

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser.

If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

DERWENT LONDON

Derwent London plc

(incorporated and registered in England and Wales under number 1819699)

NOTICE OF ANNUAL GENERAL MEETING AND PROPOSED INTRODUCTION OF THE DERWENT LONDON PLC SCRIP DIVIDEND SCHEME

Notice of the Annual General Meeting of the Company to be held at The Westbury, Bond Street, Mayfair, London W1S 2YF on Friday 20 May 2011 at 11.00a.m. is set out on pages 5 to 7 of this circular.

Whether or not you propose to attend the Annual General Meeting, please complete and submit a Form of Proxy in accordance with the instructions printed on the enclosed form. The Form of Proxy must be received by 11.00a.m. on 18 May 2011.

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PART I

LETTER FROM THE CHAIRMAN OF DERWENT LONDON PLC

Derwent London plc

(Incorporated and registered in England and Wales under number 1819699)

Directors:

Robert Rayne (Chairman)
John Ivey (Deputy Chairman)
John Burns (Chief Executive Officer)
Simon Silver (Executive Director)
Damian Wisniewski (Finance Director)
Paul Williams (Executive Director)
Nigel George (Executive Director)
David Silverman (Executive Director)
Stuart Corbyn (Non-Executive Director)
Robert Farnes (Non-Executive Director)
June de Moller (Non-Executive Director)
Simon Neathercoat (Non-Executive Director)
Donald Newell (Non-Executive Director)
Stephen Young (Non-Executive Director)

Registered and Head Office:

25 Savile Row
London
W1S 2ER
020 7659 3000

18 April 2011

Dear Shareholder,

Notice of Annual General Meeting

I am pleased to be writing to you with details of our Annual General Meeting ("AGM") which we are holding at The Westbury, Bond Street, Mayfair, London W1S 2YF on 20 May 2011 at 11.00a.m. The formal notice of AGM is set out on pages 5 to 7 of this document.

If you would like to vote on the resolutions but are unable to attend the AGM, please fill in the Form of Proxy sent to you with this notice and return it to our Registrars as soon as possible. They must receive it by 11.00a.m. on 18 May 2011.

You should also complete and return the Mandate Form by 5.00p.m. on 31 May 2011 if you wish to participate in the Scrip Dividend Scheme, details of which are given in Part III of this document.

Re-election of Directors

In accordance with the provisions of the UK Corporate Governance Code, all the Directors, with the exception of Donald Newell who is standing down from his position as a non-executive Director, will be putting themselves forward for re-election this year.

Final dividend

Shareholders are being asked to approve a final dividend of 20.25 pence per Ordinary Share for the year ended 31 December 2010. If you approve the recommended final dividend, this will be paid on 16 June 2011 to all ordinary Shareholders who were on the register of members on 20 May 2011.

Scrip Dividend Scheme

Subject to Shareholder approval at the AGM on 20 May 2011, we intend to introduce an optional Scrip Dividend Scheme. This would enable Shareholders to choose to receive dividends in the form of new fully paid Ordinary Shares in Derwent London plc instead of cash. The Scrip Dividend Scheme would be available for future dividends and the Company's current dividend reinvestment plan will be suspended with effect from 20 May 2011.

Scrip dividends enable Shareholders to increase their holding in the Company in a simple manner, without incurring any dealing costs or stamp duty. The Scrip Dividend Alternative also provides the Company with the ability to reinvest the cash in the business.

Explanatory notes on all the business to be considered at this year's AGM appear on pages 10 to 12 of this document.

The Directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its Shareholders as a whole and unanimously recommend that you vote in favour of all resolutions, as they intend to do in respect of their own shareholdings.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Robert Rayne', with a stylized flourish at the end.

Robert Rayne
Chairman

Inspection of documents

The following documents will be available for inspection at the registered office of the Company from 18 April 2011 until the time of the AGM and at The Westbury, Bond Street, Mayfair, London W1S 2YF from 15 minutes before the AGM until it ends:

- *Copies of the executive Directors' service contracts.*
- *Copies of the letters of appointment of the non-executive Directors.*

PART II

Derwent London plc NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the twenty-seventh Annual General Meeting of Derwent London plc will be held at The Westbury, Bond Street, Mayfair, London W1S 2YF at 11.00a.m. on 20 May 2011. You will be asked to consider and pass the resolutions below. Resolutions 20 to 22 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

1. To receive the report of the Directors and the accounts for the year ended 31 December 2010 and the independent auditor's report thereon.
2. To approve the report of the remuneration committee for the year ended 31 December 2010.
3. To declare a final dividend of 20.25 pence per Ordinary Share for the year ended 31 December 2010, which shall be paid on 16 June 2011 to Shareholders who are members at the close of business on 20 May 2011. This shall be paid in cash except in the case of Ordinary Shares in respect of which a valid election to participate in the Company's Scrip Dividend Scheme is held, in which case the final dividend will be paid in new fully paid Ordinary Shares in the Company instead of cash.
4. To re-elect Mr R.A. Rayne as a Director.
5. To re-elect Mr J.C. Ivey as a Director.
6. To re-elect Mr J.D. Burns as a Director.
7. To re-elect Mr S.P. Silver as a Director.
8. To re-elect Mr D.M.A. Wisniewski as a Director.
9. To re-elect Mr N.Q. George as a Director.
10. To re-elect Mr D.G. Silverman as a Director.
11. To re-elect Mr P.M. Williams as a Director.
12. To re-elect Mr R.A. Farnes as a Director.
13. To re-elect Mr S.A. Corbyn as a Director.
14. To re-elect Mrs J. de Moller as a Director.
15. To re-elect Mr S.J. Neathercoat as a Director.
16. To re-elect Mr S.G. Young as a Director.
17. To re-appoint BDO LLP as independent auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next AGM at which accounts are laid before the Company.
18. To authorise the Directors to determine the independent auditor's remuneration.
19. That the Board be generally and unconditionally authorised to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:
 - (A) up to a nominal amount of £1,686,672 (such amount to be reduced by the nominal amount allotted or granted under paragraph (B) below in excess of such sum); and

(B) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a nominal amount of £3,373,343 (such amount to be reduced by any allotments or grants made under paragraph (A) above) in connection with an offer by way of a rights issue:

- (i) to ordinary Shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers necessary,

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

such authorities to apply until the end of next year's AGM (or, if earlier, until the close of business on 20 August 2012) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

20. That if resolution 19 is passed, the Board be given power to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell Ordinary Shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be limited:

(A) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (B) of resolution 19, by way of a rights issue only):

- (i) to ordinary Shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) to holders of other equity securities, as required by the rights of those securities or, as the Board otherwise considers necessary,

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

(B) in the case of the authority granted under (A) of resolution 19 and/or in the case of any sale of treasury shares for cash, to the allotment of equity securities or sale of treasury shares in connection with a scrip dividend scheme or similar arrangement implemented in accordance with the Articles of Association of the Company; and

(C) in the case of the authority granted under paragraph (A) of resolution 19 and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than under paragraphs (A) and (B) above) of equity securities or sale of treasury shares up to a nominal amount of £253,001,

such power to apply until the end of next year's AGM (or, if earlier, until the close of business on 20 August 2012) but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

21. That the Company be authorised for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases (as defined in section 693(4) of the Companies Act 2006) of its Ordinary Shares of 5 pence each, such power to be limited:

(A) to a maximum number of 10,120,030 Ordinary Shares;

(B) by the condition that the minimum price which may be paid for an Ordinary Share is 5 pence and the maximum price which may be paid for an Ordinary Share is the highest of:

(i) an amount equal to 5 per cent. above the average market value of an Ordinary Share for the five business days immediately preceding the day on which that Ordinary Share is contracted to be purchased; and

(ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out,

in each case, exclusive of expenses;

such power to apply until the end of next year's AGM (or, if earlier, 20 August 2012) but in each case so that the Company may enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after the power ends and the Company may purchase Ordinary Shares pursuant to any such contract as if the power had not ended.

22. That a general meeting other than an AGM may be called on not less than 14 clear days' notice.

23. That:

(A) the Directors be and are hereby generally and unconditionally authorised to offer holders of its Ordinary Shares (excluding members holding any shares as treasury shares) the right to elect to receive Ordinary Shares, credited as fully paid, instead of cash in respect of the whole (or some part to be determined by the Directors) of any dividends declared from time to time or for such period as the Directors may determine, all pursuant to the provisions of article 118 of the Company's Articles of Association, as in force from time to time, and on such other terms and conditions as the Directors may from time to time determine, provided that the authority conferred by this resolution shall expire at the end of the fifth AGM of the Company after the date on which the resolution is passed; and

(B) for the purpose of any offer made pursuant to paragraph (A) of this resolution, the Directors be and are hereby generally and unconditionally authorised, in accordance with the Company's Articles of Association, as in force from time to time, to capitalise such amount standing to the credit of any reserve or account of the Company as may be necessary and apply the same in paying up and allotting and issuing New Ordinary Shares in the Company to the ordinary Shareholders who have, or are deemed to have, validly accepted such an offer in accordance with their respective entitlements.

By order of the Board



T. J. Kite, ACA
Company Secretary

Registered Office:

Derwent London plc
25 Savile Row
London W1S 2ER

Registered in England and Wales No. 1819699

18 April 2011

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A Shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Equiniti on 0871 384 2192. Calls to this number are charged at 8p per minute from a BT landline. Other telephony provider costs may vary. The Equiniti overseas helpline number is +44 (0)121 415 7593. Lines are open 8.30a.m. to 5.30p.m., Monday to Friday
2. To be valid any Form of Proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL or at www.sharevote.co.uk, in each case no later than 11.00a.m. on 18 May 2011.
3. The return of a completed Form of Proxy, other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a Shareholder attending the AGM and voting in person if he/she wishes to do so.
4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.
5. The statement of the rights of Shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by Shareholders of the Company.
6. To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company at 6.00p.m. on 18 May 2011 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. As at 12 April 2011 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consists of 100,200,297 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 12 April 2011 are 100,200,297.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA01) by 11.00a.m. on 18 May 2011. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST

Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

10. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
13. Under section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual report and accounts were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the Shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
14. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
15. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found in the investors section of the Company's website at www.derwentlondon.com.
16. You may not use any electronic address provided either in this notice of meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1 to 19 and 23 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 20, 21 and 22 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 1: Directors' report and accounts

For each financial year, the Directors must present the Directors' report, the audited accounts and the independent auditor's report to Shareholders at a general meeting. Those to be presented at the AGM are in respect of the year ended 31 December 2010.

Resolution 2: Remuneration committee report

In accordance with sections 439 and 440 of the Companies Act 2006 and Schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410), Shareholders are invited to vote on the remuneration report for the year ended 31 December 2010, which may be found on pages 82 to 91 of the Company's annual report and accounts for the year ended 31 December 2010.

Resolution 3: Dividend

Shareholders are being asked to approve a final dividend of 20.25 pence per Ordinary Share for the year ended 31 December 2010.

Resolutions 4 to 16: Re-election of Directors

Mr S. G. Young has been appointed as a non-executive Director since the last AGM. Messrs S.J. Neathercoat and J.C. Ivey have both served on the Board as non-executive Directors for more than nine years. In accordance with the provisions of the UK Corporate Governance Code all Directors of Derwent London plc, with the exception of Mr D Newell, will be presenting themselves for re-election this year. As a result of the annual evaluation programme for the Directors, the Chairman is satisfied that the non-executive Directors standing for re-election are independent and continue to be effective and show commitment to their roles. Biographies of the Directors are given on pages 68 and 69 of the Company's annual report and accounts for the year ended 31 December 2010.

Resolutions 17 and 18: Auditors

At every general meeting at which accounts are presented to Shareholders, the Company is required to appoint an auditor to serve until the next such meeting. BDO LLP has indicated that it is willing to continue as the Company's auditor for another year. You are asked to approve its re-appointment and, following normal practice, to authorise the Board to determine its remuneration.

Resolution 19: Authority to allot relevant securities

Paragraph (A) of this resolution would give the Directors the authority to allot Ordinary Shares or grant rights to subscribe for or convert any securities into Ordinary Shares up to an aggregate nominal amount equal to £1,686,671 (representing 33,733,432 Ordinary Shares of 5 pence each). This amount represents approximately one-third of the issued Ordinary Share capital (excluding treasury shares) of the Company as at 12 April 2011, the latest practicable date prior to publication of this notice.

In line with guidance issued by the Association of British Insurers, paragraph (B) of this resolution would give the Directors authority to allot Ordinary Shares or grant rights to subscribe for or convert any securities into Ordinary Shares in connection with a rights issue in favour of Ordinary Shareholders up to an aggregate nominal amount equal to £3,373,343 (representing 67,466,865 Ordinary Shares of 5 pence each), as reduced by the nominal amount of any shares issued under paragraph (A) of this resolution. This amount (before any reduction) represents approximately two-thirds of the issued Ordinary Share capital (excluding treasury shares) of the Company as at 12 April 2011, the latest practicable date prior to publication of this notice.

The authorities sought under paragraphs (A) and (B) of this resolution will expire at the earlier of 20 August 2012 and the conclusion of the AGM of the Company held in 2012.

The Directors have no present intention to exercise either of the authorities sought under this resolution, other than to allot Ordinary Shares as share dividends instead of cash dividends and following the exercise of options and awards under the Company's share schemes. However, if they do exercise the authorities, the Directors intend to follow ABI recommendations concerning their use (including as regards the Directors standing for re-election in certain cases).

As at the date of this notice, no Ordinary Shares are held by the Company in treasury.

Resolution 20: Disapplication of pre-emption rights

This resolution will be proposed as a special resolution, which requires a 75 per cent. majority of the votes to be cast in favour. It would give the Directors the authority to allot Ordinary Shares (or sell any Ordinary Shares which the Company elects to hold in treasury) for cash without first offering them to existing Shareholders in proportion to their existing shareholdings.

This authority would, as in previous years, be limited to allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the board otherwise considers necessary, in connection with a scrip dividend scheme or similar arrangement where the scrip election is made after the declaration (but before payment) of a final dividend, or otherwise up to an aggregate nominal amount of £253,001 (representing 5,060,015 Ordinary Shares of 5p each). This aggregate nominal amount represents approximately 5 per cent. of the issued Ordinary Share capital of the Company as at 12 April 2011, the latest practicable date prior to publication of this notice. In respect of this aggregate nominal amount, the Directors confirm their intention to follow the provisions of the Pre-Emption Group's statement of principles regarding cumulative usage of authorities within a rolling 3-year period where the principles provide that usage in excess of 7.5 per cent. should not take place without prior consultation with Shareholders.

The authority will expire at the earlier of 20 August 2012 and the conclusion of the AGM of the Company held in 2012.

Resolution 21: Authority to buy back shares

Resolution 21 renews the Directors' authority to make market purchases of the Company's shares up to a maximum of 10 per cent. of the issued Ordinary Share capital (excluding any treasury shares).

The Company may make purchases of its own shares if, having taken account of all major factors such as the effect on earnings and net asset value per share, gearing levels and alternative investment opportunities, such purchases are considered to be in the Company's and Shareholders' best interests while maintaining an efficient capital structure.

If the Company purchases any of its shares pursuant to resolution 21, the Company may cancel these shares or hold them in treasury. Such decision will be made by the Directors at the time of purchase. The Company currently has no Ordinary Shares in treasury. The minimum price, exclusive of expenses, which may be paid for an Ordinary Share is 5 pence. The maximum price, exclusive of expenses, which may be paid for an Ordinary Share is the highest of (i) an amount equal to 5 per cent. above the average market value for an Ordinary Share for the five business days immediately preceding the date of the purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

At last year's AGM, the Company was given authority to make market purchases of up to 10,118,080 shares. No shares have been purchased by the Company in the market since then.

Options to subscribe for a total of 1,631,900 shares, being 1.61 per cent. of the issued Ordinary Share capital (excluding treasury shares), were outstanding at 12 April 2011 (being the latest practicable date prior to the publication of this notice). If the Company were to purchase the maximum number of shares permitted (under the existing authority given at the 2010 AGM and under resolution 21), the options outstanding at 12 April 2011

would represent 1.99 per cent. of the issued Ordinary Share capital (excluding treasury shares).

The Directors do not have any current plans to exercise the authority to be granted pursuant to resolution 21.

The authority will expire at the earlier of 20 August 2012 and the conclusion of the AGM of the Company held in 2012.

Resolution 22: Notice of general meetings

Changes made to the Companies Act 2006 by the Shareholders' Rights Regulations increase the notice period required for general meetings of the Company to 21 days unless Shareholders approve a shorter notice period, which cannot however be less than 14 clear days. AGMs will continue to be held on at least 21 clear days' notice.

Before the coming into force of the Shareholders' Rights Regulations on 3 August 2009, the Company was able to call general meetings other than an AGM on 14 clear days' notice without obtaining such Shareholder approval. In order to preserve this ability, resolution 22 seeks such approval. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of Shareholders as a whole.

Note that the changes to the Companies Act 2006 mean that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all Shareholders for that meeting.

Resolution 23: Authority to offer Scrip Dividend Scheme

The Directors are proposing to offer an optional Scrip Dividend Scheme to commence with the 2010 final dividend to be declared at this year's AGM. Pursuant to the provisions of article 118 of the Company's Articles of Association, the Scrip Dividend Scheme is subject to Shareholder approval, and resolution 23 is being proposed at the AGM to obtain that approval. Such a scheme will give Shareholders the right to elect to receive New Ordinary Shares in the capital of the Company (credited as fully paid) instead of future cash dividends.

Details of how the Scrip Dividend Scheme will operate in respect of the proposed 2010 final dividend and future dividends are set out in Part III 'Explanatory Notes of the Derwent London plc Scrip Dividend Scheme' which form part of this document.

If all Shareholders in the Company elect to join the Scrip Dividend Scheme for their entire shareholdings in respect of the final dividend to be paid on 16 June 2011 (to Shareholders whose names are in the register of members at the close of business on 20 May 2011), then it is anticipated that 1,253,398 New Ordinary Shares would be issued under the Scrip Dividend Scheme, representing approximately 1.24 per cent. of the issued share capital of the Company at 12 April 2011 being the latest practicable date prior to the publication of this notice. This has been calculated using the share price on 12 April 2011, being the latest practicable date before the publication of this circular. The actual share price which will be used to calculate the allocation of Ordinary Shares instead of a cash dividend will be the average of the closing middle market quotations of an Ordinary Share, derived from the London Stock Exchange Daily Official List, for the five consecutive business days from 18 May 2011 to 24 May 2011 (inclusive).

The total cost of the final dividend for the year ended 31 December 2010 if paid wholly in cash would be £20.49 million.

For further information on the proposed scheme, please refer to Part III 'Explanatory Notes of the Derwent London plc Scrip Dividend Scheme' which form part of this document. Participants who wish to opt into the Scrip Dividend Scheme need to do so no later than 5.00p.m. on 31 May 2011. Those who wish to receive a cash dividend payment for the proposed 2010 final dividend, need do nothing.

In line with relevant investor protection guidelines, the authority contained in Resolution 23 is sought for five years. Unless circumstances change, the Directors would expect to seek an extension of this authority before it expires.

PART III

EXPLANATORY NOTES OF THE DERWENT LONDON PLC SCRIP DIVIDEND SCHEME (the “Scheme” or “Scrip Dividend Scheme”)

If you wish to receive dividends on your Ordinary Shares in cash in the usual way, you do not need to take any action and may disregard this part III of the document and the Mandate Form.

Important Information

- Part D contains definitions of certain terms used in this document.
- The Scrip Dividend Scheme will in future apply to all dividends in respect of which a Scrip Dividend Alternative is offered. The availability of the Scrip Dividend Alternative for future dividends will be confirmed via the Regulatory News Service and on the Company website at www.derwentlondon.com, no later than 48 hours before each relevant ex-dividend date.
- The operation of the Scrip Dividend Scheme is always subject to the Directors’ discretion to make an offer of New Ordinary Shares in respect of any particular dividend. The Directors also have the power, after such an offer is made, to suspend or terminate the Scheme generally at any time prior to the allotment of the New Ordinary Shares pursuant to it and may scale back elections made under the Scrip Dividend Scheme in respect of any particular dividend. If the Directors suspend or terminate the Scheme, decide not to offer New Ordinary Shares in respect of any particular dividend or scale back elections made in respect of a particular dividend, Shareholders will receive their dividend in cash in full in the usual way (or, where there is a scaling back of elections, Shareholders will receive fewer shares and a greater cash component) on or as soon as reasonably practicable after the Relevant Dividend Payment Date.
- As a result of the introduction of the Scrip Dividend Scheme, the Company has suspended the Company’s Dividend Reinvestment Plan (the “DRIP”). Accordingly, all DRIP mandates have automatically been suspended and residual cash balances (i.e. any cash amount left over that was not sufficient to purchase an Ordinary Share in relation to past dividends (see Question 4 for more information)) will be retained by the Group’s Registrar and included in the calculation of any entitlement under the DRIP if that scheme is reinstated in respect of a future dividend payment for which a Scrip Dividend Alternative is not offered. Unless you elect to join the Scrip Dividend Scheme you will receive cash dividends going forward.

IMPORTANT NOTICE

This document and the information contained in it is current as of 12 April 2011. Save to the extent regarding applicable law, Derwent London plc shall be under no obligation to update this document or the information contained in it. In particular, Derwent London plc shall not be under any obligation to update Part C of this document which is included only as a general guide. You are therefore advised to read carefully the important notice at the beginning of Part C of this document.

PART A

DERWENT LONDON PLC SCRIP DIVIDEND SCHEME

1. What is the Scrip Dividend Scheme?

The Derwent London plc Scrip Dividend Scheme provides Shareholders with an opportunity to receive, if they wish, a Scrip Dividend Alternative of New Ordinary Shares in the Company instead of a cash dividend in respect of all future dividends proposed by the Company for which the Scrip Dividend Alternative is offered.

Under the Scheme the Company issues New Ordinary Shares to Shareholders, thereby enabling them to increase their shareholdings in the Company without incurring dealing costs and/or stamp duty. This is in contrast to the DRIP where Equiniti arranged for Ordinary Shares to be purchased on the market and the dealing costs and/or stamp duty were met by the Shareholder by deducting an amount to satisfy these costs from the cash dividend payment before the Ordinary Shares were purchased. In addition, the Scheme benefits the Company as the cash, which would otherwise be paid out in dividends, is retained by the Company for reinvestment in the business. Each Shareholder's decision to elect to receive New Ordinary Shares should depend upon his or her own personal circumstances. Shareholders should also consider Part C of this Scheme booklet which deals with certain taxation considerations.

Shareholders who wish to join the Scheme are required to authorise the Company to issue New Ordinary Shares instead of cash for Relevant Dividends by means of the Mandate Form which is enclosed with this document and which is also available in the Investor section of our website at www.derwentlondon.com. The Mandate Form is available for the convenience of Shareholders to enable them to receive New Ordinary Shares instead of cash dividends as a matter of routine, whenever a Scrip Dividend Alternative is offered. Shareholders can cancel their instructions at any time and revert to receiving dividends in the form of cash (see Question 7 of Part B below for more information on cancelling your Mandate).

2. Who can join the Derwent London PLC Scrip Dividend Scheme?

All Shareholders who are resident in the United Kingdom can join the Scheme. Most overseas Shareholders should be eligible for the benefits of the Scheme. Details regarding participation by overseas Shareholders are set out at Question 12 below.

3. How do I join the Scrip Dividend Scheme?

After having read these Explanatory Notes, please complete the Mandate Form and return it to the Company's Registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL to be received no later than 5.00p.m. on 31 May 2011. No acknowledgement of receipt will be issued.

Mandate Forms must generally be received at least 15 working days before the Relevant Dividend Payment Date to be eligible for that particular dividend. Mandate Forms received after the relevant Mandate Delivery Deadline, will be effective only for the following Relevant Dividend and all subsequent Relevant Dividends.

Details of the Relevant Dividend Payment Date and Mandate Delivery Deadline for each Relevant Dividend can be obtained from the Company's website at www.derwentlondon.com, from the documentation provided to Shareholders by the Company in respect of that dividend, or by calling the Equiniti share dividend helpline on 0871 384 2192 (or + 44 (0)121 415 7593 for calls made from outside the United Kingdom); lines are open from 8.30a.m. to 5.30p.m., Monday to Friday (calls to 0871 numbers are charged at 8p per minute from a BT landline. Other telephone providers' charges may vary).

A Shareholder's Mandate will remain in force for all future Relevant Dividends until cancelled. For further details, please see Questions 7 and 8 of Part B below. Upon execution of a Mandate Form, either personally or on a Shareholder's behalf, each Shareholder is deemed to have:

- (a) agreed to participate in the Scrip Dividend Scheme pursuant to the terms and conditions set out in this document; and
- (b) authorised the Company or its agent (i) in the case of holdings in certificated form, to send to the Shareholder at the Shareholder's registered address any definitive share certificate in respect of New Ordinary Shares allotted and (ii) in the case of holdings in uncertificated form, to credit the New Ordinary Shares allotted to the Shareholder's CREST account on the date that dealings commence.

4. I am a participant in the DRIP – will I automatically receive New Ordinary Shares pursuant to the Scrip Dividend Scheme?

No. Participants in the DRIP have not automatically been deemed to have joined the Scrip Dividend Scheme and so where participants in the DRIP wish to join the Scheme they will need to return a Mandate Form. Accordingly, participants in the DRIP will receive cash dividends in respect of any Relevant Dividend unless they return a Mandate Form.

Following the introduction of the Scrip Dividend Scheme, the Directors have decided to suspend the DRIP for any dividend in respect of which a Scrip Dividend Alternative is offered. The DRIP will, however, be reinstated for any future dividend, whether interim or final, in respect of which the Directors decide not to offer a Scrip Dividend Alternative. Accordingly, elections made to participate in the DRIP will remain valid and in force for such dividends.

Any residual cash balances from the DRIP (i.e. any cash amount left over that was not sufficient to purchase an Ordinary Share in relation to past dividends) will be retained by the Group's Registrar and included in the calculation of any entitlement under the DRIP if that scheme is reinstated in respect of a future dividend payment for which a Scrip Dividend Alternative is not offered. Unless you elect to join the Scrip Dividend Scheme you will receive cash dividends going forward.

5. How many New Ordinary Shares will I receive?

In accordance with the Company's Articles of Association, a Shareholder's entitlement to New Ordinary Shares for Relevant Dividends will be calculated by taking the amount of the cash dividend to which they are entitled (i.e. the number of Ordinary Shares held by that Shareholder at the Record Date multiplied by the cash value in pounds sterling of the Relevant Dividend per share) plus any residual Cash Balance held in respect of that Shareholder resulting from a previous Relevant Dividend and dividing it by the Scrip Calculation Price. Where the Scrip Dividend Alternative is a PID the Company may have an obligation to make a withholding on account of tax, just as it would if the PID was a cash dividend, in which case the number of New Ordinary Shares received by the Shareholder will be reduced; see paragraph 2(iv) in Part C below.

The Scrip Calculation Price will be the average of the closing middle market quotations of an Ordinary Share derived from the London Stock Exchange Daily Official List for the five consecutive business days commencing on the Ex-dividend Date. The results of this calculation will be announced by the Company shortly after the last dealing day and will be available on the Company's website at www.derwentlondon.com.

Absent any requirement to withhold tax, the formula to determine the number of New Ordinary Shares that a Shareholder would receive pursuant to the Scheme is set out below:

$$\begin{array}{r} \text{(Number of Ordinary Shares held at the Record Date} \\ \quad \times \text{ cash value of the Relevant Dividend per share)} \\ \quad + \text{ any Cash Balance (if any)} \\ \hline \text{Scrip Calculation Price} \end{array}$$

If the Directors elect to scale back elections made by Shareholders, the number of New Ordinary Shares allocated to each Shareholder will be reduced on a pro rata basis. Fractions of Ordinary Shares will not be allotted and any resulting Cash Balance will be carried forward, without interest. If the Cash Balance arises in relation to a Non-PID, it will be included in the calculation for the next Non-PID Scrip Dividend Alternative. If the Cash Balances arises in relation to a PID, it will be included in the calculation for the next PID Scrip Dividend Alternative. For further detail in relation to the treatment of Cash Balances, see Question 6 below.

If the amount of cash dividend to which a Shareholder is entitled in respect of any Relevant Dividend, together with any Cash Balance held on behalf of that Shareholder, is not sufficient for that Shareholder to be allotted at least one New Ordinary Share pursuant to the Scheme, that Shareholder will not be issued any New Ordinary Shares pursuant to the Scheme for that Relevant Dividend. Instead, that Shareholder's cash dividend entitlement will be added to their Cash Balance and carried forward to the next Relevant Dividend. That Shareholder will still receive a Scrip Statement showing that no New Ordinary Shares have been issued in respect of the Relevant Dividend and noting the amount of the Cash Balance held by the Company in respect of that Shareholder. See the response to Question 8 below for further information on Scrip Statements.

Worked example of a Scrip Dividend Alternative

Assuming the following:

- Scrip Dividend Alternative with a cash value of £0.013 per Ordinary Share;
- a holding of 1,300 Ordinary Shares;
- a Scrip Calculation Price of £4.90;
- the Directors do not elect to scale back elections made by Shareholders; and
- no withholding tax applies (Non-PIDs, or Shareholder qualifies for gross payment of PIDs).

The Shareholder would be entitled to a total amount of cash dividend of £16.90 (i.e. 1,300 Ordinary Shares multiplied by the £0.013 cash value of the Relevant Dividend). This assumes no existing Cash Balance but this figure will (if appropriate) be added to any existing Cash Balance with the total cash value being applied towards New Ordinary Shares pursuant to the Scheme.

The number of New Ordinary Shares that the Shareholder would receive pursuant to the Scheme would be calculated as follows:

$$\frac{(1,300 \times £0.013)}{£4.90} = 3.45$$

The Shareholder would be entitled to 3 New Ordinary Shares (i.e. 3.45 rounded down to the nearest whole number). A residual Cash Balance of £2.20, being the total value of the Derwent London New Ordinary Shares at the Scrip Calculation Price $3 \times £4.90 = £14.70$, subtracted from £16.90, would then be carried forward and applied to the next Relevant Dividend.

6. What is the Cash Balance?

When calculating each Shareholder's entitlement to New Ordinary Shares, it is possible that this will not give rise to an exact number of New Ordinary Shares. As fractions of New Ordinary Shares will not be issued under the Scheme, a Shareholder's entitlement to the cash value of these fractions at the Scrip Calculation Price (the "Cash Balance") will be retained by the Company (without interest) for the benefit of the relevant Shareholder and carried forward and included in the calculation for that Shareholder's entitlement to the next Scrip Dividend Alternative.

If (i) a Mandate ceases to remain in force; (ii) a Shareholder disposes of their entire holding of Ordinary Shares; (iii) the Company terminates the Scheme; or (iv) a sole Shareholder dies, becomes bankrupt, goes into liquidation or suffers from mental incapacity, any Cash Balance held will be paid (without interest) to the relevant Shareholder or their estate or trustee entitled thereto, as applicable, as soon as reasonably practicable.

7. Are there any circumstances in which I will not be issued New Ordinary Shares under the Scrip Dividend Scheme?

If on any occasion your cash dividend entitlement, together with any Cash Balance brought forward from previous Relevant Dividends, is insufficient to acquire at least one whole New Ordinary Share, you will not be issued with any shares pursuant to the Scheme for the Relevant Dividend. You will, however, receive a statement (a “Scrip Statement”) explaining that no new shares have been issued under the Scheme and showing the amount of the Cash Balance that has been carried forward to the next dividend. For further details of the Scrip Statement, see Question 8 below.

The applicability of the Scrip Dividend Scheme for any dividend is also conditional on the Directors having the authority from Shareholders to offer Scrip Dividend Alternatives. An ordinary resolution is being proposed at the twenty-seventh Annual General Meeting giving the Directors the authority to offer Scrip Dividend Alternatives in respect of the dividends being declared and paid prior to the fifth AGM occurring thereafter.

In addition, the Directors may amend, suspend or cancel the Scrip Dividend Scheme as further set out in Question 14. In such circumstances, Shareholders may receive the Relevant Dividend in cash.

8. How will I know how many New Ordinary Shares I have received?

On every occasion that the Scrip Dividend Alternative is offered under the Scrip Dividend Scheme, each Shareholder will receive a Scrip Statement and, where relevant, a share certificate for any New Ordinary Shares issued. A Shareholder’s Scrip Statement will show:

- a) the cash dividend which that Shareholder would otherwise have received;
- b) any Cash Balances brought forward from a previous Scrip Dividend Alternative of the same type;
- c) the number of New Ordinary Shares issued to the Shareholder instead of the cash dividend;
- d) any Cash Balance carried forward to the next Scrip Dividend Alternative of the same type; and
- e) details of the cash equivalent of the New Ordinary Shares, and any applicable withholding tax, which Shareholders will need for their tax return (for information regarding taxation, please refer to Part C).

9. Will my New Ordinary Shares have the same voting rights?

Yes, the New Ordinary Shares will carry the same voting rights as existing Ordinary Shares.

10. When will I receive my New Ordinary Shares?

Subject to the New Ordinary Shares being admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange’s main market for listed securities, definitive share certificates and/or Scrip Statements will be posted, at the relevant Shareholder’s risk, on or about the same day as dividend cheques are posted to Shareholders who are taking the Relevant Dividend in cash.

CREST members who have elected to receive New Ordinary Shares will have their CREST accounts credited directly with the relevant New Ordinary Shares and will be notified via CREST on the same day the cash dividend is paid. If the Company is unable to do this under the provisions of the Uncertificated Securities Regulations 2001 or the facilities and requirements of CREST, the relevant New Ordinary Shares will be issued as certificated shares and definitive share certificates will be posted to the relevant Shareholder at that Shareholder’s risk.

Applications will be made to each of the UK Listing Authority and the London Stock Exchange for any New Ordinary Shares issued under the Scheme to be admitted to the Official List of the UK Listing Authority and the London Stock Exchange's main market for listed securities respectively. In the unlikely event that the New Ordinary Shares are not admitted to listing, listing does not become effective or the New Ordinary Shares are not admitted to trading, the dividend for Shareholders who have chosen to receive New Ordinary Shares will be paid in cash on or as soon as reasonably practicable after the Relevant Dividend Payment Date. When issued, the New Ordinary Shares will rank equally in all respects with the existing Ordinary Shares and will qualify for all future dividends.

11. What if I hold my Ordinary Shares wholly or partly in CREST?

Under the Uncertificated Securities Regulations 2001, if holdings of Ordinary Shares are held partly in certificated and partly in uncertificated form (i.e. a holder does not have a share certificate in respect of their holdings), the Company will treat such shareholdings as if they were separate shareholdings and a separate Mandate Form will be required for each holding.

If a holding is wholly or partly in uncertificated form (i.e. in CREST) at the Record Date for the Relevant Dividend, by completing and returning a Mandate Form the relevant Shareholder is deemed to authorise the Company to issue New Ordinary Shares in uncertificated form. Similarly, to the extent that a holding is in certificated form at the Record Date for the Relevant Dividend, or a Shareholder converts from certificated to uncertificated form after the relevant Record Date, by signing the Mandate Form the relevant Shareholder is deemed to authorise the Company to issue New Ordinary Shares in certificated form.

12. Can Shareholders outside the United Kingdom join the Scheme?

The right to receive New Ordinary Shares instead of cash in respect of dividends is not available to any person in any jurisdiction outside the United Kingdom where such an offer would require compliance by the Company with any governmental or regulatory procedures or any similar formalities.

The ability of Shareholders who have registered addresses outside of the United Kingdom, or who are resident or located in, or citizens of, countries other than the United Kingdom to participate in the Scrip Dividend Scheme may be affected by the laws of the relevant jurisdiction.

No person receiving a copy of this document or a Mandate Form in any such country or jurisdiction may treat such documents as offering a right to elect unless such an offer could lawfully be made without any such compliance.

Any Shareholder outside the United Kingdom wishing to receive New Ordinary Shares is responsible for ensuring, without any further obligation on the Company, that their election can be validly made without any further obligation on the part of the Company and to satisfy himself or herself as to the full observance of the laws of the relevant territory, including obtaining any governmental or other consents which may be required and observing all other necessary formalities.

By completing and returning a Mandate Form, each Shareholder will confirm that they are not resident in the State of California or any jurisdiction that would require the Company to comply with any governmental or regulatory procedures or requirements or any similar formalities arising out of this election or holding any Ordinary Shares as nominee(s), transferee(s) or any beneficial holder who is so resident.

13. What are the tax effects of electing to receive a Scrip Dividend Alternative?

The tax consequences for a Shareholder electing to receive New Ordinary Shares instead of a cash dividend will depend upon the personal circumstances of that Shareholder.

A summary of certain UK tax consequences of the Scrip Dividend Scheme as at 12 April 2011 is set out in Part C of these Explanatory Notes. This summary is for information purposes only and if Shareholders are in any doubt as to their own taxation position, they should consult their professional advisers before taking any action.

14. Can the Company cancel the Scrip Dividend Scheme?

The Company always has the discretion to cancel the Scrip Dividend Scheme but it is the Directors' current intention to offer a Scrip Dividend Alternative on a regular basis.

The operation of the Scrip Dividend Scheme is always subject to the Directors' decision to offer a Scrip Dividend Alternative in respect of any particular dividend. The Directors may also determine whether any Scrip Dividend Alternative will be a PID or Non-PID including whether it should be treated as a Non-PID in circumstances where the cash dividend is a PID, and vice versa. The Directors also have the power, after such an offer is made, to amend, suspend or terminate the Scrip Dividend Scheme generally at any time prior to the allotment of the New Ordinary Shares pursuant to it and may scale back elections made under the Scrip Dividend Scheme in respect of any particular dividend. If the Directors suspend or terminate the Scrip Dividend Scheme, decide not to offer New Ordinary Shares in respect of any particular dividend or scale back elections in respect of any particular dividend, Shareholders will receive their dividend in cash in full in the usual way (or, in the case of a scaling back of elections, in a greater amount than would otherwise be the case) on or as soon as reasonably practicable after the Relevant Dividend Payment Date.

In the case of an amendment of the Scrip Dividend Scheme by the Directors, a Shareholder's instructions will remain valid under the amended terms unless they notify Equiniti in writing, cancelling their instructions 15 working days before the next Relevant Dividend Payment Date, failing which the cancellation will take effect from the following dividend. The Directors will not offer New Ordinary Shares unless the Company has unissued shares authorised for issue and sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined.

PART B

THE MANDATE

1. What is the Mandate Form?

The Mandate Form must be completed by each Shareholder or joint Shareholder in order to participate in the Scrip Dividend Scheme and to receive New Ordinary Shares for future dividends for which a Scrip Dividend Alternative is offered.

A Mandate will remain valid in respect of all Relevant Dividends unless and until cancelled in writing by the Shareholder or until the Scheme is cancelled by the Company.

2. Can I complete a Mandate Form for part of my holding?

No. Mandate Forms will not be accepted for part of a shareholding. The Mandate Form applies to the full number of Ordinary Shares registered in a Shareholder's name on the relevant Record Date.

Notwithstanding this, the Company may, at its discretion, permit a Shareholder to complete a Mandate Form in respect of a lesser number of Ordinary Shares than their full shareholding where that Shareholder is acting on behalf of more than one beneficial owner i.e. a nominee Shareholder. Any such completed Mandate Form in respect of part of a shareholding will continue to apply for future dividends to the number of Ordinary Shares specified until it is altered or cancelled. A cash dividend will automatically be paid on any Ordinary Shares which are not specified in a Mandate Form.

3. Does the Mandate apply to Ordinary Shares held in joint names?

Yes, for as long as the Ordinary Shares are held jointly, but all joint Shareholders must sign the Mandate Form.

4. What happens if I buy more shares after I have completed a Mandate Form?

If a Shareholder buys Ordinary Shares prior to the first day such shares are quoted "ex-dividend" for any particular dividend, that Shareholder may be entitled to the dividend on those shares and they are advised to contact their stockbroker or other agent through whom the purchase was made without delay so as to ensure that the purchased shares are registered promptly in their name.

Any additional Ordinary Shares which a Shareholder buys, and which are registered in their name prior to the Record Date for any dividend to which they are entitled, will be covered by the Mandate Form they have completed and such Shareholder will receive New Ordinary Shares, instead of cash dividends, for their entire holding.

5. What happens if I sell part of my holdings?

If a Shareholder sells any of their Ordinary Shares prior to the first day such shares are quoted "ex-dividend" for any particular dividend, they may not be entitled to the dividend on those shares and they are advised to contact their stockbroker or other agent through whom the sale was effected without delay as there may be a claim for the cash amount of the dividend by the purchaser in accordance with the rules of the UK Listing Authority.

If a Shareholder sells part of their shareholding prior to the relevant Record Date for any dividend and such sale is registered in the Company's register of members prior to the relevant Record Date, the Scheme will only apply to their remaining Ordinary Shares.

6. What happens if I have more than one holding?

If a Shareholder's Ordinary Shares are registered in more than one holding and they want to receive New Ordinary Shares instead of cash dividends in respect of each holding, they must complete a separate Mandate Form for each holding. If they wish, a Shareholder may ask Equiniti to combine their holdings. A Shareholder cannot, however, combine a sole shareholding with a joint shareholding.

7. Can I cancel my Mandate?

Shareholders may cancel their Mandate at any time by writing to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL. A Mandate may be cancelled at any time, except that for a cancellation instruction to be effective for a particular dividend, it must be received at least 15 working days before the Relevant Dividend Payment Date. If a cancellation instruction is received after that date, it will apply to all subsequent dividends.

8. When will my Mandate be cancelled?

Instructions will be regarded as cancelled in respect of any Ordinary Shares which a Shareholder sells or otherwise transfers to another person and regarded as fully cancelled on the sale or transfer of the whole of a Shareholder's shareholding. This will take effect from registration of the relevant share transfer.

Instructions will be regarded as cancelled immediately on notice being given to the Company by writing to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL, of the death, bankruptcy, liquidation or mental incapacity of a Shareholder, unless the Shareholder was a joint Shareholder in which case participation of the other joint Shareholder(s) will continue.

9. What do I do if I have any questions?

If you have any queries, please contact Equiniti using the contact details set out below:

- by post at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL.
- by telephone on 0871 384 2192 (or +44 (0)121 415 7593 if you are calling from outside the United Kingdom) lines are open 8.30a.m. to 5.30p.m., Monday to Friday.

Calls to 0871 numbers are charged at 8p per minute from a BT landline. Other telephone providers' charges may vary.

Alternatively you can visit www.derwentlondon.com.

10. How do I notify changes?

Any notifications regarding the Scheme should be addressed to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL. All communications, notices, certificates and remittances to be delivered by or sent to or from Shareholders will be delivered or sent at their own risk.

11. What is the governing law of the Scrip Dividend Scheme?

The Scrip Dividend Scheme (including any Mandate Form, election(s), instruction(s) and authorisation(s) given by any Shareholder) is subject to the Company's Articles of Association in force from time to time and is governed by and its terms and conditions are to be construed in accordance with English law. By electing to receive New Ordinary Shares a Shareholder agrees to submit to the jurisdiction of the English courts in relation to the Scrip Dividend Scheme.

PART C

TAXATION GUIDELINES

The following statements are intended only as a general guide to certain relevant aspects of UK tax law and of the current practice of HMRC, both of which are subject to change at any time, possibly with retrospective effect. They are not advice. Except in so far as express reference is made to the treatment of non-UK residents, they are intended to apply only to Shareholders who are resident (or, in the case of an individual, resident or ordinarily resident) in the United Kingdom for UK tax purposes, who hold their Ordinary Shares as investments and who are the absolute beneficial owners of such Ordinary Shares. The statements do not apply to certain classes of Shareholder, such as Substantial Shareholders, dealers in securities or distributions, insurance companies, collective investment schemes and persons who have acquired (or are deemed for tax purposes to have acquired) their shares by reason of office or employment.

Shareholders who are in any doubt as to their tax position or who are resident or subject to tax in a jurisdiction other than the United Kingdom should consult their own professional advisers without delay.

1. General

As part of a REIT, UK resident REIT group members and non-UK resident REIT group members with a UK qualifying property rental business do not pay UK direct taxes on income and capital gains from their qualifying property rental businesses in the United Kingdom (the “Tax-Exempt Business”), provided that certain conditions are satisfied. Instead, distributions in respect of the Tax-Exempt Business will generally be treated for UK tax purposes as property income in the hands of Shareholders. However, corporation tax is still payable in the normal way in respect of income and gains from other parts of the Group's business (the “Residual Business”). A dividend paid by the Company in respect of profits or gains of the Tax-Exempt Business of the Group is referred to below as a “Property Income Distribution” or “PID”. A dividend paid by the Company that is not a PID is referred to as a “Non-PID Dividend” or “Non-PID”.

The “cash equivalent” of any New Ordinary Shares received in lieu of a cash dividend will be the amount of the cash dividend foregone unless the difference between that amount and the market value of the New Ordinary Shares received in lieu of the cash dividend calculated on the first day of dealing on the London Stock Exchange (in accordance with section 412 of the Income Tax (Trading and Other Income) Act 2005) is equal to or greater than 15 per cent. of that market value, in which case the cash equivalent will be that market value.

Just as when it pays a cash PID, the Company may be required to make a withholding on account of income tax (at 20 per cent.) when it makes a distribution of New Ordinary Shares in the form of a PID; see paragraph 2(iv) below. The result will be a reduction in the number of New Ordinary Shares issued to the relevant Shareholder.

2. Taxation of Property Income Distributions (PIDs)

When references are made below to a PID, the amount of that PID is (a) in the case of a PID in the form of New Ordinary Shares, the cash equivalent of the New Ordinary Shares, and (b) in the case of a cash PID, the amount of that cash PID, in both cases before any applicable obligation to make a withholding on account of tax.

(i) Individuals

(A) Income tax

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are individuals as the profit of a UK property business. A PID is, together with any PID from another UK REIT, treated as a separate UK property rental business from any other UK property business carried on by the relevant

Shareholder. This means that any surplus expenses from any such other business cannot be offset against the PID for UK tax purposes.

Please see also paragraph 2(iv) (Withholding tax) below.

(B) Capital gains tax

For capital gains tax purposes, a Shareholder who is an individual and who receives New Ordinary Shares in PID form will be treated as having acquired those New Ordinary Shares for an amount equal to their cash equivalent. A subsequent disposal will then be subject to the capital gains tax regime in the normal way.

(ii) Corporate Shareholders

Subject to certain exceptions, the PID will generally be treated in the hands of Shareholders that are within the charge to corporation tax as profit of a UK property business. A PID is, together with any PID from another UK REIT, treated as a separate UK property business from any other UK property business carried on by the relevant Shareholder. Again, this means that any surplus expenses from any such other UK property business cannot be offset against the PID for UK tax purposes.

Please see also paragraph 2(iv) (Withholding tax) below.

For the purposes of corporation tax on chargeable gains, a corporate Shareholder that receives New Ordinary Shares in PID form will be treated as having acquired those New Ordinary Shares for an amount equal to their cash equivalent. A subsequent disposal will then be subject to the chargeable gains regime in the normal way.

(iii) Shareholders who are not resident for tax purposes in the United Kingdom

Where a Shareholder who is resident for tax purposes outside the United Kingdom receives a PID, the PID will generally be chargeable to UK income tax as profit of a UK property business and this tax will generally be collected by way of a withholding.

(iv) Withholding tax

(A) General

Subject to certain exceptions summarised at paragraph (D) below, the Company will be required to withhold tax at source from its PIDs at the basic rate (currently 20 per cent.). The Company will provide Shareholders with a certificate setting out the gross amount of the PID, the amount of tax withheld and the net amount of the PID. If the PID is received by the Shareholder in the form of New Ordinary Shares, the Shareholder will receive a Scrip Statement setting out the cash PID foregone, the number of New Ordinary Shares issued, the amount of any Cash Balance carried forward and the applicable withholding tax amount.

(B) Shareholders resident for tax purposes in the United Kingdom

Where tax has been withheld at source, Shareholders who are individuals may, depending on their particular circumstances, either be liable to further tax on their PID at their applicable marginal rate, or be entitled to claim repayment of some or all of the tax withheld on their PID. Corporate Shareholders will generally be liable to pay corporation tax on their PID (see paragraph 2(ii) above) and if (exceptionally) income tax is withheld at source, the tax withheld can be set against their liability to corporation tax (or against any obligation to withhold income tax which they may have) in the accounting period in which the PID is received.

Corporate Shareholders may generally receive a PID without withholding tax (see (D) below).

(C) Shareholders who are not resident for tax purposes in the United Kingdom

It is not possible for a Shareholder to make a claim under a double tax treaty for a PID to be paid by the Company gross or at a reduced rate of withholding. The right of a Shareholder to claim repayment of any part of the tax withheld from a PID will depend on the existence and terms of the double tax treaty (if any) between the United Kingdom and the country in which the Shareholder is resident.

(D) Exceptions to requirement to withhold income tax

Shareholders should note that in certain circumstances the Company is not required to withhold income tax at source from a PID. These include where the Company reasonably believes that the person beneficially entitled to the PID is a company resident for tax purposes in the United Kingdom (or resident for tax purposes outside the United Kingdom but required to bring the PID into account in computing the taxable profits of a permanent establishment in the United Kingdom), a charity, a local authority or a specified government body. They also include PIDs which, in the reasonable belief of the Company, are received by the scheme administrator of a registered pension scheme or the account manager of an Individual Savings Account and will be applied for the purposes of the relevant scheme or account.

In order to pay a PID without withholding tax, the Company will need to be satisfied that the Shareholder concerned is entitled to that treatment. For that purpose the Company will require such Shareholders to submit a valid "Declaration of Eligibility" (copies of which are available on the 'investor' section of our website at www.derwentlondon.com or may be obtained from the Registrar by calling its shareholder helpline). The relevant form must be lodged with Equiniti, no later than the Record Date for the relevant dividend. Shareholders should note that the Company may seek recovery from Shareholders if the statements made in their Declaration are incorrect and the Company suffers tax as a result. The Company will, in some circumstances, suffer tax if its reasonable belief as to the status of the Shareholder turns out to have been mistaken.

3. Taxation of Non-PIDs

(i) Individuals

(A) Income tax

A Shareholder who is an individual and who receives New Ordinary Shares in Non-PID form under the Scrip Dividend Alternative will be subject to tax on the amount which is equal to the cash equivalent of those New Ordinary Shares grossed up by income tax at the dividend ordinary rate (currently 10 per cent.). Similarly, such a Shareholder who receives a cash dividend in Non-PID form will be subject to tax on the cash sum received, grossed up by income tax at the same rate. In each case the resulting amount (the "gross amount") will be regarded as the top slice of the individual's income and the individual will be subject to tax on it as dividend income.

The individual will also be treated as having paid tax at the dividend ordinary rate on the gross amount (except to the extent that the individual is not taxable on the gross amount as a result of the availability of a relief or allowance). The tax which the individual will be deemed to have paid will therefore discharge the individual's liability to tax in respect of the gross amount, unless and except to the extent that the gross amount falls above the threshold for the higher rate of income tax, in which case the individual will, to that extent, pay tax on the gross amount at the dividend upper rate (currently 32.5 per cent.) less the tax which the individual will be treated as having paid at the dividend ordinary rate. To the extent that the gross amount falls above the threshold for the additional rate of income tax, the individual will, to that extent, pay tax on the gross amount at the dividend additional rate (currently 42.5 per cent.) less the tax that the individual will be treated as having paid at the dividend ordinary rate.

So, for example, an individual receiving a scrip dividend in the form of New Ordinary Shares with a cash equivalent of £90 (or simply, a cash dividend of £90) will be treated as having paid tax of £10. If the individual is not liable to income tax at the higher rate, that individual's liability in respect of the dividend will be 10 per cent. of the gross amount of £100, or £10. Consequently, that individual's liability will be discharged in full by the tax of £10 which that individual will be treated as having paid and that individual will have no further liability to tax in respect of the dividend. If that individual is liable to income tax at the higher rate, that individual's tax liability in respect of the dividend will be 32.5 per cent. of the gross amount of £100, or £32.50. After taking into account the tax of £10 which that individual will be treated as having paid, this will leave a net tax charge of £22.50 (an effective rate of 25 per cent.). An individual who is liable to income tax at the additional rate will be subject to tax on the gross amount at the rate of 42.5 per cent., to the extent that the gross amount falls above the threshold for the additional rate of income tax. After setting off the tax

credit comprised in the amount dividend, the Shareholder will, accordingly, have to account for income tax equal to 32.5 per cent. of the gross amount (an effective rate of approximately 36.1 per cent.).

A Shareholder who is an individual but is not liable to income tax in respect of the dividend will not be entitled to any payment from HMRC in respect of any part of the tax that is deemed to have been paid.

(B) Capital gains tax

A Shareholder who is an individual and who receives New Ordinary Shares in Non-PID form under the Scrip Dividend Alternative will be treated as having acquired those New Ordinary Shares for an amount equal to their cash equivalent.

(ii) Corporate Shareholders

Corporate Shareholders will not be liable to corporation tax on the receipt of New Ordinary Shares in Non-PID form under the Scrip Dividend Alternative, nor should they generally be liable to corporation tax on any cash Non-PID dividend.

To the extent that a company receives New Ordinary Shares in Non-PID form under the Scrip Dividend Alternative, the issue of the New Ordinary Shares should be treated as a bonus issue for which there is no acquisition cost. Consequently, the calculation of any chargeable gain or allowable loss on a future disposal of, or of part of, that company's enlarged holding should fall to be made by reference to the base cost of the original holding only.

(iii) Shareholders resident for tax purposes outside the United Kingdom

The Company is not required to withhold any tax when a non UK-resident Shareholder receives New Ordinary Shares in Non-PID form in lieu of a cash dividend, or receives a cash Non-PID dividend. Shareholders who are not resident (or, where relevant, not ordinarily resident) for tax purposes in the United Kingdom will generally have no further UK tax to pay upon receipt of New Ordinary Shares received in Non-PID form. Such Shareholders will not have any entitlement to a tax credit upon receipt of such New Ordinary Shares.

Shareholders who are not resident (for tax purposes) in the United Kingdom will not generally be subject to UK tax on chargeable gains on a disposal of their New Ordinary Shares. However, Shareholders who are individuals and are temporarily resident (for tax purposes) outside the United Kingdom may in certain circumstances be subject to UK tax in respect of gains realised while they are not resident in the United Kingdom.

4. Stamp duty and SDRT

No stamp duty or stamp duty reserve tax will generally be payable on the issue of new shares under the Scrip Dividend Scheme.

PART D

DEFINITIONS

The following definitions apply throughout this document and to the accompanying documents unless the context otherwise requires:

“Cash Balance”	the cash value of any fractions of New Ordinary Shares which are not issued to Shareholders pursuant to a Scrip Dividend Alternative
“Company” or “Derwent London plc”	Derwent London plc
“CREST”	the relevant system as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) in respect of which CRESTCo Limited is the operator
“Derwent London plc's Scrip Dividend Scheme”, “Scrip Dividend Scheme” or “Scheme”	the offer to receive New Ordinary Shares instead of a cash dividend for all Relevant Dividends, comprising the terms and conditions contained in this document and the Mandate Form, as amended from time to time
“Derwent London REIT Group”	means the group of which Derwent London plc is the principal company for the purposes of section 134 of the Finance Act 2006
“Directors”	the Directors of the Company, from time to time
“DRIP”	the Company's Dividend Reinvestment Plan
“Equiniti” or “Registrar”	the Company's registrar, Equiniti Limited
“Ex-dividend Date”	the day the Ordinary Shares are first quoted “ex” for the Relevant Dividend
“Group”	the Company and its subsidiaries from time to time
“HMRC”	means Her Majesty's Revenue and Customs
“London Stock Exchange”	the London Stock Exchange PLC
“Mandate”	the instructions of a Shareholder as set out in a valid Mandate Form
“Mandate Delivery Deadline”	the deadline by which Mandate Forms must be received by Equiniti Limited, being (unless notified otherwise) 15 working days before the Relevant Dividend Payment Date, in order for the Mandate to be effective at the Relevant Dividend
“Mandate Form”	a mandate, in a form provided by the Company, from a Shareholder to the Directors to allot New Ordinary Shares under the terms of the Scrip Dividend Scheme in respect of Relevant Dividends
“New Ordinary Shares”	new Ordinary Shares to be issued, credited as fully paid up, pursuant to the Scrip Dividend Scheme or, as the case may be, Treasury Shares
“Non-PID”	any cash dividend paid by the Company that is not a PID
“Ordinary Shares”	Ordinary Shares of 5p each in the capital of the Company
“PID”	has the meaning given to that term in Part C (Taxation Guidelines)

“Real Estate Investment Trust” or “REIT”	means a real estate investment trust
“Record Date”	the date on which Ordinary Shares must be held in order for a Shareholder to be eligible to receive a declared dividend
“Relevant Dividend”	dividends proposed by the Company for which the Scrip Dividend Alternative is offered
“Relevant Dividend Payment Date”	in respect of a Relevant Dividend, the date on which it will be paid
“Scheme Document”	this document, as amended from time to time, which sets out the terms and conditions of the Scrip Dividend Scheme
“Scrip Calculation Price”	the average of the closing middle market quotations of an Ordinary Share, derived from the London Stock Exchange Daily Official List, for the five consecutive business days commencing on the Ex-dividend Date
“Scrip Dividend Alternative”	the offer by the Company to Shareholders to receive New Ordinary Shares instead of a cash dividend in respect of Relevant Dividends pursuant to Derwent London plc’s Scrip Dividend Scheme
“Scrip Dividend Scheme”	Derwent London plc’s Scrip Dividend Scheme
“Scrip Statement”	the written statement delivered to each Shareholder who has joined Derwent London plc’s Scrip Dividend Scheme on every occasion that the Scrip Dividend Alternative is offered, which sets out, inter alia, details of the New Ordinary Shares issued to the Shareholder and any Cash Balance carried forward
“SDRT”	means stamp duty reserve tax
“Shareholder”	a holder of Ordinary Shares
“Substantial Shareholder”	means a company that <ul style="list-style-type: none"> (i) is beneficially entitled, directly or indirectly, to 10 per cent. or more of Derwent London’s dividends; (ii) is beneficially entitled, directly or indirectly, to 10 per cent. or more of Derwent London’s share capital; or (iii) controls, directly or indirectly, 10 per cent. or more of the voting rights of Derwent London, and for the purposes of this definition, “company” includes any body corporate and certain entities which are deemed to be bodies corporate for the purposes of overseas jurisdictions with which the UK has a double taxation agreement or for the purposes of such double tax agreements
“Treasury Shares”	Ordinary Shares of 5p each in the capital of the Company, as held in treasury
“UK”	United Kingdom

Reference in this booklet and the Mandate Form to “issue”, “issued”, “allot”, “allotted” and “allotment” in respect of New Ordinary Shares shall include the sale or transfer of Treasury Shares made to Shareholders in satisfaction of elections to receive New Ordinary Shares made under the Scrip Dividend Scheme.

