

# GOVERNANCE AT A GLANCE

At Derwent London, we do not view corporate governance as an exercise in compliance but as an evolving and core discipline which generates value for our stakeholders and underpins our success.

## HIGHLIGHTS AT A GLANCE

### Board and Committee meeting attendance

for the year ended  
31 December 2019

100.0%

### Female representation on our Board

as at 31 December 2019

33.0%

### Board independence

as at 31 December 2019  
(excluding the Chairman)

54.5%

## UK CORPORATE GOVERNANCE CODE- 2019 COMPLIANCE STATEMENT

The Board confirms that for the year ended 31 December 2019, the Principles of good corporate governance contained in the 2018 UK Corporate Governance Code (the Code) have been consistently applied. We set out on page 102 how the Governance section has been structured around the Code Principles.

As our Non-Executive Chairman was not independent upon appointment and was previously our CEO, we have been unable to comply with provision 9 of the Code. We will remain non-compliant with this provision until 2021 when John Burns will step down. The safeguards in place to ensure separation of leadership are detailed on page 116 and operated effectively during the year.

The Nominations Committee report contains an update on our progress in appointing an independent Non-Executive Chairman in 2021 to succeed John Burns.

**p.116** Chair succession

Further information on the Code can be found on the Financial Reporting Council's website at: [www.frc.org.uk](http://www.frc.org.uk)

## KEY GOVERNANCE ACTIVITIES

The Board's key governance activities during the year have included:

- External Board evaluation of the Board, its committees and individual Directors (see page 112);
- Comprehensive review of our executive remuneration framework and Remuneration Policy (see page 146);
- Appointing two employees to be members of the Responsible Business Committee (see page 139); and
- The 2019 Annual General Meeting.

## MAJOR BOARD DECISIONS

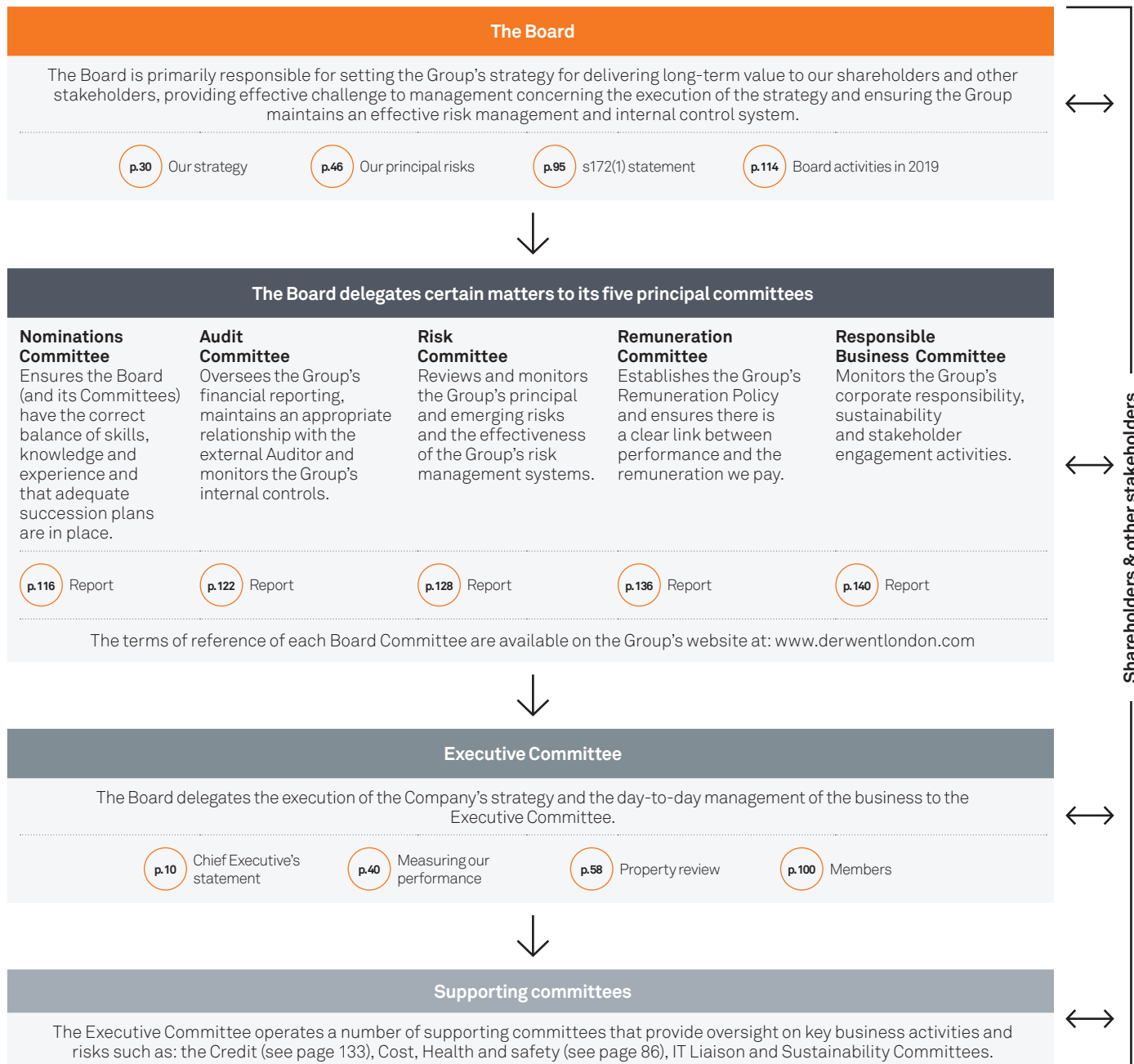
The Board factored the needs and concerns of our stakeholders into its decisions in accordance with s172 of the Companies Act 2006 (see page 95). The major decisions taken by the Board and its Committees during 2019 included:

- Confirmed the Board's target to become net zero carbon by 2030 and approved the strategy (see page 80)
- Approved the sale of:
  - The Buckley Building EC1 for £103m before costs
  - Premier House SW1 for £50m before costs
  - 9 and 16 Prescott Street E1 for £57.5m before costs
- Approved the issue of £175m of convertible bonds due 2025 and the concurrent repurchase of the outstanding £150m 1.125% convertible bonds due 2019 (see page 72)
- Agreed with our principal bankers a revolving credit facility, with a £300m 'green' tranche, which provides a lower rate of interest to finance our green initiatives (see page 74).
- Approved the 2018 final dividend and 2019 interim dividend.

**p.114** Key activities of the Board during 2019

# GOVERNANCE FRAMEWORK

We pride ourselves on conducting our business in an open and transparent manner. Our well-established culture ensures that our governance framework remains flexible, allowing for fast decision making and effective oversight (further information on page 102).



Our shareholders and other key stakeholders play an important role in monitoring and safeguarding the governance of our Group. Further information on how we engage with our shareholders (see page 105), employees (see page 104) and other key stakeholders are on pages 18 to 19.