitive advantage as described in "*Risk factors – Failure to stay ahead of competition*".

Buildings are increasingly becoming 'intelligent' and tenants may begin to choose such buildings over those without the same technological amenities. If the Group fails to respond to tenant demands for technology, the Group's office spaces could become less desirable, leading to potential vacancies and loss of rental income, as further described in "*Risk Factors – Changing macroeconomic factors: income decline*".

1.23 Environmental liabilities, including hazardous waste, asbestos or other toxic substances

There is an increasing amount of regulation relating to the handling of environmental liabilities and health and safety matters, with substantial penalties for non-compliance, see "*Risk Factors – Regulatory risks: health and safety*". In addition, failure to identify, mitigate and/or react effectively to environmental liabilities could lead to delays to building projects and access restrictions to the Group's properties, both of which would result in loss of income and potential reputational damage to the Group. In addition, inadequate response to regulatory changes in respect to environmental liabilities could have a reputational impact.

1.24 Attracting and retaining personnel

There is a risk that the Group is unable to recruit, develop and retain staff and Directors with the right skills and experience to successfully implement its strategy. The sudden and/or unanticipated loss of the services of one or more members of the executive management team, or the inability to recruit and retain talented employees in key areas could adversely affect the Group's ability to implement its strategic goals, have an adverse impact on brand and reputation and lead to a loss of its knowledge base, thereby limiting the Group's growth strategy and income generation. This could have an adverse effect on the Group's business, financial condition and/or results of operations.

1.25 Risk of not insuring the Group's assets correctly or that cover is inadequate

The Group's insurers exclude and limit liability both in amount and with respect to insured loss events. Losses of a catastrophic nature, such as those caused by earthquakes, floods, hurricanes, terrorism or acts of war, may be uninsurable. Insurance proceeds may be insufficient to repair a property due to the impact of inflation, changes in building codes and ordinances, environmental considerations and other factors, including terrorism or acts of war. In these cases, the Group could be liable to repair damage. In addition, the Group would remain liable for any financial obligation related to the property.

There is a risk of accidents involving the public at premises owned by the Group. Should an accident attract publicity or be of a size and/or nature that is not adequately covered by insurance, the resulting publicity and/or costs could have an adverse impact on the Group's reputation, business, financial condition and results of operations. In such instance, the Group's ability to obtain public liability insurance cover in the future may also be adversely affected. In addition, following the Covid pandemic, it may be difficult to gain an insurance policy which is willing to cover income loss due a future pandemic.

There can be no guarantee that the level of insurance cover for the Group now or in the future will be sufficient. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future or that any insurance proceeds will be received at all. If such losses occur and are not covered by insurance and the Group has to make a payment, there could be an adverse effect on the Group's business, financial condition and/or results of operations.

ESG risks

1.26 Risks related to climate change

Climate-related risk may impact the Group's business through physical risks, in particular flooding, heat stress and subsidence, as well as more long-term risks as a result of climate change. If the Group fails to respond appropriately, or sufficiently, to climate change risks or fails to benefit from the potential opportunities, this could lead to damage to the Group's reputation, loss of income and/or property values and loss of the Group's licence to operate. Any of these consequences could ultimately adversely affect the Issuer's ability to meet its payment obligations under the Notes.

There are a number of climate change transition risks that could lead to increased costs for the Group. Since the property industry is one of the highest contributors to the global carbon footprint, it could increasingly be targeted by new laws and guidance that seek to address the impact of climate change. The Group may need to devote increasing financial and human resources towards compliance with climate-related laws and guidance implemented by the UK Government and other bodies, for example the Streamlined Energy and Carbon Reporting Scheme. It is likely that tougher minimum energy efficiency standards will be introduced in 2030 and the Group could be required to make additional investments in its portfolio to ensure compliance. In addition, there is a risk that the cost of construction materials and providing energy, water and other services to tenants will rise as a consequence of climate change. The Group could also be required to utilise low carbon materials. Furthermore, due to supply constraints, it is likely that the cost of high-quality carbon offsetting will continue to rise and there is a risk that the Group will be unable to sufficiently reduce its reliance on offsetting. Any of the above could lead to increased costs for the Group and have a material adverse effect on the Group's operating performance and the overall financial position of the Group. Non-compliance with, or liabilities under, existing or future environmental laws and regulations, including failure to hold the requisite permits or licences, could result in fines, penalties, third party claims and other costs that could have a material adverse effect on the Group's business, financial condition and/or results of operations.

1.27 Failure to achieve the Group's Net Zero Carbon Pathway 2030

The Group has publicly committed to being net zero carbon by 2030, publishing its pathway in 2020 to achieving this ambition. However, there can be no assurance that the Group succeeds in meeting this target. If the Group fails to meet the target, there could be an adverse impact on the Group's reputation, business and financial condition.

2. Risks Relating to the Bonds

2.1 The Bonds may be redeemed prior to maturity

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Bonds due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the UK or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Bonds in accordance with the terms and conditions of the Bonds (the "**Conditions**"). In addition, the Conditions provide that the Bonds are redeemable at the Issuer's option in certain other circumstances. An optional redemption feature is likely to limit the market value of the Bonds. During any period when the Issuer may elect to redeem the Bonds, the market value of the Bonds generally will not rise substantially above the price at which they can be redeemed.

If the Issuer redeems the Bonds in any of the circumstances mentioned above, there is a risk that the Bonds may be redeemed at times when the redemption proceeds are less than the current market value of the Bonds or when prevailing interest rates may be relatively low, in which latter case Bondholders may only be able to reinvest the redemption proceeds in securities with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

2.2 Minimum Denomination

As the Bonds have a denomination consisting of the minimum denomination plus a higher integral multiple of another smaller amount, it is possible that the Bonds may be traded in amounts in excess of £100,000 (or its equivalent) that are not integral multiples of £100,000 (or its equivalent). In such case a Bondholder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination may not receive a Definitive Bond in respect of such holding (should Definitive Bonds be printed) and would need to purchase a principal amount of Bonds such that its holding amounts to the minimum denomination. Further, a Bondholder who, as a result of trading such amounts, holds an amount which is less than the minimum denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Bonds at, or in excess of, the minimum denomination such that its holding amounts to the minimum denomination.

2.3 The terms of the Bonds may be modified with the consent of specified majorities of Bondholders at a duly convened meeting, and the Trustee may consent to certain modifications to the Bonds, or substitution of the Issuer, without the consent of Bondholders

The Trust Deed contains provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the Bonds, including Bondholders who did not attend and vote at the meeting and Bondholders who voted in a manner contrary to the majority. The Trust Deed constituting the Bonds also provides that the Trustee may (except as set out in the Trust Deed), without the consent of Bondholders, agree to certain modifications of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Bonds or the Trust Deed or to the substitution of another company as principal debtor under the Bonds in place of the Issuer in the circumstances described in Condition 13 (*Meeting of Bondholders; Modification and Waiver; Substitution*) and the Trust Deed.

2.4 Credit Rating

The Bonds are expected to be assigned a rating of A by Fitch and may in the future be rated by additional independent credit rating agencies (including on an unsolicited basis), although the Issuer is under no obligation to ensure that the Bonds are rated by any credit rating agency. Credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in these risk factors and other factors that may affect the liquidity or market value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the credit rating agency at any time.

If the Issuer determines to no longer maintain one or more credit ratings, if any other independent credit rating agency decides to assign a rating to the Bonds, or if any credit rating agency withdraws, suspends or downgrades any credit ratings of the Issuer or the Bonds, or if such a withdrawal, suspension or downgrade is anticipated (or any credit rating agency places the credit ratings of the Issuer or the Bonds on "credit watch" status in contemplation of a downgrade, suspension or withdrawal), such event could adversely affect the liquidity or market value of the Bonds.

In general, investors in the EEA are restricted under the EU CRA Regulation from using a credit rating for regulatory purposes, unless such rating is issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of a credit rating issued by non-EEA credit rating agencies, unless the relevant credit rating is endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. If the status of the rating agency rating the Bonds changes for the purpose of the EU CRA Regulation or the UK CRA Regulation, as applicable, EEA or UK regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Bonds may have a different regulatory treatment. This may result in the relevant investors selling the Bonds which may impact the value of the Bonds and any secondary market.

2.5 Changes in law may adversely affect the rights of Bondholders

Changes in law after the date hereof may affect the rights of Bondholders as well as the market value of the Bonds. Such changes in law may include changes in statutory, tax or regulatory regimes during the life of the Bonds, which may have an adverse effect on an investment in the Bonds.

In addition, any change in law or regulation that triggers a relevant tax change in the UK would entitle the Issuer, at its option (subject to certain conditions), to redeem the Bonds, in whole but not in part, as provided under Condition 6(b) (*Redemption and Purchase – Redemption for tax reasons*).

No assurance can be given as to the impact of any possible judicial decision or change to English law, regulation or administrative practice after the date of issue of the Bonds.

2.6 There can be no assurance that the use of proceeds of the Bonds and the Eligible Green Projects will be suitable for the investment criteria of an investor

It is the Issuer's intention to apply an amount equal to the net proceeds of the issuance of the Bonds towards Eligible Green Projects (as defined in the "*Use of Proceeds*" section of this Prospectus). Prospective investors should have regard to the information in the "*Use of Proceeds*" section of this Prospectus and the Green Finance Framework (as defined in the "*Use of Proceeds*" section of this Prospectus) regarding such use of proceeds and determine for themselves the relevance of such information for the purpose of any investment in the Bonds, together with any other investigation such investor deems necessary. In particular, no assurance is given by the Issuer, the Joint Green Structuring Agents, the Joint Lead Managers, the Trustee nor any of their respective affiliates that the use of such proceeds for any Eligible Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own governing documents or investment portfolio mandates, in particular with regard to any direct or indirect environmental or green impact of any projects or uses that are the subject of, or related to, any Eligible Green Projects.

The impact of the Covid-19 pandemic may reduce over the short and medium term the number of eligible projects open to the Group to finance, refinance and/or invest in. For example, the number of new acquisition or refurbishment projects may be reduced or the amount of energy which the Group consumes may be lower which would in turn reduce the expenditure on Eligible Green Projects. This could (but not necessarily will) result in, amongst other things, the Group setting an amount of the net proceeds of the issue of the Bonds aside for application in the future, the Group holding an amount of the net proceeds of the issue of the Bonds as cash in one or more of its bank accounts and/or the Group using an amount of the net proceeds of the issue of the Bonds for financing, refinancing or investing in other projects and/or activities.

No assurance can be given that the Eligible Green Projects will meet investor expectations or requirements regarding such "green" or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, the so called "**EU Taxonomy**" or Regulation (EU) 2020/852 as it forms part of domestic law in the United Kingdom by virtue of the EUWA). Each prospective investor should have regard to the factors described in the Green Finance Framework (as defined in the "*Use of Proceeds*" section of this Prospectus) and the relevant information contained in this Prospectus and seek advice from their independent financial adviser or other professional adviser regarding its purchase of the Bonds before deciding to invest.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of the Second Party Opinion (as defined in the "*Use of Proceeds*" section of this Prospectus) which is available at https://www.derwentlondon.com/uploads/downloads/DNV-Green-Finance-Framework-Assessment-Derwent-London-November-2021_2021-11-08-091648.pdf in connection with the issue of the Bonds and in particular with any project to fulfil any environmental, green and/or other criteria. For the avoidance of doubt, the Second Party Opinion is not, nor shall it be deemed to be, incorporated in and/or form part of this Prospectus. The Second Party Opinion is not, nor should it be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any of the Bonds or that any Eligible Green Projects fulfil any environmental, green and/or other criteria. The Second Party Opinion is only current as of the date that opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of such Second Party Opinion and/or the information contained therein and/or the provider of such Second Party Opinion for the purpose of any investment in the Bonds. Currently, the providers of such Second Party Opinion are not subject to any specific regulatory or other regime or oversight.

If any Bonds are listed or admitted to trading on any dedicated "green", "environmental", or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), or are included in any dedicated "green", "environmental", or other equivalently-labelled index or indices, no representation or assurance is given by the Issuer, the Joint Green Structuring Agents, the Joint Lead Managers, the Trustee nor any of their respective affiliates or any other person that such listing or admission, or inclusion in such index or indices, satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another and also the criteria for inclusion in such index or indices may vary from one index to another. Nor is any representation or assurance given or made by the Issuer, the Joint Green Structuring Agents, the Joint Lead Managers, the Trustee nor any of their respective affiliates or any other person that any such listing or admission to trading, or inclusion in any such index or indices, will be obtained in respect of any such Bonds or, if obtained, that any such listing or admission to trading, or inclusion in such index or indices, will be maintained during the life of the Bonds.

While it is the intention of the Issuer to apply the proceeds of the Bonds so specified for Eligible Green Projects in, or substantially in, the manner described in the "*Use of Proceeds*" section of this Prospectus and the Green Finance Framework (as defined in the "*Use of Proceeds*" section of this Prospectus), there can be no assurance that the relevant project or uses the subject of, or related to, any Eligible Green Projects will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule or at an acceptable cost and that accordingly such proceeds will be totally or partially disbursed for or towards such Eligible Green Projects. Nor can there be any assurance that such Eligible Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer.

Any such event or failure by the Issuer will not constitute an Event of Default under the Bonds, or give rise to any other claim of a holder of such Bonds, as the case may be. Any such event or failure to apply an amount equal to the proceeds of the issue of the Bonds, as for or towards any Eligible Green Projects as aforesaid and/or the withdrawal of the Second Party Opinion or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or the Bonds no longer being listed or admitted to trading on any stock exchange or securities market may have a material adverse effect on the value of the Bonds and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for or towards a particular purpose. For the avoidance of doubt, it is however specified that payments of principal and interest (as the case may be) on the Bonds shall not depend on the performance of the relevant project.

Neither the Joint Green Structuring Agents, the Joint Lead Managers, the Trustee nor any of their respective affiliates will verify or monitor the proposed use of proceeds of the Bonds.

3. Risks Relating to the Market

3.1 There is no active trading market for the Bonds

The Bonds are new securities which may not be widely distributed and for which there is currently no active trading market. If the Bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been for the Bonds to be admitted to listing on the Official List of the FCA and to trading on the Main Market and the Sustainable Bond Market of the London Stock Exchange, there is no assurance that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Bonds.

3.2 Because the Global Bonds are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

The Bonds will be represented by bonds in global form (the "**Global Bonds**") except in certain limited circumstances described in the Permanent Global Bond. The Global Bonds will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Bond, investors will not be entitled to receive Definitive Bonds. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Bonds. While the Bonds are represented by the Global Bonds, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Bonds by making payments to or to the order of the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Bond must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Bonds.

Bondholders of beneficial interests in the Global Bonds will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

3.3 Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in pounds sterling. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than pounds sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of pounds sterling or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to pounds sterling would decrease: (i) the Investor's Currency-equivalent yield on the Bonds; (ii) the Investor's Currency-equivalent value of the principal payable on the Bonds; and (iii) the Investor's Currency-equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

3.4 Interest rate risks

Investment in the Bonds, which bear a fixed rate of interest, involves the risk that subsequent increases in market interest rates may adversely affect the market value of the Bonds.

TERMS AND CONDITIONS OF THE BONDS

The £350,000,000 1.875 per cent. Green Bonds due 2031 (the "**Bonds**", which expression includes any further bonds issued pursuant to Condition 15 (*Further issues*) and forming a single series therewith) of Derwent London plc (the "**Issuer**") are subject to, and have the benefit of, a trust deed dated on or about 17 November 2021 (as amended and/or restated and/or supplemented from time to time, the "**Trust Deed**") between the Issuer and HSBC Corporate Trustee Company (UK) Limited as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed) and are the subject of an agency agreement dated on or about 17 November 2021 (as amended and/or restated and/or supplemented from time to time, the "**Agency Agreement**") between the Issuer, HSBC Bank plc as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Bonds), the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Bonds) and the Trustee. Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions and definitions. The holders of the Bonds (the "**Bondholders**") and the holders of the related interest coupons (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection by Bondholders during normal business hours at the registered office for the time being of the Trustee, being at the date hereof 8 Canada Square, London, E14 5HQ and at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out in the Agency Agreement.

1. Form, Denomination and Title

The Bonds are serially numbered and in bearer form in the denominations of £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000, with Coupons attached at the time of issue. Title to the Bonds and the Coupons will pass by delivery. The holder of any Bond or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of the Bonds or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

2. Status

The Bonds constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

3. Negative Pledge

So long as any Bond remains outstanding (as defined in the Trust Deed):

(a) the Issuer will not create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("**Security**") upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt, or any guarantee of, or indemnity in respect of, any Relevant Debt;

(b) the Issuer will procure that none of its Principal Subsidiaries (as defined below) will create or permit to subsist any Security upon the whole or any part of the undertaking, assets or revenues present or future of that Principal Subsidiary to secure any of the Issuer's Relevant Debt or any guarantee of or indemnity in respect of any of the Issuer's Relevant Debt or any of the Relevant Debt of any member of the Group, or any guarantee of, or indemnity in respect of, any such Relevant Debt; and

(c) the Issuer will procure that no other member of the Group gives any guarantee of, or indemnity in respect of, any of the Issuer's Relevant Debt issued after 17 November 2021 (the "**Issue Date**"), unless, at the same time or prior thereto, the obligations of the Issuer under the Bonds and the Trust Deed (1) are secured equally and rateably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or (2) have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Bondholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders, provided that there may be permitted to subsist (without the obligation to accord to the Bonds an equivalent Security or ensure the Bonds benefit from a guarantee or indemnity as aforesaid) (x) any Security in respect of any Relevant Debt where such Security is subsisting over undertakings or assets acquired after, or is provided by or subsisting in respect of a company becoming a Subsidiary of the Issuer after 8 November 2021 and where such Security exists at the time of such acquisition or at the time that company becomes a Subsidiary of the Issuer (provided that such Security was not created in contemplation of such acquisition or that company becoming a Subsidiary of the Issuer and the principal amount of the Relevant Debt secured at the time of that company becoming a Subsidiary of the Issuer is not subsequently increased) and any Security over the same undertaking or assets or provided by or subsisting in respect of that company for the purpose of and to the extent of the refinancing of such Relevant Debt and (y) any Security, whether or not existing at the Issue Date, in respect of London Merchant Securities plc's £175,000,000 Secured Bonds due 2026 (the "**Secured Bonds**") (provided that the principal amount thereof is not increased) or any refinancing thereof (up to a principal amount of £175,000,000) and (z) any Security securing any other Relevant Debt where, immediately following the grant of such Security, there would be no breach of the financial covenant described in paragraph (c) of Condition 4 (*Financial Covenants*) below.

In these Conditions:

"**Group**" means the Issuer and its Subsidiaries taken as a whole;

"**Relevant Debt**" means any indebtedness for borrowed money in the form of, or represented by, bonds, notes, debentures, loan stock or other securities which are, or are capable of being, quoted, listed, dealt in or traded on any stock exchange or other securities market (whether or not initially distributed by way of public offer, private placement, acquisition consideration or otherwise); and

"**Subsidiary**" means a subsidiary of the Issuer within the meaning provided in Section 1159 of the Companies Act.

4. Financial Covenants

For so long as any Bond remains outstanding (as defined in the Trust Deed) the Issuer shall ensure that:

(a) Gearing does not at any time exceed 1.75:1;

(b) Interest Cover in respect of any Measurement Period shall be greater than 1.45:1; and

(c) Priority Debt shall not at any time exceed 0.5:1.

For so long as any Bond remains outstanding, the Issuer will: (i) deliver to the Trustee within 180 days of each Testing Date: (A) a compliance certificate signed by two authorised signatories of the Issuer, certifying that the Issuer is and has been in compliance with the covenants set out in this Condition 4 at all times during the Measurement Period; and (B): (1) in respect of a Testing Date which falls on 31 December of a given year, a copy of the Group's most recent Full-Year Financial Statements; or (2) in respect of a Testing Date which falls on 30 June of a given year, a copy of the Group's most recent Half-Year Financial Statements; and (ii) within 120 days of each Testing Date which falls on 31 December and 90 days of each Testing Date which falls on 30 June, make a copy of the most recent Full-Year Financial Statements or Half-Year Financial Statements (as applicable) available to Bondholders on an investor relations website relating to the Group.

Any certificate provided to the Trustee pursuant to limb (i) above may be relied on by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

In these Conditions:

"**Acceptable Bank**" means a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or A2 or higher by Moody's Investors Service Limited or a comparable rating from an internationally recognised credit rating agency;

"**Accounting Principles**" means generally accepted accounting principles in the United Kingdom including IFRS;

"**Adjusted Net Asset Value**" means on the last day of a Measurement Period, the net asset value of the Group (as stated in the most recent Full-Year Financial Statements or Half-Year Financial Statements (as applicable)), less any minority interests and after adjusting for:

(a) any deferred tax on revaluation surplus;

(b) the fair value of derivative financial instruments;

(c) the 2007 fair value adjustment in respect of the Secured Bonds less the amortisation to the relevant Testing Date;

(d) any, to the extent not already included in the calculation of net asset value, revaluation surplus of trading property; and

(e) any minority interests in respect of the items referred to in paragraphs (a) to (d) above,

but deducting:

(1) any debit balance on the consolidated profit and loss account of the Group;

(2) (to the extent included) any amount shown in respect of goodwill (including goodwill arising only on consolidation), or other intangible assets of the Group; and

(3) any amount in respect of any dividend or distribution declared, recommended or made by any member of the Group to the extent payable to a person who is not a member of the Group and to the extent such distribution is not provided for in the most recent financial statements,

and so that no amount shall be included or excluded more than once;

"**Borrowings**" means, at any time, the aggregate outstanding principal, capital or nominal amount (and any fixed or minimum premium payable on prepayment or redemption) of any indebtedness of members of the Group for or in respect of:

(a) moneys borrowed;

(b) any acceptances under any acceptance credit facility (or dematerialised equivalent);

(c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) any Finance Lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

(g) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind the entry into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 120 days after the date of supply;

(h) any amount raised under any other transaction (including any forward sale or purchase agreement, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Principles; and

(i) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above;

"**Cash**" means, at any time, cash denominated in sterling in hand or at bank and (in the latter case) credited to an account in the name of the Issuer with an Acceptable Bank and to which the Issuer is alone beneficially entitled and for so long as:

(a) that cash is repayable on demand;

(b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any member of the Group or of any other person whatsoever or on the satisfaction of any other condition;

(c) there is no Security over that cash except for any Security constituted by a netting or set-off arrangement entered into by members of the Group in, the ordinary course of their banking arrangements; and

(d) the cash is freely and immediately available to be applied in repayment or prepayment of the Bonds;

"**Cash Equivalent Instruments**" means at any time:

(a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;

(b) any investment in marketable debt obligations issued or guaranteed by the government of the United Kingdom, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;

(c) commercial paper not convertible or exchangeable to any other security:

   (i) for which a recognised trading market exists;

   (ii) issued by an issuer incorporated in the United Kingdom;

   (iii) which matures within one year after the relevant date of calculation; and

   (iv) which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;

(d) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);

(e) any investment in money market funds which:

   (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited;

   (ii) invest substantially all their assets in securities of the types described in sub- clauses (a), (b), (c) and (d) above; or

   (iii) can be turned into cash on not more than 30 days' notice; or

(f) any other debt security approved by an Extraordinary Resolution of the Bondholders, in each case, denominated in sterling and to which the Issuer is beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security;

"**Finance Charges**" means, for any Measurement Period, the aggregate amount of the accrued interest, commission, fees or other finance payments which are regular or periodic in nature in respect of Borrowings whether paid, payable or capitalised by any member of the Group (calculated on a consolidated basis) in respect of that Measurement Period:

(a) **including** the interest (but not the capital) element of payments in respect of Finance Leases;

(b) **including** any commission, fees, discounts and other finance payments which are regular or periodic in nature payable by (and deducting any such amounts payable to) any member of the Group under any interest rate hedging in respect of any Borrowings;

(c) **excluding** any interest cost or expected return on plan assets in relation to any post- employment benefit schemes, any gains or losses arising upon the early curtailment or settlement of the scheme including, *inter alias*, any enhanced transfer value exercise;

(d) if a Joint Venture is accounted for on a proportionate consolidation basis, after adding the Group's share of the finance costs or interest receivable of the Joint Venture; and

(e) taking no account of any unrealised gains or losses on any financial instruments,

and so that no amount shall be added or deducted more than once;

"**Finance Lease**" means any lease which would be classified as a "finance lease" under the Accounting Principles applicable immediately prior to IFRS 16 (*Leases*) taking effect on 1 January 2019;

"**Full-Year Financial Statements**" means the audited annual consolidated financial statements of the Group;

"**Gearing**" means the ratio of Total Net Debt to Adjusted Net Asset Value;

"**Half-Year Financial Statements**" means the unaudited interim condensed consolidated half-yearly financial statements of the Group;

"**IFRS**" means UK-adopted international accounting standards within the meaning of section 474(1) of the Companies Act 2006 to the extent applicable to the relevant financial statements;

"**Interest Cover**" means the ratio of Rental Income to Net Finance Charges in respect of any Measurement Period;

"**Joint Venture**" means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership. or any other entity;

"**Measurement Period**" means the period of 12 months ending on the relevant Testing Date (and the first Measurement Period shall be in respect of the 12-month period ending on 31 December 2021);

"**Net Finance Charges**" means, for any Measurement Period, the Finance Charges for that Measurement Period after **deducting** any interest payable in that Measurement Period to any member of the Group on any Cash or Cash Equivalent Investment;

"**Priority Debt**" means, the ratio of Secured Debt to Adjusted Net Asset Value;

"**Rental Income**" means, for any Measurement Period:

(a) net property and other income of the Group; less

(b) the other income of the Group; and

(c) after deducting any surrender premiums received by the Group and adding back any surrender premiums paid by the Group, enters into any other preferential arrangement having a similar effect, each as stated in the most recent Full-Year Financial Statements or Half-Year Financial Statements (as applicable);

"**Secured Debt**" means Borrowings with respect to which a member of the Group has created Security including any agreement or arrangement under which any person:

(a) sells, transfers or otherwise disposes of any receivables on recourse terms; or

(b) enters into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily for the purpose of securing any Borrowings (any such agreement or arrangement detailed at (a) or (b) above being "**Quasi-Security**") but excluding any Third Party Secured Debt;

"**Testing Date**" means 30 June and 31 December of each year;

"**Third Party Secured Debt**" means, in respect of the Borrowings (in respect of which Security or Quasi-Security has been created) of a Subsidiary in which any person who is not a member of the Group (a "**Third Party**") holds voting rights, an amount equal to the proportion of such secured Borrowings that is attributable to such Third Party (such amount being a proportion of such secured Borrowings which is equal to the percentage voting rights represented by that Third Party's shareholding in the Subsidiary), where the recourse of the creditors in respect of such secured Borrowings is limited to the assets of such Subsidiary (excluding any shares held in a member of the Group);

"**Third Party Unsecured Debt**" means, in respect of the Borrowings (in respect of which no Security or Quasi-Security has been created) of a Subsidiary in which any Third Party holds voting rights, an amount equal to the proportion of such Borrowings that is attributable to such Third Party (such amount being a proportion of such Borrowings which is equal to the percentage voting rights represented by that Third Party's shareholding in the Subsidiary), where the recourse of the creditors in respect of such Borrowings is limited to the assets of such Subsidiary (excluding any shares held in a member of the Group); and

"**Total Net Debt**" means, at any time, the aggregate amount of all obligations of members of the Group for or in respect of Borrowings at that time but:

(a) excluding any such obligations to any other member of the Group;

(b) excluding any Third Party Secured Debt;

(c) excluding any Third Party Unsecured Debt;

(d) including, in the case of Finance Leases only, their capitalised value; and

(e) deducting the aggregate amount of Cash and Cash Equivalent Investments held by any member of the Group at that time,

and so that no amount shall be included or excluded more than once.

5. **Interest**

The Bonds bear interest from (and including) the Issue Date at the rate of 1.875 per cent. per annum, (the "**Rate of Interest**") payable annually in arrear on 17 November in each year (each, an "**Interest Payment Date**"), subject as provided in Condition 7 (*Payments*).

Each Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of: (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder; and (b) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Bondholders that it has received all sums due in respect of the Bonds up to such seventh day (except to the extent that there is any subsequent default in payment).

The amount of interest payable on each Interest Payment Date shall be £18.75 in respect of each Bond of £1,000 denomination. If interest is required to be paid in respect of a Bond on any other date, or in respect of a Bond with any other denomination, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest penny (half a penny being rounded upwards) and multiplying such rounded figure by a fraction equal to the denomination of such Bond divided by the Calculation Amount, where:

"**Calculation Amount**" means £1,000;

"**Day Count Fraction**" means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls; and

"**Regular Period**" means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

6. **Redemption and Purchase**

(a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 17 November 2031, subject as provided in Condition 7 (*Payments*).

(b) *Redemption for tax reasons*: The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) at their principal amount outstanding, together with interest (if any) accrued to (but excluding) the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that:

(i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 15 November 2021; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Bonds were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee:

(A) a certificate signed by two authorised signatories of the Issuer stating that the circumstances referred to in (i) and (ii) above prevail and setting out the material details of such circumstances; and

(B) if required by the Trustee, an opinion in form and substance satisfactory to the Trustee of legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

The Trustee shall be entitled to accept (without further enquiry) such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out in (i) and (ii) above, in which event they shall be conclusive and binding on the Bondholders.

Upon the expiry of any such notice as is referred to in this Condition 6(b) (*Redemption for tax reasons*), the Issuer shall be bound to redeem the Bonds in accordance with this Condition 6(b) (*Redemption for tax reasons*).

(c) *Redemption at the option of the Issuer:* The Issuer may, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption (the "**Optional Redemption Date**")), redeem or purchase, or procure that any of its Subsidiaries shall purchase, the Bonds, in whole or in part, for the time being outstanding at a redemption price per Bond equal to: (a) if the Optional Redemption Date is on or after 17 August 2031 the principal amount of the Bond; or (b) otherwise, the higher of the following, in each case together with interest accrued to but excluding the Optional Redemption Date:

(i) the principal amount of the Bond; and

(ii) the principal amount of the Bond multiplied by the price (as reported in writing to the Issuer and the Trustee by an independent financial adviser (the "**Financial Adviser**") appointed by the Issuer at the Issuer's expense and whose identity is approved in writing by the Trustee) expressed as a percentage (rounded to three decimal places, 0.0005 being rounded upwards) at which the Gross Redemption Yield on the Bonds (if the Bonds were to remain outstanding until their stated maturity) on the Determination Date is equal to the sum of: (x) the Gross Redemption Yield at 11.00 a.m. (London time) on the Determination Date of the UKT 0.250 per cent. due July 2031 (or, where the Financial Adviser advises the Issuer that, for reasons of illiquidity or otherwise, such bond is not appropriate for such purpose, such other government bond as such Financial Adviser may recommend); plus (y) a margin of 0.15 per cent.

Any notice of redemption given under this Condition 6(c) (*Redemption at the option of the Issuer*) will override any notice of redemption given (whether previously, on the same date or subsequently) under Condition 6(b) (*Redemption for tax reasons*). No notice of redemption may be given under this Condition 6(c) (*Redemption at the option of the Issuer*) where the Optional Redemption Date would fall during a Change of Control Put Period (as defined in Condition 6(d) (*Redemption at the option of Bondholders following a Change of Control*) below).

In these Conditions:

"**Determination Date**" means the date which is the second business day in London prior to the Optional Redemption Date; and

"**Gross Redemption Yield**" means a yield calculated by the Financial Adviser on the basis set out by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields" page 5, Section One: Price/Yield Formulae (Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date) (published on 8 June 1998 and updated on 15 January 2002 and 16 March 2005) (as amended or supplemented from time to time).

(d) *Redemption at the option of Bondholders following a Change of Control:*

A "**Change of Control Put Event**" will be deemed to occur if:

(i) any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in section 1159 of the Companies Act 2006, as amended) whose shareholders are or are to be substantially the same as the pre-existing shareholders of the Issuer, becomes interested (within the meaning of Part 22 of the Companies Act 2006, as amended) in: (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer; or (B) shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable on a poll vote at a general meeting of the Issuer (such event being, a "**Change of Control**");

(ii) on the date (the "**Relevant Announcement Date**") that is the earlier of: (x) the first public announcement of the occurrence of a relevant Change of Control; and (y) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Bonds carry:

(A) an investment grade credit rating (Baa3 from Moody's and BBB- from S&P or Fitch (each as defined below), or their respective equivalents, or better) (an "**Investment Grade Rating**") from any Rating Agency at the invitation of the Issuer (or, where there is no rating from any Rating Agency assigned at the invitation of the Issuer, any Investment Grade Rating from any Rating Agency of its own volition) and such rating is, within the Change of Control Period, either downgraded to a non-investment grade credit rating (Ba1 from Moody's and BB+ from S&P or Fitch, or their respective equivalents, or worse) (a "**Non-Investment Grade Rating**") or withdrawn and is not, within the Change of Control Period, subsequently upgraded or restored to an Investment Grade Rating by such Rating Agency; or

(B) a Non-Investment Grade Rating from any Rating Agency at the invitation of the Issuer (or, where there is no rating from any Rating Agency assigned at the invitation of the Issuer, any Non-Investment Grade Rating from any Rating Agency of its own volition) and such rating is, within the Change of Control Period, either downgraded by one or more rating categories (from BB+ to BB being an example of a downgrade by one rating category) or withdrawn and is not, within the Change of Control Period, subsequently upgraded or restored to its earlier credit rating or better by such Rating Agency; or

(C) no credit rating and, within the Change of Control Period, (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Bonds or of any other of its unsecured and unsubordinated debt; or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain a credit rating of at least an Investment Grade Rating by the end of the Change of Control Period

(a "**Negative Rating Event**"),

provided that, if on the Relevant Announcement Date the Bonds carry a credit rating from more than one Rating Agency, at least one of which is an Investment Grade Rating, then only sub-paragraph (A) above will apply; and

(iii) in making any decision to downgrade or withdraw a credit rating pursuant to sub-paragraphs (A) and (B) of sub-paragraph (ii) above, or not to award a credit rating of at least an Investment Grade Rating as described in sub-paragraph (C) of sub-paragraph (ii) above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the relevant Change of Control.

If a Change of Control Put Event occurs, the holder of each Bond will have the option (a "**Change of Control Put Option**") (unless prior to the giving of the relevant Change of Control Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 6(b) (*Redemption for tax reasons*) above) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Bond on the date (the "**Change of Control Put Date**") which is seven days after the expiration of the Change of Control Put Period (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) interest accrued to (but excluding) the Change of Control Put Date.

Promptly upon, and in any event within 14 days after, the Issuer becoming aware that a Change of Control Put Event has occurred, the Issuer shall, and at any time upon the Trustee having express notice thereof, and if so requested by the holders of at least one-quarter in aggregate of the principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution of the Bondholders, the Trustee shall (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), give notice (a "**Change of Control Put Event Notice**") to the Bondholders (and the Trustee, where such Change of Control Put Notice is given by the Issuer) in accordance with Condition 16 (*Notices*) specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of the Bond must deposit such Bond with any Paying Agent at its Specified Office at any time during its normal business hours within 90 days after a Change of Control Put Event Notice is given (the "**Change of Control Put Period**"), accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the Specified Office of any Paying Agent (a "**Change of Control Put Notice**"). No Bond so deposited and option so exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Any such Bond should be delivered together with all Coupons appertaining thereto maturing after the Change of Control Put Date, failing which the relevant Paying Agent will require payment from or on behalf of the Bondholder of an amount equal to the face value of any such missing Coupon. Any amount so paid will be reimbursed to the Bondholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 11 (*Replacement of Bonds and Coupons*)) at any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter. The Paying Agent to which such Bond and Change of Control Put Notice are delivered will issue to the Bondholder concerned a non-transferable receipt in respect of the Bond so delivered. Payment in respect of any Bond so delivered will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Change of Control Put Date by transfer to that bank account and, in every other case, on or after the Change of Control Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the Specified Office of any Paying Agent. A Change of Control Put Notice, once given, shall be irrevocable. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Bonds on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

If 80 per cent. or more in principal amount of the Bonds then outstanding have been redeemed or purchased pursuant to this Condition 6(d) (*Redemption at the option of Bondholders following a Change of Control*), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Bondholders (such notice being given within 30 days after the Change of Control Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Bonds at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

If the rating designations employed by Moody's, Fitch or S&P are changed from those which are described in paragraph (ii) of the definition of "Change of Control Put Event" above, or if a rating is procured from a Substitute Rating Agency (as defined below), the Issuer shall determine the rating designations of Moody's and/or Fitch and/or S&P and/or such Substitute Rating Agency, as applicable, as are most equivalent to the prior rating designations of Moody's, Fitch, and/or S&P, as the case may be, and this Condition 6(d) (*Redemption at the option of Bondholders following a Change of Control*) shall hence be construed accordingly.

The Trustee is under no obligation to ascertain or monitor whether a Change of Control Put Event or Change of Control or Negative Rating Event or any event which could lead to the occurrence of or could constitute a Change of Control Put Event or Change of Control or Negative Rating Event has occurred, or to seek any confirmation relating to a decision of any Rating Agency pursuant to paragraph (iii) above and, until it shall have express notice pursuant to the Trust Deed to the contrary, the Trustee shall be entitled to assume that no Change of Control Put Event or Change of Control or Negative Rating Event or other such event has occurred and shall have no liability to the Bondholders or any other person in respect thereof.

In these Conditions:

"**Change of Control Period**" means the period commencing on the Relevant Announcement Date and ending 90 days after the relevant Change of Control (both dates inclusive) (or such longer period for which the Bonds are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the first public announcement of such consideration);

"**Rating Agency**" means Moody's Investors Service, Limited ("**Moody's**"), Fitch Ratings Ltd. ("**Fitch**") or S&P Global Ratings UK Limited ("**S&P**") or any of their respective successors or any other internationally recognised rating agency (a "**Substitute Rating Agency**") substituted for any of them by the Issuer from time to time; and

"**Relevant Potential Change of Control Announcement**" means any public announcement or statement by the Group, any actual or potential bidder or any adviser thereto relating to any potential Change of Control where, within 180 days following the date of such announcement or statement, a Change of Control occurs.

(e) *Partial redemption*: If the Bonds are to be redeemed in part only on any date in accordance with Condition 6(c) (*Redemption at the option of the Issuer*), the Bonds to be redeemed shall be selected on a pro rata basis in such manner as the Trustee considers appropriate, subject to compliance with applicable law and the rules of each listing authority, stock exchange and/or quotation system (if any) by which the Bonds have then been admitted to listing, trading and/or quotation, and the notice to Bondholders referred to in Condition 6(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Bonds so to be redeemed.

(f) *No other redemption*: The Issuer shall not be entitled to redeem the Bonds otherwise than as provided in paragraphs (a) (*Scheduled redemption*) to (d) (*Redemption at the option of the Bondholders following a Change of Control*) above.

(g) *Purchase*: The Issuer or any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise and at any price, *provided that* all unmatured Coupons are purchased therewith.

(h) *Cancellation*: All Bonds so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

7. Payments

(a) *Principal*: Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Bonds at the Specified Office of any Paying Agent outside the United States by pounds sterling cheque drawn on, or by transfer to a pounds sterling account maintained by the payee with, a bank in London.

(b) *Interest*: Payments of interest shall, subject to paragraph (f) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.

(c) *Payments subject to fiscal laws*: All payments in respect of the Bonds are subject in all cases to: (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*); and (ii) any withholding or deduction arising under or in connection with Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any regulations or agreements thereunder, any official interpretation thereof, any law interpreting any intergovernmental agreement thereto or any legislation adopted by any non U.S. jurisdiction in connection with those provisions. No commissions or expenses shall be charged to the Bondholders or Couponholders in respect of such payments.

(d) *Deduction for unmatured Coupons*: If a Bond is presented without all unmatured Coupons relating thereto, then:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (*Principal*) above against presentation and (*provided that* payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void coupons.

(e) *Payments on business days*: If the due date for payment of any amount in respect of any Bond or Coupon is not a business day in the place of presentation, the holder shall not be entitled to payment (and the Issuer shall not be required to make payment) in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such delay. In this paragraph, "**business day**" means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a pounds sterling account as referred to above, on which dealings in foreign currencies may be carried on both in London and in such place of presentation.

(f) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bonds at the Specified Office of any Paying Agent outside the United States.

(g) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Bond or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and the date of such payment.

8. **Taxation**

All payments of principal and interest in respect of the Bonds and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In the event that any such withholding or deduction is required to be made, the Issuer shall pay such additional amounts as will result in receipt by the Bondholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond or Coupon presented for payment:

(a) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Bond or Coupon by reason of its having some connection with the United Kingdom other than the mere holding of the Bond or Coupon; or

(b) by or on behalf of a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim or filing for exemption to any tax authority in the place where the relevant Bond or Coupon is presented for payment; or

(c) more than 30 days after the Relevant Date except to the extent that the holder of such Bond or Coupon would have been entitled to such additional amounts on presenting such Bond or Coupon for payment on the last day of such period of 30 days; or

(d) where such withholding or deduction arises under or in connection with Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretation thereof, any law interpreting any intergovernmental agreement thereto or any legislation adopted by any non-U.S. jurisdiction in connection with those provisions.

In these Conditions, "**Relevant Date**" means whichever is the later of: (a) the date on which the payment in question first becomes due; and (b) if the full amount payable has not been received in London by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Bondholders.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 8 (*Taxation*) or any undertaking given in addition to or in substitution of this Condition 8 (*Taxation*) pursuant to the Trust Deed.

If the Issuer becomes subject at any time to any taxing jurisdiction other than the United Kingdom, references in these Conditions to the United Kingdom shall be construed as references to the United Kingdom and/or such other jurisdiction.

9. Events of Default

If any of the following events occurs, then the Trustee at its discretion may and, if so requested in writing by holders of at least one quarter of the aggregate principal amount of the outstanding Bonds or if so directed by an Extraordinary Resolution, shall (subject, in the case of the happening of any of the events mentioned in paragraphs (b) (*Breach of other obligations*) below and, in relation only to a Principal Subsidiary of the Issuer, paragraphs (d) (*Enforcement Proceedings*), (e) (*Security enforced*), (f) (*Insolvency*), or (g) (*Winding up*) below, to the Trustee having certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the Bondholders and, in all cases, to the Trustee having been indemnified and/or provided with security and/or prefunded to its satisfaction) give written notice to the Issuer declaring the Bonds to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality:

(a) *Non-payment*: the Issuer fails to pay any amount of principal or interest in respect of the Bonds when due provided that such failure to pay continues for seven days in the case of principal or 14 days in the case of interest; or

(b) *Breach of other obligations:* the Issuer does not perform or comply with any one or more of its other obligations under or in respect of the Bonds or the Trust Deed and such default: (i) is, in the opinion of the Trustee, incapable of remedy; or (ii) being a default which is, in the opinion of the Trustee, capable of remedy remains un-remedied for 30 days (or such period as the Trustee may require) after the Trustee has given written notice thereof to the Issuer requiring the same to be remedied; or

(c) *Cross-acceleration*:

   (i) any other present or future indebtedness of the Issuer or any Principal Subsidiary for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any event of default or the like (howsoever described); or

   (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period; or

(iii) the Issuer or any Principal Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided that no such event shall constitute an Event of Default unless the relevant indebtedness or relevant guarantee of or indemnity in respect of indebtedness either alone or when aggregated with all other indebtedness or guarantees of or indemnities in respect of indebtedness (if any) in respect of which such events have occurred shall equal or exceed £25,000,000 or its equivalent in any other currency or currencies; or

(d) *Enforcement Proceedings*: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a substantial part of the property, assets or revenues of the Issuer or any Principal Subsidiary and is not discharged within 45 days; or

(e) *Security enforced*: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Principal Subsidiary in respect of all or a substantial part of the property, assets or revenues of the Issuer or any Principal Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, manager or other similar person) and is not discharged within 30 days; or

(f) *Insolvency:* the Issuer or any Principal Subsidiary is (or is, or could be, deemed by virtue of Section 123 of the Insolvency Act 1986 (other than Section 123(1) (a)) to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or would be reasonably likely otherwise to be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any Principal Subsidiary; or

(g) *Winding up*: an order is made or an effective resolution passed for the winding up or dissolution or administration of the Issuer or any Principal Subsidiary, or the Group ceases or threatens to cease to carry on all or the majority of the business or operations of the Group, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (1) on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Bondholders, or (2) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries; or

(h) *Analogous event*: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (f) or (g) above.

In these Conditions:

"**Principal Subsidiary**" means, at any time:

(a) a Subsidiary of the Issuer whose (i) gross assets or (ii) pre-tax profits or revenues (in each case when consolidated with those gross assets or pre-tax profits or revenues of its Subsidiaries) exceed 5 per cent. of the aggregate gross assets of the Group or, as the case may be, pre-tax profits or revenues of the Group at that time ((i) and (ii) together being the "**Principal Subsidiary Thresholds**"), all as (in the case of any relevant person other than the Group) derived from financial information used for the preparation of the most recent audited consolidated accounts of the Group and (in the case of the Group) shown in the most recent audited annual consolidated accounts of the Group provided that (1) in the case of a Subsidiary acquired or an entity which becomes a Subsidiary after the end of the financial period to which the then latest audited consolidated accounts of the Issuer relate, the reference to the then latest audited consolidated accounts of the Issuer for the purposes of the above calculation shall, until the consolidated audited accounts of the Issuer are published for the financial period in which the acquisition is made or, as the case may be, in which such entity becomes a Subsidiary, be deemed to be a reference to the then latest audited consolidated accounts of the Issuer adjusted in such manner as may be appropriate to consolidate the latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary in such accounts and (2) any Subsidiary which meets the Principal Subsidiary Thresholds solely by virtue of being an intermediate holding company whose only assets (excluding intra-group loans) are holdings (whether directly or indirectly through other Subsidiaries) in Principal Subsidiaries shall be deemed not to be a Principal Subsidiary for the purposes of either this Condition 9 or Condition 3 (*Negative Pledge*); or

(b) a Subsidiary to which is transferred all or substantially all of the business, assets and undertaking of a Subsidiary of the Issuer which immediately prior to such transfer is a Principal Subsidiary, whereupon the transferor Subsidiary of the Issuer shall immediately cease to be a Principal Subsidiary and the transferee Subsidiary shall immediately become a Principal Subsidiary (subject to the provisions of paragraph (a) above).

A certificate signed by two directors of the Issuer that in their opinion a Subsidiary of the Issuer is or is not, or was or was not, at any particular time or throughout any specified period a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Trustee and the Bondholders and the Trustee shall be entitled to rely on such certificate without liability to any person.

10. Prescription

Claims for principal shall become void unless the relevant Bonds are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

11. Replacement of Bonds and Coupons

If any Bond or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer or the Principal Paying Agent may reasonably require. Mutilated or defaced Bonds or Coupons must be surrendered before replacements will be issued.

12. Trustee and Paying Agents

Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Bondholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Bondholders as a class and will not be responsible for any consequence for individual holders of Bonds or Coupons as a result of such holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Bonds and the Coupons, the Paying Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Bondholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed in the Agency Agreement. The Issuer reserves the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor principal paying agent and additional or successor paying agents; *provided, however, that* the Issuer shall at all times maintain a principal paying agent.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Bondholders.

13. **Meetings of Bondholders; Modification and Waiver; Substitution**

(a) *Meetings of Bondholders*: The Trust Deed contains provisions for convening meetings of Bondholders to consider matters relating to the Bonds, including the modification of any provision of these Conditions or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or by the Trustee and shall be convened by the Trustee (subject to it being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of Bondholders holding not less than one-tenth of the aggregate principal amount of the outstanding Bonds. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing not less than half of the aggregate principal amount of the outstanding Bonds or, at any adjourned meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented; provided, however, that certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Bonds, to reduce the amount of principal or interest payable on any date in respect of the Bonds, to alter the method of calculating the amount of any payment in respect of the Bonds or the date for any such payment, to modify any provision of any guarantee of the Bonds given pursuant to the Trust Deed, to change the currency of payments under the Bonds or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a "**Reserved Matter**")) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Bonds form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Bondholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of Bondholders, who for the time being are entitled to receive notice of a meeting of Bondholders under the Trust Deed, holding in aggregate not less than 75 per cent. in nominal amount of the Bonds outstanding, will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(b) *Modification and waiver*: The Trustee may, without the consent of the Bondholders or the Couponholders, agree to any modification of these Conditions, the Bonds, the Coupons, the Trust Deed or the Agency Agreement (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Bondholders and to any modification of the Conditions, the Bonds, the Coupons or the Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is to correct a manifest error. In addition, the Trustee may, without the consent of the Bondholders or the Couponholders, authorise or waive any proposed breach or breach of the Conditions, the Bonds, the Coupons, the Trust Deed or the Agency Agreement or determine that any Event of Default or Potential Event of Default shall not be treated as such (other than relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Bondholders will not be materially prejudiced thereby.

(c) Unless the Trustee agrees otherwise, any such authorisation, waiver, determination or modification shall be notified to the Bondholders by the Issuer as soon as practicable thereafter in accordance with Condition 16 (*Notices*).

(d) *Substitution*: The Trust Deed contains provisions under which any other company may, without the consent of the Bondholders or Couponholders, assume the obligations of the Issuer as principal debtor under the Trust Deed and the Bonds provided that certain conditions specified in the Trust Deed are fulfilled, including a requirement that the Issuer provides an unconditional guarantee in relation to the obligations of the new principal debtor under the Trust Deed and the Bonds.

No Bondholder or Couponholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Bondholder or (as the case may be) Couponholder except to the extent provided for in Condition 8 (*Taxation*) (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

14. **Enforcement**

The Trustee may at any time, at its discretion and without notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Bonds, but it shall not be bound to do so unless:

(a) it has been so requested in writing by the holders of at least one quarter of the aggregate principal amount of the outstanding Bonds or has been so directed by an Extraordinary Resolution; and

(b) it has been indemnified and/or provided with security and/or prefunded to its satisfaction.

No Bondholder may proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

15. **Further Issues**

The Issuer may from time to time, without the consent of the Bondholders or the Couponholders and in accordance with the Trust Deed, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date and first payment of interest) so as to form a single series with the Bonds. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of bonds having the benefit of the Trust Deed.

16. **Notices**

All notices to Bondholders will be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in the United Kingdom. Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Bondholders.

17. **Governing Law and Jurisdiction**

(a) *Governing law*: The Bonds and the Trust Deed and any non-contractual obligations arising out of or in connection with the Bonds and the Trust Deed are governed by English law.

(b) *Jurisdiction*: The Issuer has in the Trust Deed: (i) agreed for the benefit of the Trustee and the Bondholders that the courts of England shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Bonds (including any non-contractual obligation arising out of or in connection with the Bonds); and (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient. The Trust Deed also states that nothing contained in the Trust Deed prevents the Trustee from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction and that, to the extent allowed by law, the Trustee may take concurrent Proceedings in any number of jurisdictions.

SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

The Bonds will initially be in the form of a Temporary Global Bond which will be deposited on or around the Closing Date with a common depositary for Euroclear and Clearstream, Luxembourg.

The Temporary Global Bond will be exchangeable in whole or in part for interests in the Permanent Global Bond not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Bond unless exchange for interests in the Permanent Global Bond is improperly withheld or refused. In addition, interest payments in respect of the Bonds cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Bond will become exchangeable in whole, but not in part, for Definitive Bonds in the denominations of £100,000 and higher integral multiples of £1,000 in excess thereof up to and including £199,000 each at the request of the bearer of the Permanent Global Bond against presentation and surrender of the Permanent Global Bond to the Principal Paying Agent if either of the following events (each, an "**Exchange Event**") occurs: (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or (b) any of the circumstances described in Condition 9 (*Events of Default*) occurs. No Definitive Bonds will be issued with a denomination above £199,000.

So long as the Bonds are represented by a Temporary Global Bond or a Permanent Global Bond and the relevant clearing system(s) so permit, the Bonds will be tradeable only in the minimum authorised denomination of £100,000 and higher integral multiples of £1,000, notwithstanding that no Definitive Bonds will be issued with a denomination above £199,000.

Whenever the Permanent Global Bond is to be exchanged for Definitive Bonds, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Bonds, duly authenticated and with Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Bond to the bearer of the Permanent Global Bond against the surrender of the Permanent Global Bond to or to the order of the Principal Paying Agent within 30 days of the occurrence of the relevant Exchange Event.

In addition, the Temporary Global Bond and the Permanent Global Bond will contain provisions which modify the Conditions as they apply to the Temporary Global Bond and the Permanent Global Bond. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Temporary Global Bond and the Permanent Global Bond will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Bond or (as the case may be) the Permanent Global Bond to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Bonds. On each occasion on which a payment of principal or interest is made in respect of the Temporary Global Bond or (as the case may be) Permanent Global Bond, the Issuer shall procure that the payment is noted in a schedule thereto.

Payments on business days: In the case of all payments made in respect of the Temporary Global Bond and the Permanent Global Bond, "**business day**" means any day which is a day on which dealings in foreign currencies may be carried on in London.

Exercise of put option: In order to exercise the option contained in Condition 6(d) (*Redemption at the option of Bondholders following a Change of Control*) the bearer of the Permanent Global Bond must, within the period specified in the Conditions for the deposit of the Bond and put notice, give written notice of such exercise to the Principal Paying Agent, in accordance with the rules and procedures of Euroclear, Clearstream, Luxembourg and/or other relevant clearing system, specifying the principal amount of Bonds in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 6(c) (*Redemption at the option of the Issuer*) in relation to some only of the Bonds, the Permanent Global Bond may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Bonds to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg) as either a pool factor or a reduction in principal amount at their discretion.

Notices: Notwithstanding Condition 16 (*Notices*), while all the Bonds are represented by the Permanent Global Bond (or by the Permanent Global Bond and/or the Temporary Global Bond) and the Permanent Global Bond is (or the Permanent Global Bond and/or the Temporary Global Bond are) deposited with a common depositary for Euroclear and Clearstream, Luxembourg, notices to Bondholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to Bondholders in accordance with Condition 16 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg.

Electronic Consent and Written Resolution: While any Temporary Global Bond or Permanent Global Bond is held on behalf of a clearing system, then:

(a) approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in aggregate principal amount of the Bonds outstanding (an "**Electronic Consent**" as defined in the Trust Deed) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which a special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held, and shall be binding on all Bondholders and holders of Coupons, Talons and Receipts whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by (a) accountholders in the clearing system with entitlements to such Temporary Global Bond or Permanent Global Bond and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Bondholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Bonds is clearly identified together with the amount of such holding. None of the Issuer or the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

USE OF PROCEEDS

The net proceeds of the issue of the Bonds, after deduction of commissions, fees and estimated expenses, is expected to be approximately £346,731,000. The Issuer intends that to apply an amount equal to the net proceeds of the issue of the Bonds, together with any proceeds of other green financing transactions of the Group, in accordance with the Green Finance Framework (as defined below) for financing or re-financing certain projects and activities that promote environmental or green purposes (such projects and/or activities being "**Eligible Green Projects**").

The Green Finance Framework

The Group has established its green finance framework (the "**Green Finance Framework**"), which governs all forms of green financing transactions which it may enter into and the application of the proceeds of green transactions towards certain projects. Under the Green Finance Framework, the Issuer may issue green bonds and other green financing transactions to finance and/or refinance Eligible Green Projects. The Group may, in the future, update the Green Finance Framework in line with developments in the market.

The Issuer believes that the Green Finance Framework is aligned with the International Capital Market Association's Green Bond Principles, 2021 (the "**ICMA's Green Bond Principles**"). This conclusion is confirmed by the second party opinion dated 5 November 2021 obtained by the Issuer from DNV GL (the "**Second Party Opinion**"), an external environmental, social and corporate governance research and analysis provider, which confirms the alignment of the Green Finance Framework with ICMA's Green Bond Principles.

See the Green Finance Framework, the Second Party Opinion and any public reporting by or on behalf of the Issuer in respect of the application of proceeds (each of which will be available on the Issuer's website at https://www.derwentlondon.com/investors/debt-information and will not be incorporated by reference in this Prospectus) for further information.

Second Party Opinion Provider

The Second Party Opinion Provider, DNV GL, evaluated the Green Finance Framework established by the Issuer and the alignment of this Prospectus with relevant market standards and provided views on the robustness and credibility of the Green Finance Framework which views are intended to inform investors in the Bonds in general, and not for a specific investor.

DESCRIPTION OF THE GROUP

Background

The Issuer is a commercial property owner, headquartered in London and focused on the London office market. The Issuer is a member of the FTSE 250 index with a market capitalisation of approximately £3,824 million as at 4 November 2021.

The Issuer, together with its subsidiary undertakings, associated undertakings and investments, are collectively referred to as the "**Group**". The Issuer is the ultimate global owner of the Group, which is known as "Derwent London".

History of the Group

A timeline of key events in the Group's history is set out below:

- The Issuer was incorporated in England and Wales on 25 May 1984 under the name "Derwent Valley Holdings Public Limited Company" as a public limited company.

- Derwent Valley Holdings Public Limited Company's shares were admitted to trading on the London Stock Exchange on 13 August 1984.

- On 1 February 2007, Derwent Valley Holdings Public Limited Company merged with one of its competitors, London Merchant Securities plc, to create a combined group with property assets of over £2,250 million and a total area of over 5.6 million square feet ("**sq ft**") at the time. The merged entity became "Derwent London plc".

- The Issuer became a REIT on 1 July 2007, a structure which removes tax inequalities between different real estate investors. This structure exempts the Group from tax on income and gains derived from its investment property rental business (but is subject to corporation tax on non-exempt income and gains and is required to deduct withholding tax from certain shareholders on property income distributions).

Principal Activities

The Issuer is the largest London-focused REIT with a portfolio value of approximately £5,384 million as at 30 June 2021. As a leading owner, manager and developer of modern office property, the Group's principal activities consist of commercial real estate asset management, development and refurbishment, and investment activity.

DLN: Derwent London

GPOR: Great Portland Estates

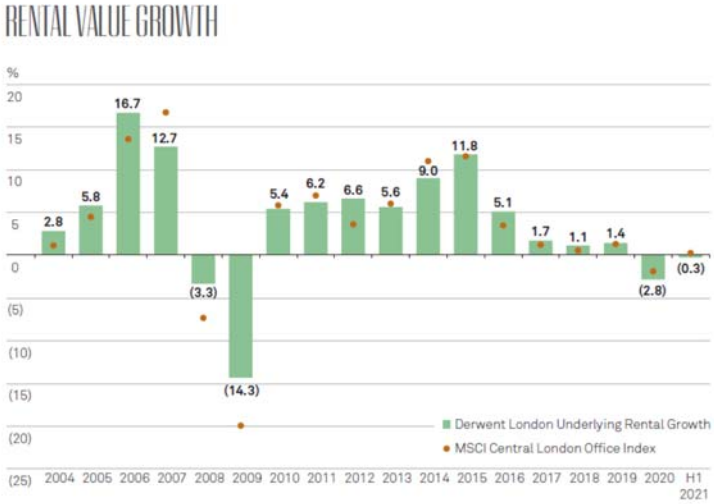
WKP: Workspace

BLND: British Land
LAND: Landsec

Source: Issuer, unaudited financial statements ended 30 March 2021 of GPOR, WKP, BLND and LAND

The Group improves and upgrades central London office space, and its design-led ethos has created a brand of well-designed, flexible and efficient buildings at a wide range of rents.

As at 30 June 2021, the Group owned 5.4 million sq ft of space in 81 buildings. The portfolio's annualised net passing rental income of £175.8 million at 30 June 2021 is split 91 per cent. offices and 9 per cent. retail and hospitality. After 'topping-up' for rent-free incentive periods, the average portfolio rent was £58.35 per sq ft as at 30 June 2021 (31 December 2020: £57.71 per sq ft) and the topped up net initial yield was 4.6 per cent. At the same date, the portfolio had a 3.3 per cent. vacancy rate (by estimated rental value, "**ERV**"). The portfolio's ERV stood at £282.4 million at 30 June 2021, taking into account a cashflow reversion comprising: £60.0 million of contractual uplifts after the rent-free incentives expire, £31.1 million of additional cash from the letting of on-site developments and major refurbishments (of which £17.0 million is pre-let), £8.4 million of new rent from letting vacant space, £5.0 million from small refurbishment and upgrade projects and £2.1 million from rent reviews and expiries.



Source: Issuer

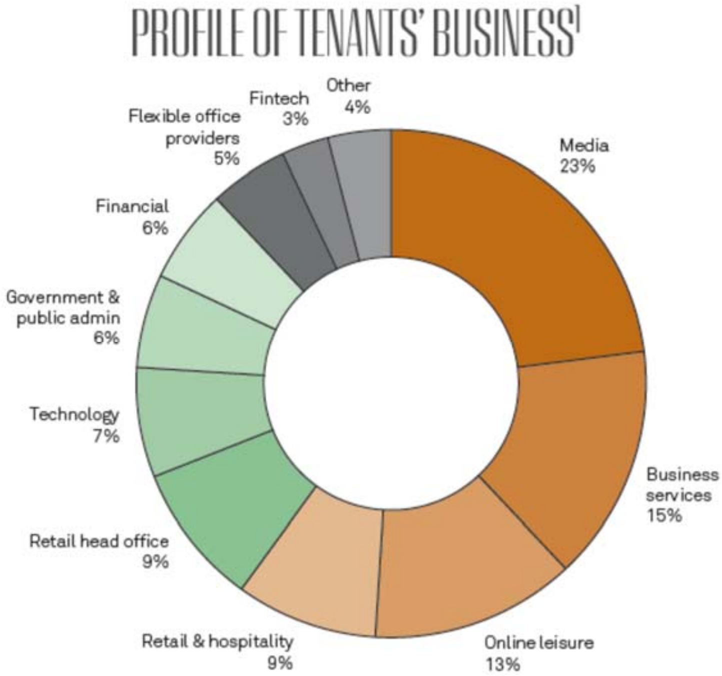
Source: Issuer

As at 30 June 2021, the portfolio had a weighted average unexpired lease term of 6.1 years rising to 7.9 years on a 'topped-up' basis adjusting for contractual development pre-lets (31 December 2020: 6.2 years and 7.9 years respectively). The Group had 410,000 sq ft of space under construction and a potential development pipeline of c.2.3 million sq ft based on pre-development floor areas (including the acquisitions from Lazari Investments which completed in October 2021 as described in the "*Recent Developments*" section below). The c.2.3 million sq ft pipeline primarily comprises buildings which are currently income producing but have redevelopment potential over the medium to longer term. The next phase of developments comprises three schemes currently totalling 317,000 sq ft with a post-development floor area of 565,000 sq ft and potential capex of c.£500 million. Commencement is expected between H2 2021 and end-2022, with completion targeted by 2025.

The Group typically acquires properties off-market with low capital values and modest rents in improving locations, most of which are either in the West End or the arc stretching from King's Cross to Whitechapel, known as the Tech Belt. A distinguishing feature of the Group's portfolio is that it is located in 13 London 'villages' (as at 30 June 2021) and there are no properties in the City of London core or Docklands/Canary Wharf: 68 per cent. of the portfolio is located in the West End in areas such as Fitzrovia, Victoria, Paddington, Soho, Marylebone and Mayfair and 31 per cent. is located in the City Borders including Old Street, Clerkenwell, Shoreditch and Whitechapel, with over 75 per cent. of the London portfolio located within 800 metres of a Crossrail station. The remaining 1 per cent. of the Group's property portfolio is located in Scotland and consists mainly of land and retail properties.

Approximately 39 per cent. of the Group's portfolio lies in the Tech Belt and includes some of the Group's West End properties in Islington. Many of the Group's properties are distinctive landmarks in their local areas including, in particular 80 Charlotte Street W1, Brunel Building W2, White Collar Factory EC1, Angel Building EC1, 1-2 Stephen Street W1, Horseferry House SW1 and Tea Building E1.

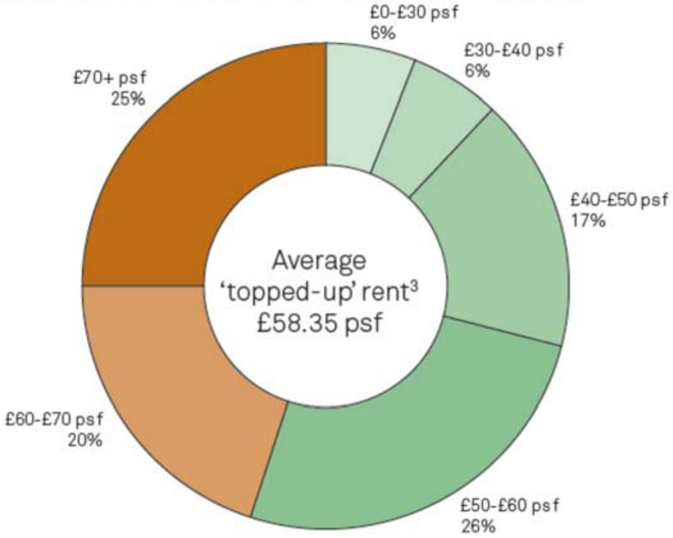
The Group focuses on forward-thinking, design-led space and developing buildings which are distinctive, adaptable and amenity-rich. The Group's occupier base is well diversified with a focus on media and creative businesses.



[1] *Based on annualised rental income*

Source: Issuer

CENTRAL LONDON 'TOPPED-UP' OFFICE RENT BANDING[2]



[2] *Based on floor area*
[3] *'Topped up office' rent includes development pre-lets*

Source: Issuer

As at 30 June 2021, the Group's top 20 tenants by 'topped-up' rental income were:

		'Topped-up' income %	
		Existing	Pre-let
01	Expedia	7.4	-
02	Burberry	5.8	-
03	Boston Consulting Group	5.4	-
04	G-Research	0.4	3.8
05	Government	4.2	-
06	Arup	3.9	-
07	Apollo	-	3.1
08	The Office Group	2.8	-
09	Sony Pictures	1.9	-
10	FremantleMedia Group	1.8	-
11	Publicis Groupe	1.7	-
12	VCCP	1.6	-
13	The Doctors Laboratory	1.5	-
14	Splunk	1.5	-
15	Soho House	1.4	-
16	Telecity Group/Digital London	1.3	-
17	Adobe	1.2	-
18	Ticketmaster	1.1	-
19	Mother London	1.1	-
20	LCA London	1.0	-
	Total	**53.9**	

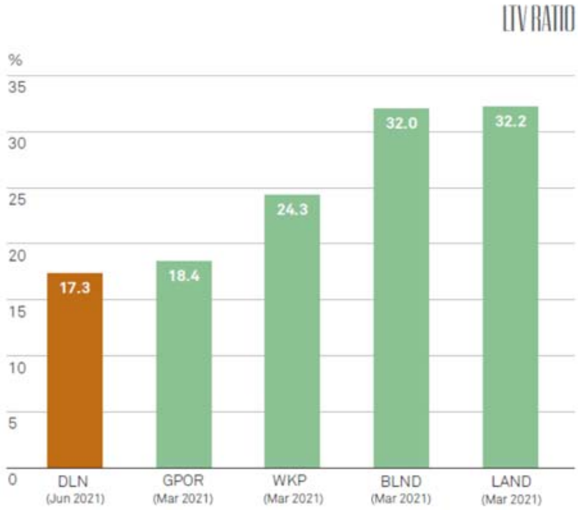
Source: Issuer

Key Credit Strengths

The Issuer believes the Group has a number of key credit strengths, including being:

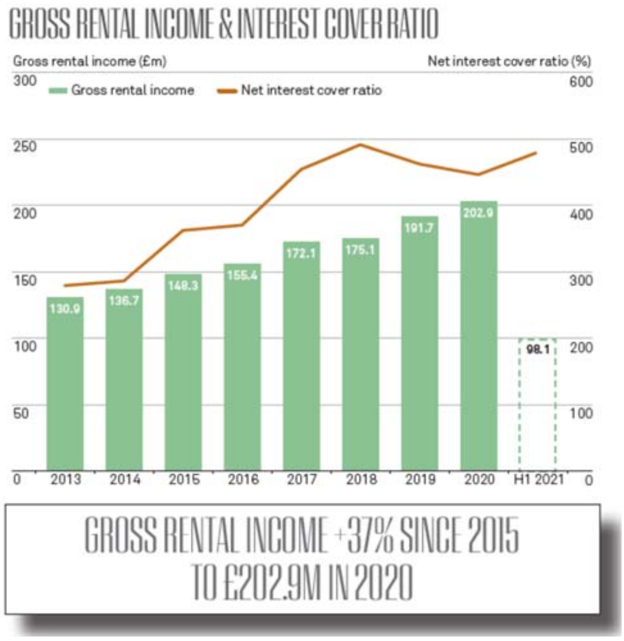
- a FTSE 250 listed owner, manager and developer of a portfolio of high quality, modern office space in central London;

- modestly leveraged with a strong balance sheet, 17.3 per cent. loan-to-value ratio as at 30 June 2021, a focus on earnings and dividend cover and an uncomplicated financial structure. Interest cover for the six months to 30 June 2021 was 477 per cent. and gross rental income increased by 37% to £202.9 million from 2015 to 2020. Altogether, these features have allowed the business to remain resilient through many economic cycles evidenced by being the only major UK REIT not to issue equity through the global financial crisis in 2009;

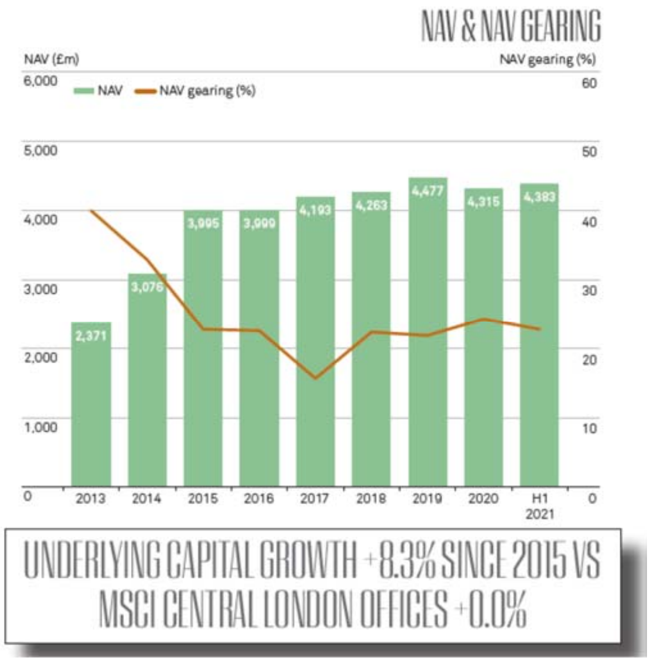


DLN: Derwent London
GPOR: Great Portland Estates
WKP: Workspace
BLND: British Land
LAND: Landsec

Source: Issuer, unaudited financial statements ended 30 March 2021 of GPOR, WKP, BLND and LAND



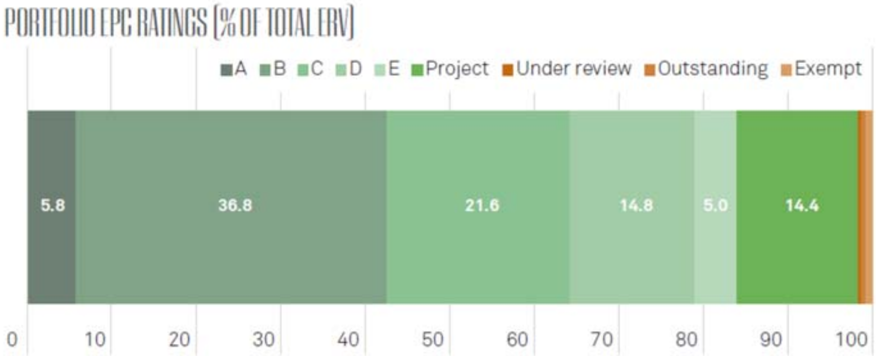
Source: Issuer



Source: Issuer

- a company with strong environmental, social and governance credentials, which include the publication in 2020 of the Group's pathway to becoming net zero carbon by 2030;

- a portfolio where, by ERV, 99 per cent. of the buildings are either Energy Performance Certificate ("**EPC**") rated 'A' to 'E' and therefore compliant with the minimum requirements for 2023 or are known projects with a targeted EPC of 'B' or above, and with 43 per cent. falling within bands 'A' and 'B' (compared to an estimated 23 per cent. (by floorspace) for the wider London office market, according to JLL);

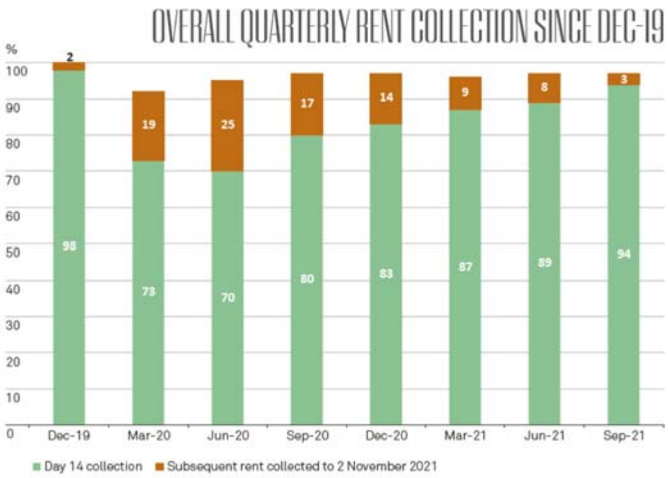


Source: Issuer

- an established brand, with customer focus at its heart and a reputation for delivering buildings of outstanding design, adaptability and good value backed up by strong relationships with its supply chain and other stakeholders;

- exposed to an established and resilient office market in central London, which attracts a pool of talent from around the world and is home to many global head offices, creative and technology companies and is a global financial centre;

- close to pre-Covid levels of rent collection at 97 per cent. for the September 2021 quarter, and 98 per cent. for the office portfolio, and seeing ongoing recovery of outstanding rents since the start of the pandemic ranging from 92 to 97 per cent. Retail collection rates (75 per cent. for the September 2021 quarter) continue to lag behind the collection rates for offices. The Group is seeing an improving overall trend (as demonstrated by the chart below). In addition, service charge collection rates have also recovered to over 90 per cent. These collection rates reflect only £2.4 million of tenant deposits being drawn since March 2020, with a remaining balance of £18.2 million as at 30 September 2021;



Source: Issuer

- recovering from the immediate financial impact of the Covid-19 pandemic relatively quickly. As at 31 December 2020, the Group recognised impairments of its receivable balances and write-offs of service charge and other amounts totalling approximately £15.1 million. By comparison, the impairments recognised by the Group in the first three quarters of 2021 totalled £3.3 million (net of £1.6 million of amounts provided for the 2020 financial year which have since been reversed);

- specialised in creating prime-quality assets. Post-pandemic, the wider London office market faces an imbalance between low supply of prime space and demand being increasingly focused on prime space with 'green' credentials;

- a company with a track record of growth, driven by asset management and development activity that has anticipated future trends and been agile enough to adapt quickly to change;

- a company with a high quality and diversified customer base; and

- a company with a proven and experienced management team.

Strategy

The Group's portfolio consists of three types of properties (two of which are income producing):

- *Income producing properties*: As at 30 June 2021, income producing properties accounted for 88 per cent. of the Group's portfolio, rising to 91 per cent. on leasing of those currently vacant. The Group focuses on long-term relationships with its customers to adequately meet their needs. For example, the Group may offer a wide range of lease terms, provide adaptable spaces and excellent amenities and create a work environment for their employees that supports productivity and wellbeing.

    - *Core income*: 55 per cent. of the portfolio is classified as 'core income' being those properties that have been repositioned by the Group. These properties have a weighted average unexpired lease term of 7.2 years. Over the last 10 years, the proportion of the portfolio classified as 'core income' has ranged from 50 to 60 per cent. This part of the portfolio generates recurring earnings and cash flow through active asset management and balances the inherent risk of the Group's development projects.

    - *Future developments*: The Group acquires properties at low capital values in central London where there is potential to add value. The Group adds value through planning uplifts, the re-gearing of leases and/or the refurbishment or redevelopment of the properties, with good design at its heart and a primary focus on the needs of potential customers. As at 30 June 2021, these properties represented 36 per cent. of the portfolio and were income producing with a weighted average unexpired lease term of 4.2 years.

- *Properties under development:* Over the last 10 years, on-site developments have accounted for 10 to 15 per cent. of the portfolio on average. The returns generated by the Group's value-adding schemes have helped the Group consistently outperform its benchmarks (principally the MSCI Central London Offices Index). Since 2016, the Group has typically incurred £150 million to £220 million of annual capital expenditure, representing around 3 per cent of the portfolio value, on its properties under development. As at 30 June 2021, the Group had three projects on site: two major projects, Soho Place W1 and The Featherstone Building EC1, and one refurbishment project, Francis House SW1. These projects represent 9 per cent. of the portfolio, with outstanding capital expenditure of £140 million as at 30 June 2021 (split £104 million at Soho Place, £23 million at The Featherstone Building and £13 million at Francis House) and 58 per cent. by ERV is either pre-let or presold. Since 30 June 2021, the Group has commenced a further major project at 19-35 Baker Street W1 (anticipated capital expenditure of £271 million), taking anticipated future committed capital expenditure to c. £411 million. This development at Baker Street is a major opportunity for the Group, representing a 108 per cent. uplift by sq ft compared to the buildings previously occupying the site.

In designing and delivering schemes, the Group takes a long-term view, looking to identify risks to income or values early on. The Group prepares an annual five-year plan to assess risks and opportunities and ensure the Group's products are forward-looking and appeal to a wide range of tenants.

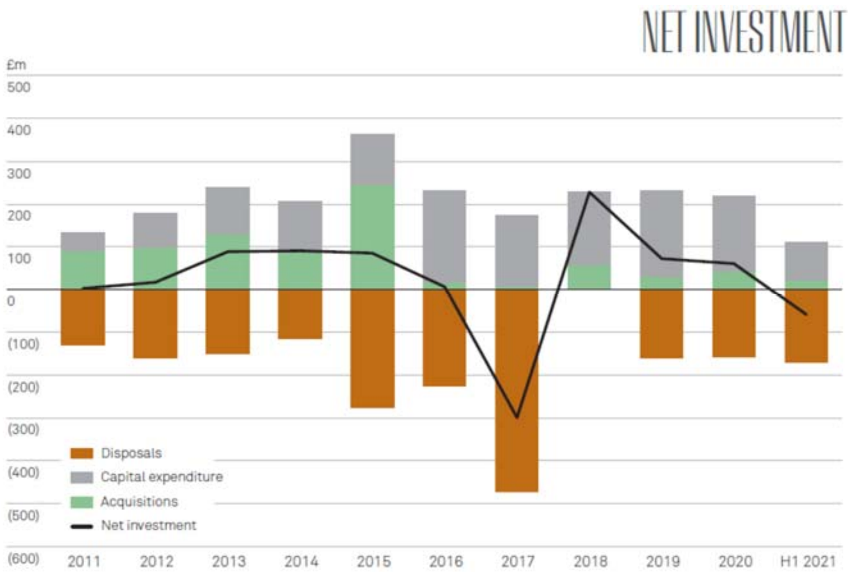
The Group's corporate strategy is underpinned by five core strategic objectives:

1. *To optimise returns and create value from a balanced portfolio*

Most of the properties that the Group acquires are occupied and provide cash flow, allowing time to work out plans while enjoying an income yield. This gives the Group the necessary flexibility to arrive at an optimal solution and ideas regularly go through several iterations before settling on a final solution. The Group plans ahead to determine the appropriate balance of risk and opportunity for the business and will normally start schemes speculatively, i.e. without any pre-letting in place. As the design and construction of large and complex projects requires considerable skill, experience and collaboration, the Group works with a chosen group of consultants, contractors and subcontractors to minimise the risks of delivery. The Group normally de-risks each project by agreeing terms with one or more tenants during the construction phase.

Once a building is completed and let, it moves to the 'core income' part of the Group's portfolio. Leases typically vary from less than a year to over 10 years and, in recent market conditions, there has been a focus on extending leases or removing breaks where the Group can agree reasonable terms. The Group is proactive in determining whether it has extracted most of the upside in value from a property, or where a property no longer satisfies its investment criteria. At this point, the Group will dispose of the property, freeing up human and financial capital for the next generation of acquisitions and projects.

Capital recycling, investing in the portfolio and having a strong pipeline of projects has helped the Group grow its rental values and portfolio valuation, while maintaining a low and relatively consistent level of debt.



Source: Issuer

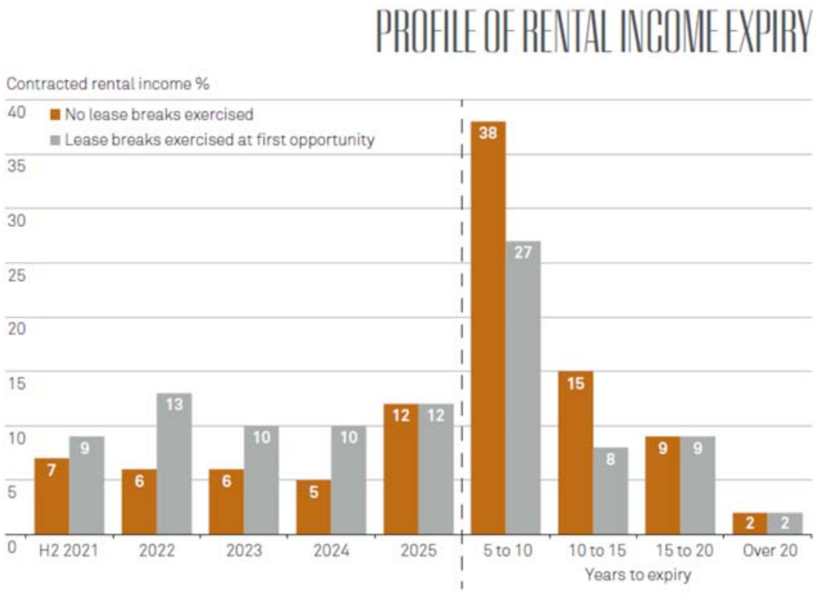
2. To grow recurring earnings and cash flow

Real estate values are largely determined by contracted and expected future cash flows combined with a market yield which takes account of risk, growth expectations, quality and other factors.

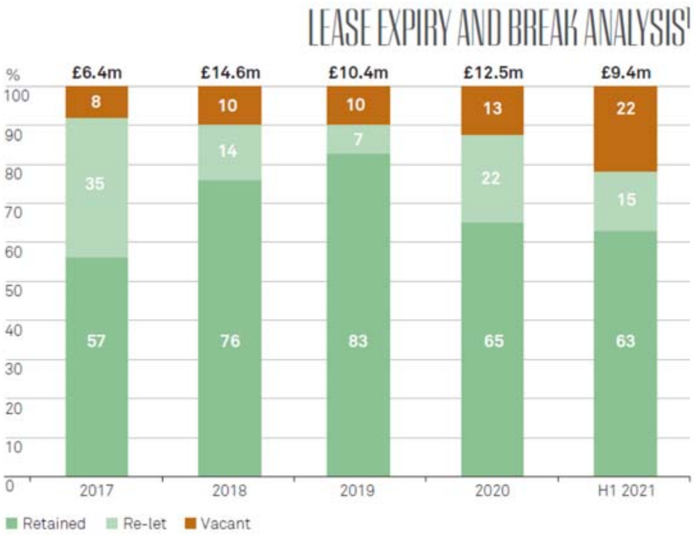
The Group's asset managers look to capture any increase in rents through rent reviews, lease re-gears or other lease restructuring. This is underpinned by strong relationships with occupiers, local communities and other stakeholders. With market conditions becoming more difficult through 2020 in light of the Covid-19 pandemic, there was an increased focus on maintaining income streams and supporting occupiers where required.

The Group focuses on creating spaces which appeal to the tenants' own employees and believes that addressing the climate change aspects of its buildings will help generate more resilient rental growth in the future. Occupiers are increasingly looking for adaptability and flexibility, and for many years, the Group has taken a flexible approach as part of its core brand values (for example, the Group's 'furnished and flexible' units), while, at other buildings, aiming for longer leases, particularly on larger lettings.

This approach has helped the Group maintain a relatively high tenant retention rate, with between 87 to 92 per cent. of leases due to expire or break being either retained or re-let for each year from 2016 to 2020 (inclusive). As a result of this and the success in pre-letting its major schemes, the Group had a weighted average unexpired lease term of 6.1 years (weighted by passing rent) as at 30 June 2021 (rising to 7.9 years on a 'topped-up' basis allowing for rent-free incentive periods and contracted pre-lets). The Group's EPRA vacancy rate of 3.3 per cent. as at the same date is particularly low relative to the central London office market.

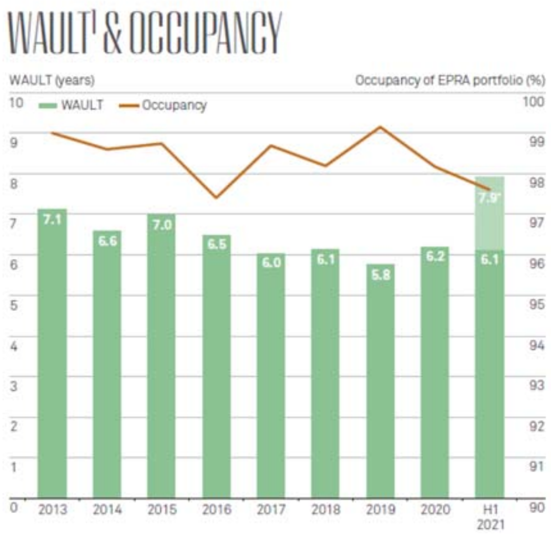


Source: Issuer



[1] *Outcome of lease breaks/expiries in year*

Source: Issuer

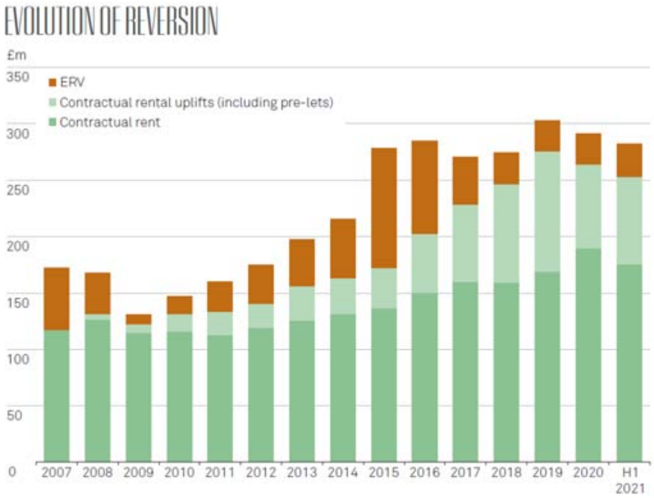


[1] *Average lease length rises to 7.9 years after adjusting for 'topped-up' rents and pre-lets*

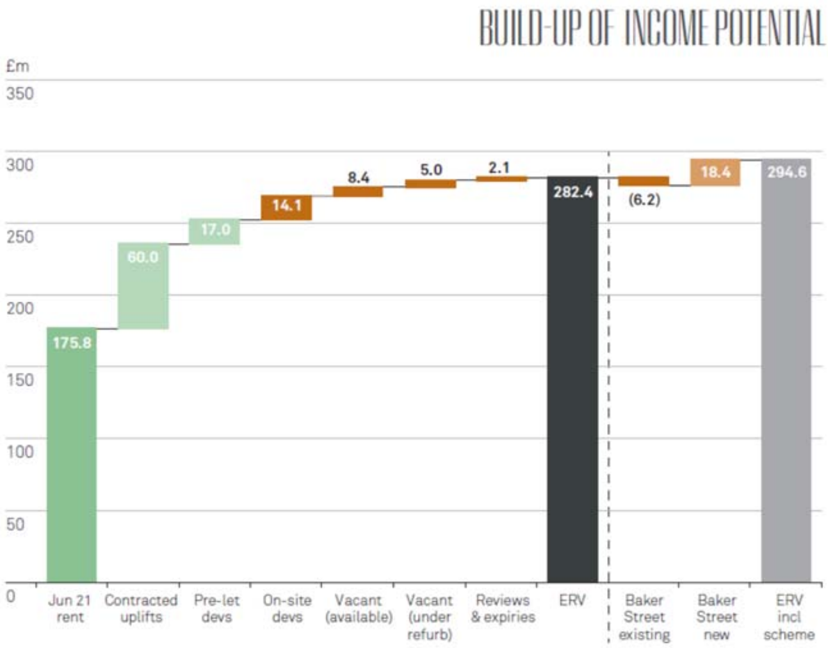
Source: Issuer

Another important aspect of the Group's asset management strategy is to create and capture the income and cashflow reversion established from improvements made to the portfolio. The main factor which contributes to the success of this aspect of the Group's strategy is the impact of major developments or refurbishments, but it also depends on the impact of rent reviews or re-letting of space which may become vacant.

The following charts show how the Group's reversion has developed over the last few years and the make-up of reversion as at 30 June 2021.



Source: Issuer



Source: Issuer

3. *To attract, retain and develop talented employees*

The Group's employees are key to the successful delivery of its strategy and long-term business performance. The Group has a high performing, progressive and collaborative culture coupled with a consultative and professional leadership style. The Group's employees are ambassadors for its brand and the Group therefore invests considerable time and resources in recruiting outstanding individuals who bring new ideas, skills and competencies to the business.

4. *To design, deliver and operate its buildings responsibly*

Delivering well-designed, adaptable, occupier-focused buildings is an integral part of the Group's business model. The Group believes these buildings offer better long-term value for occupiers, reduce letting risk and void levels and command better rents, yields and values. Setting high standards in terms of design and environmental responsibility allows the Group to build flexibility, longevity and climate resilience into the portfolio, both new developments and existing properties.

To meet the Group's target of becoming a net zero carbon business by 2030, the Group must develop buildings that are even more energy efficient, powered by renewable energy and have very low embodied carbon footprints. Further, the Group must reduce its properties' reliance on natural gas and further improve their energy consumption.

5. *To maintain strong and flexible financing*

The Group finances its business using equity and a conservative level of debt – see the section titled "*Liquidity and Capital Base*" below for further detail with respect to the Group's debt profile.

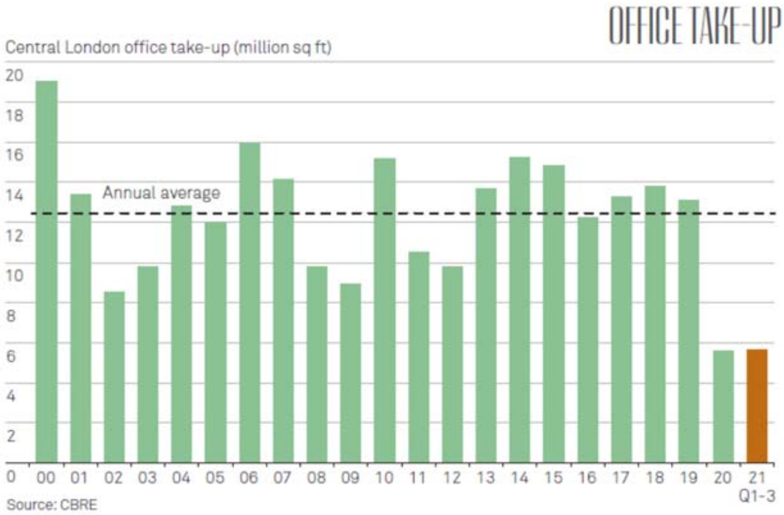
The Group's overriding financing principle is one of low financial leverage and generous interest cover, to balance the relatively high risk attached to regeneration schemes.

Using a combination of unsecured flexible revolving bank facilities and longer-term fixed rate debt (both secured and unsecured), the Group can adjust the level of drawn debt to its day-to-day requirements. The Group aims to maintain considerable headroom under its facilities to enable it to move quickly when acquisition opportunities arise. Although the Group incurs some non-utilisation fees, this strategy provides the Group comfort that cash flows can be funded without delay and demonstrates to the Group and its stakeholders that the development pipeline is capable of being financed and delivered without overstretching the balance sheet.

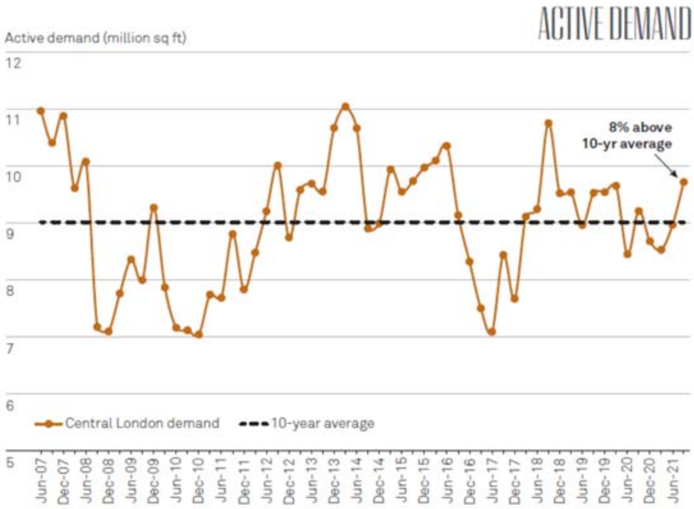
The Group proactively manages liquidity to ensure it has sufficient funds to meet obligations as they fall due. This includes daily cash flow monitoring and weekly forecasting, monthly monitoring of the maturity profile of debt and regular review of borrowing facilities in relation to the Group's funding requirements and strategy. To ensure it can effectively manage its liquidity risk, the Group has in place two revolving credit facilities totalling £550 million.

Central London office ("CLO") market

There are clear signs of improvement in CLO market sentiment and take-up following the immediate impact of the Covid-19 outbreak in 2020 on the market. According to CBRE, take-up in the first three quarters of 2021 was 5.7 million sq ft, with the monthly average during that period being 80 per cent. higher than April to December 2020. Active demand is for 9.7 million sq ft according to Cushman & Wakefield, which is 8 per cent. above the 10-year average. As a result, according to CBRE, the CLO vacancy rate is levelling off at 9.1 per cent. as at 30 September 2021 (56 per cent. of vacancy is located within the City and Docklands) with the West End rate significantly lower at 5.5 per cent. Space under offer has also risen through the year and, per CBRE, stood at 3.9 million sq ft as at 30 September 2021.



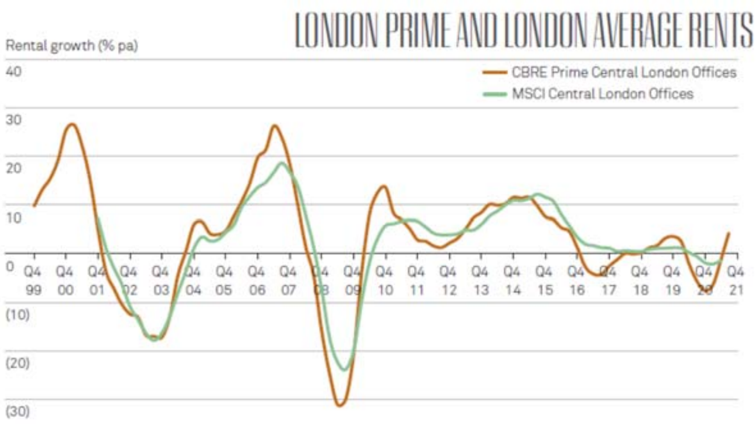
Source: CBRE



Source: Cushman & Wakefield

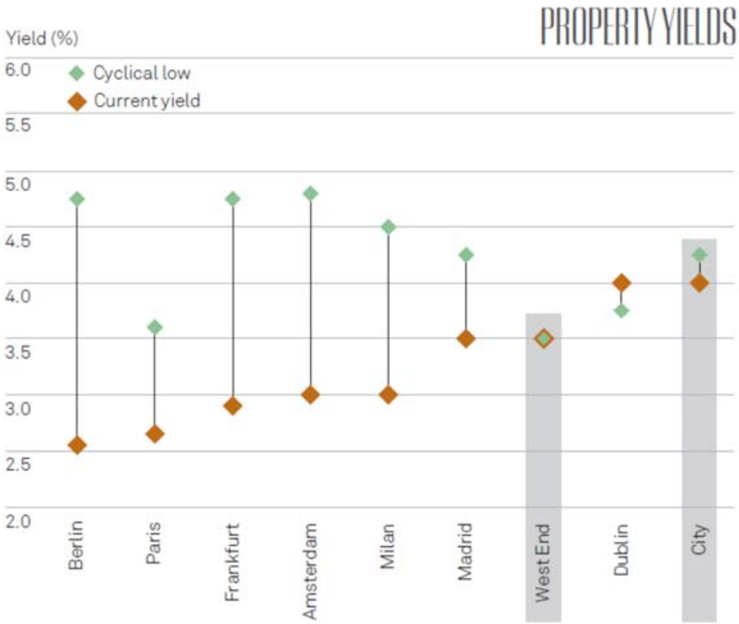
With a greater occupier focus on high-quality design, amenity and climate change resilience, 32 per cent. of the 11.2 million sq ft central London development pipeline was either pre-let or under offer as at 30 June 2021. This flight to quality has encouraged both CBRE and JLL to take a more positive outlook for prime rental levels. Rents typically only represent a relatively small proportion of the overall occupier cost base in central London, with employee costs being far more significant.

Source: CBRE (June 2021)



Source: CBRE to Q3 2021/MSCI to Q2 2021

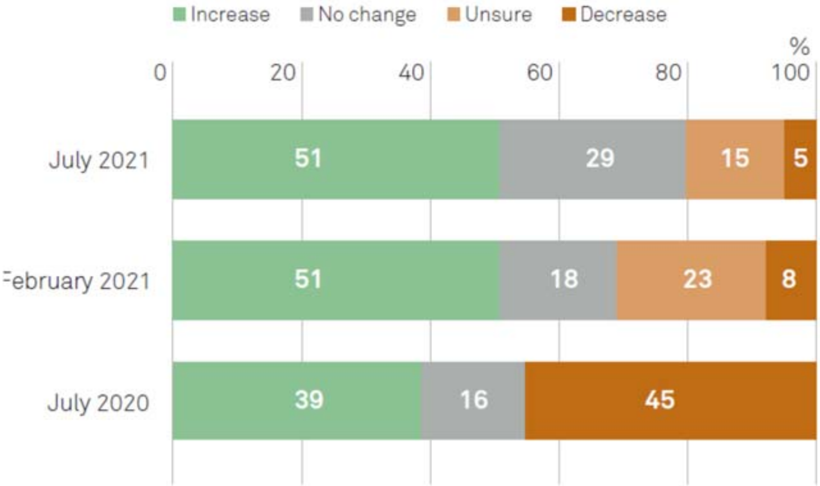
London remains very attractive to global capital inflows, with CBRE estimating that £41,150 million of such capital is targeting London offices as at 30 June 2021. This has been helped by the relatively attractive yields available in London compared to other major European cities, and the easing of Brexit uncertainty and Covid restrictions leading to a market characterised by strong demand with few signs of distress among sellers. As a result, transaction volumes have reached £6,155 million from Q1 to Q3 2021 according to CBRE.



Source: CBRE

Source: CBRE

The Group carried out an occupier survey in July 2021 which showed occupation levels and business confidence increasing. 80 per cent. of respondents intended to increase or maintain their headcount over the next 6 to 12 months versus 55 per cent. a year earlier. Only 5 per cent. said they wished to reduce their headcount and tenants were planning their space requirements for peak staff occupancy and not average occupancy levels which are naturally lower. As a result, a limited overall impact on leasing demand is anticipated as a result of changing working patterns.



Source: Issuer

Risk management

The Group's strategy takes into account risks, as well as opportunities, which need to be actively managed. The Board is ultimately responsible for determining the nature and extent of the principal risks it is willing to take to achieve its strategic objectives and challenging management's implementation of effective systems of risk identification, assessment and mitigation.

The Group's approach to the management and mitigation of these risks is included in its annual report for the financial year ended 31 December 2020.

Financial Overview

The aggregate market value of the Group's property portfolio was £5,384 million and the net asset value was £4,383 million as at 30 June 2021. For the half year ended 30 June 2021, gross property and other income was £120.4 million and net rental income was £90.1 million, with EPRA earnings of £60.6 million and reported operating profit of £134.1 million.

The following table sets out some of the key financial covenants for the Group and the reported measures as at 31 December 2020 and 31 June 2021.

Measure	**Reported as at 31 December 2020 (audited)**	**Reported as at 30 June 2021 (unaudited)**
Loan-to-value ratio	18.4 per cent.	17.3 per cent.
Net asset value gearing	24.3 per cent.	22.8 per cent.
Net interest cover ratio	446 per cent.	477 per cent.
Liquidity	Headroom (undrawn bank facilities and cash): £476 million Average maturity: 6.8 years Fixed/Hedged: 85 per cent.	Headroom (undrawn bank facilities and cash): £527 million Average maturity: 6.4 years Fixed/Hedged: 89 per cent.

Following the initial impact of the Covid-19 outbreak in 2020, the Group's rent collection steadily improved from June 2020. As at 4 November 2021, the Group had received 97 per cent. of its September quarter rents and 97 per cent. of its June 2021 quarter rents. The Group's office rent collection, as at 4 November 2021, for the September 2021 quarter was 98 per cent. The collection rate for its retail and hospitality rent, at the same date, was 75 per cent.

Property portfolio valuation

At 30 June 2021, the aggregate market value of the Group's property portfolio was £5,384 million.

Financial statements

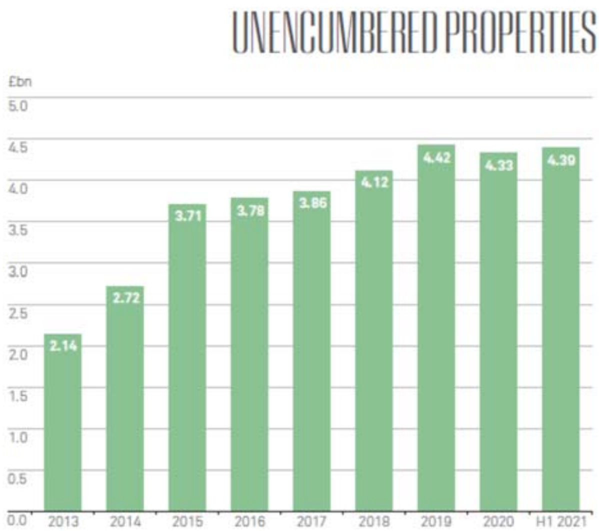
The Issuer's financial year is from 1 January to 31 December of each year. The Issuer has prepared audited consolidated financial statements as at and for the years ended 31 December 2019 and 2020, copies of which have been filed with the FCA. The Issuer published its results for the six months ended 30 June 2021 on 10 August 2021.

Liquidity and Capital Base

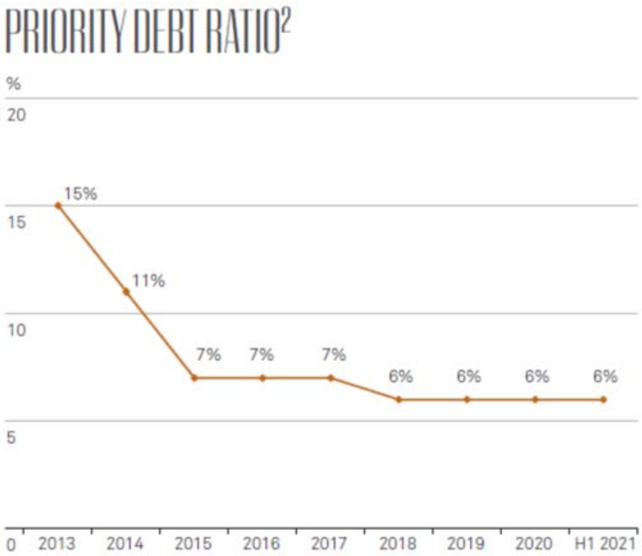
As at 30 June 2021, the Group's total net debt was £999.7 million (which is a £49.4 million decrease from £1,049.1 million as at 31 December 2020).

Most of the Group's financing is unsecured with a weighted average debt maturity of 6.4 years at 30 June 2021 (31 December 2020: 6.8 years) and the interest rate payable on drawn debt was 3.44 per cent. (31 December 2020: 3.34 per cent.) on a cash basis and 3.58 per cent. (31 December 2020: 3.48 per cent.) on an IFRS basis after adjusting for the 1.5 per cent. unsecured £175 million convertible bond issued by the Group in June 2019 maturing June 2025. The marginal interest rate was 0.73 per cent. at 30 June 2021 (0.73 per cent. at 31 December 2020). At 30 June 2021, the proportion of fixed debt held by the Group was 89 per cent. (31 December 2020: 85 per cent.) and the value of properties which were uncharged was £4,386 million (31 December 2020: £4,329 million).

Source: Issuer



Source: Issuer



[2] *The Group moved to a predominately unsecured debt model in 2013. Prior to this, most of the Group's debt was secured explaining the higher ratios.*

Source: Issuer

The Group's facilities and reconciliation to borrowings and net debt as at 30 June 2021 are summarised below:

	Drawn £m	**Undrawn £m**	**Total £m**	**Maturity**
6.5 per cent. secured bonds	175.0	-	**175.0**	March 2026
3.99 per cent. secured loan	83.0	-	**83.0**	October 2024
1.5 per cent. unsecured convertible bonds	175.0	-	**175.0**	June 2025
2.68 per cent. unsecured private placement notes	55.0	-	**55.0**	January 2026
3.46 per cent. unsecured private placement notes	30.0	-	**30.0**	May 2028
4.41 per cent. unsecured private placement notes	25.0	-	**25.0**	January 2029
2.87 per cent. unsecured private placement notes	93.0	-	**93.0**	January 2029
2.97 per cent. unsecured private placement notes	50.0	-	**50.0**	January 2031
3.57 per cent. unsecured private placement notes	75.0	-	**75.0**	May 2031
4.68 per cent. unsecured private placement notes	75.0	-	**75.0**	January 2034
3.09 per cent. unsecured private placement notes	52.0	-	**52.0**	January 2034
Non-bank debt	888.0	-	**888.0**	
Bilateral term – secured	28.0	-	**28.0**	July 2022
Bilateral revolving credit – unsecured	-	100.0	**100.0**	November 2025
Club revolving credit – unsecured	83.0	367.0	**450.0**	October 2025
Committed bank facilities	111.0	467.0	**578.0**	
Debt facilities	999.0	467.0	**1,466.0**	
Acquired fair value of secured bonds less amortisation	8.7			
Equity adjustment to convertible bonds less amortisation	(5.2)			
Unamortised issue and arrangement costs	(10.2)			
Borrowings	992.3			
Leasehold liabilities	67.4			
Cash and cash equivalents	(60.0)			
Net debt	**999.7**			

Source: Issuer

In this section, each of the figures as at: (i) 30 June 2021, can be found in the Group's unaudited consolidated accounts for the financial half year of the Group ending on such date; and (ii) 31 December 2019 and 31 December 2020, can be found in the Group's audited consolidated accounts for the financial year of the Group ending on such date.

ESG Initiatives and Targets

In light of the climate emergency, the Group has brought environmental, social and governance ("**ESG**") issues to the forefront of its strategy. One of the Group's ESG objectives underpinning its strategy is focusing on designing, delivering and operating its buildings responsibly. The Group focuses on a number of key performance indicators, including Building Research Establishment's Environmental Assessment Method ("**BREEAM**") ratings for the Group's major developments and refurbishments, and Energy Performance Certificates ("**EPCs**") for the Group's buildings.

The Group's unsecured revolving credit facility (the "**RCF**") includes a £300 million 'green tranche', under which the Group commits to applying the use of proceeds of that tranche to Eligible Green Projects under its Green Finance Framework. The Group's cumulative expenditure on Eligible Green Projects incurred to 30 June 2021 was £489.7 million, but it had only drawn £83.0 million under the 'green tranche' of its RCF to fund this expenditure. The qualifying expenditure incurred to 30 June 2021 has been allocated as follows:

- 80 Charlotte Street W1 - £233.2 million;
- Soho Place W1 - £181.7 million; and
- The Featherstone Building EC1 - £74.8 million.

The Group also measures its performance against science-based carbon targets and, as part of its commitment to being a leader in the industry in mitigating climate change, is:

- committed to becoming a net zero carbon business by 2030, having published details of its pathway to achieving this goal in 2020 and having launched its Green Finance Framework in 2019;
- a member of the 'RE100', committing to a target of 100 per cent. renewable energy in its buildings;

- a member of the UK Green Building Council, the Mayor of London's Business Climate Leaders, and the Better Buildings Partnership ("**BBP**"), which focuses on improving the sustainability of existing commercial building stock; and

- one of only a few property companies worldwide to have science-based carbon targets validated by the Science Based Targets initiative.

The Group was the first UK property company to release a detailed pathway to net zero carbon, aligned to the BBP's Net Zero Carbon Framework. During 2020, the Group offset, using validated reforestation projects, the embodied carbon associated with its major 80 Charlotte Street development totalling 19,790 tonnes of total carbon dioxide equivalent emissions. The development, completed in June 2020, serves as an important blueprint for future schemes as it is the Group's first all electric building, with the heating and cooling needs supplied by air source heat pumps. In addition, the Group is proactively seeking to reduce embodied construction carbon at Soho Place and The Featherstone Building. For the Group's existing buildings, the Group is planning to reduce energy consumption significantly and to upgrade and retrofit properties to remove gas use and improve efficiency. The Group also continues to procure 100 per cent. renewable electricity backed by the Renewable Energy Guarantees of Origin (REGO) scheme administered by the Office of Gas and Electricity Markets in the UK (Ofgem). The Group's Scottish land holdings of c. 5,500 acres also present significant opportunities for carbon credits from the existing 103 acres of woodland planting (planted in 2015 in accordance with the Woodland Carbon Code and from which the first carbon credits have been delivered) or through the potential future proposal for a 100-acre solar farm. It is estimated that the proposed solar farm, which is subject to planning consent, could provide up to 40 per cent. of the Group's managed portfolio's electricity needs.

In addition, social and governance issues are important to both the stakeholders and business of the Group. The Group has a rigorous compliance training programme, which is mandatory for all employees and covers topics such as fraud awareness, cyber security and competition law, and the Group's Community Fund, which has supported over 100 community projects in the West End and the Tech Belt since its launch in 2013.

Recent Developments

Acquisitions

On 10 August 2021, the Group announced three transactions with Lazari Investments:

- the acquisition of two properties in London's Knowledge Quarter totalling 182,100 sq ft for £214.6 million inclusive of costs. The combined rent is £5.3 million p.a., or c.£30 per sq ft, reflecting a net initial yield of 2.5 per cent.; and

- the establishment of a new 50:50 joint venture, which was expected to acquire three properties in Baker Street W1 totalling 122,200 sq ft.

These transactions subsequently completed on 22 October 2021.

On 4 November 2021, the Group announced that it had exchanged contracts to acquire a 100-year old leasehold interest in Conoco House and Quadrant House at 230 Blackfriars Road SE1 for £55 million exclusive of costs. The ground rent is £5,000 p.a., and the net initial yield is 3.5 per cent. which would rise to c. 4.2 per cent. on letting the 9,400 sq ft of vacant space.

Directorate change

On 14 October 2021, the Group announced that, after 19 years including 13 years as a Board Director, David Silverman is expected to step down as a Director during the first half of 2022. His responsibilities will be allocated amongst the other Directors and it is not intended that a replacement will be appointed.

The impact of the Covid-19 pandemic and the Group's response

The sector in which the Group operates has been disrupted by the Covid-19 pandemic and action taken nationally and locally to address the pandemic. The Covid-19 pandemic has had a significant adverse impact on retail real estate operators, with the temporary closure of the vast majority of the units operated by the tenants of the Group and the introduction of mandatory lockdown and social distancing measures, resulting in a severe reduction in footfall and sales at the Group's properties and an acute decline in economic activity globally. In addition, the pandemic has resulted in an increased number of retailers, restaurants and leisure operators, including tenants of the Group, entering into insolvency processes or otherwise retrenching their operations. Retail and hospitality occupiers account for approximately 9 per cent. of the Group's portfolio income.

The impact on central London office rents has been relatively modest with CBRE estimating that prime rents had fallen 7.6 per cent. (annualised) at Q4 2020, but had recovered to -0.7 per cent. per annum at Q2 2021. In fact, the Central London Office Index provided by MSCI recorded average rents rising 0.1 per cent. per annum at Q2 2021. This improving trend is reflected in the amount of space under offer. This fell steadily from 3.7m sq ft as at 31 March 2020 to 2.0 million sq ft as at 31 March 2021 and has now recovered to 3.9 million sq ft at 30 September 2021, being the highest level for six consecutive quarters.

Other developments

Following the launch of the Derwent London app on the App Store and Google Play on 21 September 2021, the Group launched a new hybrid amenity concept ("**DL/78**") on 4 October 2021. Building on the Group's strategy of delivering design-led adaptable space, DL/78 is a hybrid amenity space at Charlotte Street W1 available for use by all of Derwent London's office occupiers. It provides drop-in working space, meeting rooms and conference facilities ranging in capacity from eight to over 100 people, a wellness room and a café.

DESCRIPTION OF THE ISSUER

Introduction

Derwent London plc, the Issuer, is a public limited company incorporated in England and Wales (with registration number 01819699). The registered office of the Issuer is 25 Savile Row, London, W1S 2ER, United Kingdom and the telephone number is +44 (0) 20 7659 3000.

The Issuer is the holding company of the Group and, as at the date of this Prospectus has a total of 69 subsidiaries incorporated in England and Wales and two subsidiaries formed in Jersey.

Control of the Issuer

At the date of this Prospectus, the Issuer was not aware of any persons who directly or indirectly, jointly or severally, will exercise or could exercise control over the Issuer.

At the date of this Prospectus, the Issuer was not aware of any arrangement, the operation of which may at a subsequent date result in a change of control of the Issuer.

Directors

The board of the Issuer comprises seven non-executive directors (including the Chairman) and five executive directors. Their names and principal functions and principal activities outside the Group, where those are significant, are as follows:

Name	Function	Outside Directorships
Mark Breuer	*Non-Executive Chairman of the Board of Directors* *Chairman of the Nomination Committee*	Chairman of DCC plc
Paul Williams	*Chief Executive*	Director of Sadler's Wells Foundation Chairman of the Westminster Property Association
Damian Wisniewski	*Chief Financial Officer*	Trustee and member of the governing body at the Royal Academy of Music Non-Executive Director at the ABRSM
Nigel George	*Executive Director*	Director of the Chancery Lane Association Limited
David Silverman	*Executive Director*	Chairman of the Chickenshed Property Company Strategic Board member of New West End Company
Emily Prideaux	*Executive Director*	Director of The Paddington Partnership
Claudia Arney	*Independent Non-Executive Director* *Chair of the Remuneration Committee* *Member of the Audit Committee, the Responsible Business Committee and the Nominations Committee*	Non-Executive Director of Kingfisher plc Chair of Deliveroo Holdings plc Member of The Takeover Panel (Hearings Committee) Lead Non-Executive Board Member to the Department for Digital, Culture, Media & Sport

Name	Function	Outside Directorships
Lucinda Bell	*Independent Non-Executive Director* *Chair of the Audit Committee* *Member of the Risk Committee, the Nominations Committee and the Remuneration Committee*	Non-Executive Director of Crest Nicholson Holdings plc Non-Executive Trustee at National Citizens Advice Non-Executive Director at Man Group
Richard Dakin	*Independent Non-Executive Director* *Chair of the Risk Committee* *Member of the Audit Committee and the Nominations Committee*	Managing Director of Capital Advisors Limited, part of CBRE
Helen Gordon	*Senior Independent Non-Executive Director* *Member of the Remuneration Committee and the Nominations Committee*	CEO of Grainger plc Board member and Immediate Past President of the British Property Federation Vice Chair and Board Member of the European Public Real Estate Association
Cilla Snowball	*Independent Non-Executive Director* *Chair of the Responsible Business Committee* *Member of the Nominations Committee and the Risk Committee*	Director of Genome Research Limited Non-Executive Director of the Wellcome Sanger Institute (Genomics Unit GRL) and The Wellcome Trust (Governor)
Sanjeev Sharma	*Independent Non-Executive Director* *Member of the Audit Committee, the Risk Committee and the Nominations Committee*	Chief Property Portfolio Officer at M&G Real Estate, part of M&G plc

The business address of Mark Breuer, Paul Williams, Damian Wisniewski, Nigel George, David Silverman, Emily Prideaux, Claudia Arney, Lucinda Bell, Richard Dakin, Helen Gordon, Cilla Snowball and Sanjeev Sharma is Derwent London plc, 25 Savile Row, London, England, W1S 2ER, United Kingdom.

There are no potential conflicts of interest between the duties to the Issuer of the directors and their private interests and/or other duties.

TAXATION

United Kingdom Taxation

The following is a general description of certain United Kingdom tax considerations relating to the Bonds and is based on the Issuer's understanding of current United Kingdom law and the published practice of HMRC, which may not be binding on HMRC. It is a general guide for information purposes and should be treated with appropriate caution It assumes that there will be no substitution of the Issuer and does not address the consequences of any substitution (notwithstanding that such substitution may be permitted by the terms and conditions of the Bonds). It is not intended as tax advice and it does not purport to be a complete analysis of all tax considerations relating to the Bonds whether in the United Kingdom or elsewhere. It applies only to the position of persons who are absolute beneficial owners of their Bonds. It describes only the United Kingdom withholding tax treatment of payments of interest in respect of the Bonds. It does not deal with any other aspect of the United Kingdom taxation treatment of acquiring, holding or disposing of the Bonds.

The United Kingdom tax treatment of prospective Bondholders depends on their individual circumstances and may be subject to change in the future, possibly with retrospective effect. Prospective holders of Bonds who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom in respect of their acquisition, holding or disposal of the Bonds are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Bonds. In particular, Bondholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Bonds even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

Also investors should note that the appointment by an investor in Bonds, or any person through which an investor holds Bonds, of a custodian, collection agent or similar person in relation to such Bonds in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.

Interest on the Bonds

The Bonds will constitute "quoted Eurobonds" within the meaning of section 987 of the Income Tax Act 2007 (the "**Act**") provided they are and continue to be listed on a "recognised stock exchange", within the meaning of section 1005 of the Act) or are and continue to be admitted to trading on a "multilateral trading facility" operated by a regulated recognised stock exchange (within the meaning of section 987 of the Act). Provided that the Bonds are and continue to be quoted Eurobonds, payments of interest by the Issuer on the Bonds may be made without withholding or deduction for or on account of United Kingdom income tax.

The London Stock Exchange is a "recognised stock exchange". The Issuer's understanding of current HMRC practice is that securities which are officially listed and admitted to trading on the London Stock Exchange may be regarded as "listed on a recognised stock exchange" for these purposes.

In other cases, absent a relief or exemption (such as a direction by HMRC that interest may be paid without withholding or deduction for or on account of United Kingdom income tax to a specified Bondholder following an application by that Bondholder under an applicable double tax treaty (a "**Treaty**")), an amount must generally be withheld on account of United Kingdom income tax at the basic rate (currently 20 per cent.) from payments of interest by the Issuer on the Bonds.

Other Rules Relating to United Kingdom Withholding Tax

Where Bonds are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax as outlined above.

Where interest has been paid under deduction of United Kingdom income tax, Bondholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any Treaty.

The references to "interest" in this Taxation section of this Prospectus mean "interest" as understood in United Kingdom tax law. The statements in this section above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Bonds or any related documentation. Bondholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Bonds which does not constitute "interest" or "principal" as those terms are understood in United Kingdom tax law. Where a payment on a Bond does not constitute (or is not treated as) interest for United Kingdom tax purposes, and the payment has a United Kingdom source, it would potentially be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment or a manufactured payment for United Kingdom tax purposes. In such a case, the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding depending on the nature of the payment), subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any Treaty, or to any other exemption which may apply.

SUBSCRIPTION AND SALE

The Joint Lead Managers have, pursuant to a subscription agreement dated 15 November 2021 (the "**Subscription Agreement**") and made between the Issuer and the Joint Lead Managers upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe for the Bonds at the issue price of 99.466 per cent. of the principal amount of the Bonds, in each case less a combined management and underwriting commission payable to the Joint Lead Managers. The Issuer has also agreed to reimburse the Joint Lead Managers for certain of their expenses incurred in connection with the management of the issue of the Bonds. The Joint Lead Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Bonds.

The United States of America

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Bonds: (a) as part of their distribution at any time; or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Bonds, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Bonds within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the EEA. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Prohibition of sales to UK Retail Investors

Each Joint Lead Manager has represented and agreed, that it has not offered, sold or otherwise made available any Bonds to any retail investor in the UK. For the purposes of this provision the expression retail investor means a person who is one (or more) of the following:

(a) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(b) a customer within the meaning of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Joint Lead Manager has represented and agreed that:

(a) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the UK; and

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

General

Persons into whose hands this Prospectus come are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Bonds or possess, distribute or publish this Prospectus or any other offering material relating to the Bonds, in all cases at their own expense.

No action has been taken by the Issuer or any of the Joint Lead Managers that would, or is intended to, permit a public offer of the Bonds in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Joint Lead Manager has undertaken that it will not, directly or indirectly, offer or sell any Bonds or distribute or publish any offering circular, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Bonds by it will be made on the same terms.

GENERAL INFORMATION

1. **Authorisation**

The creation and issue of the Bonds has been authorised by a resolution of the Board of Directors of the Issuer dated 5 November 2021 and by a further resolution of a committee of the Board of Directors of the Issuer dated 10 November 2021.

2. **LEI Code**

The Issuer's legal entity identifier code is: 213800BXKQ9KZNUR1M61.

3. **Expenses**

The total expenses related to the admission of trading of the Bonds are estimated to be £5,800.

4. **Legal and Arbitration Proceedings**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer is aware) which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer and/or the Group.

5. **Significant/Material Change**

Since 31 December 2020, there has been no material adverse change in the prospects of the Issuer or the Group. Since 30 June 2021, there has been no significant change in the financial position or financial performance of the Issuer or the Group.

6. **Auditors**

The consolidated financial statements of the Group have been audited without qualification for the years ended 31 December 2019 and 31 December 2020 by PricewaterhouseCoopers LLP ("**PwC**"). PwC is registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales.

7. **Documents on Display**

Copies of the following documents may be inspected during normal business hours at the offices of the Issuer at 25 Savile Row, London, W1S 2ER:

(a) the constitutive documents of the Issuer (also available at https://find-and-update.company-information.service.gov.uk/company/01819699);

(b) the Agency Agreement and the Trust Deed (also available at https://www.derwentlondon.com/investors/debt-information); and

(c) the audited consolidated financial statements of the Group for the years ended 31 December 2019 and 31 December 2020 and the unaudited consolidated financial information of the Group for the six months ended 30 June 2021 (each of which are also available at https://www.derwentlondon.com/investors/results-and-reports).

8. **Material Contracts**

There are no material contracts entered into other than in the ordinary course of any of the Issuer's or a member of the Group's business, which could result in any of the Issuer or a member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Bondholders in respect of the Bonds.

9. **Yield**

On the basis of the issue price of the Bonds of 99.466 per cent. of their principal amount, the yield on the Bonds is 1.934 per cent. on an annual basis. These figures are calculated on the basis of the issue price and as at the date of this Prospectus and are not an indication of future yield.

10. **Legend concerning U.S. persons**

The Bonds and any Coupons appertaining thereto will bear a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

11. **ISIN and other Securities Identifier Codes**

The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The International Securities Identification Number ("**ISIN**") for the Bonds is XS2407733844 and the common code is 240773384. The CFI and FISN for the Bonds will be set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN for the Bonds (as applicable).

12. **Clearing Systems**

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

13. **Joint Lead Managers transacting with the Issuer**

Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. Certain of the Joint Lead Managers and their affiliates may have positions, deal or make markets in the Bonds, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Bonds. Any such positions could adversely affect future trading prices of the Bonds. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

THE ISSUER

Derwent London plc
25 Savile Row
London
W1S 2ER

JOINT LEAD MANAGERS AND JOINT GREEN STRUCTURING AGENTS

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

NatWest Markets Plc
250 Bishopsgate
London EC2M 4AA
United Kingdom

Wells Fargo Securities International Limited
33 King William Street
London EC4R 9AT
United Kingdom

PRINCIPAL PAYING AGENT

HSBC Bank plc
Level 22, 8 Canada Square
London E14 5HQ

TRUSTEE
HSBC Corporate Trustee Company (UK) Limited
Level 22, 8 Canada Square
London E14 5HQ

LEGAL ADVISERS

To the Issuer as to English law:	*To the Joint Lead Managers and the Trustee as to English law:*
Slaughter and May One Bunhill Row London EC1Y 8YY	**Clifford Chance, LLP** 10 Upper Bank Street London E14 5JJ

AUDITORS TO THE ISSUER

PricewaterhouseCoopers LLP
7 More London, Riverside
London
SE1 2RT