

THRINGS

SOLICITORS

DATED

21 May

2018/9

ANTHONY JOHN WICKINS and DEIRDRE ANGELA WICKINS

and

MULTI-TILE LIMITED

SUB UNDERLEASE

relating to

Unit 19 Spur Road, Quarry Lane, Chichester, West Sussex PO19 2PR

thrings.com

BATH BRISTOL LONDON SOUTHAMPTON SWINDON

Contents

Clause

1.	INTERPRETATION	3
2.	GRANT	9
3.	ANCILLARY RIGHTS	9
4.	RIGHTS EXCEPTED AND RESERVED	9
5.	THIRD PARTY RIGHTS	11
6.	THE ANNUAL RENT	11
7.	REVIEW OF THE ANNUAL RENT	11
8.	INSURANCE	14
9.	UNINSURED RISKS	16
10.	RATES AND TAXES	17
11.	UTILITIES	17
12.	VAT	17
13.	DEFAULT INTEREST AND INTEREST	18
14.	COSTS	18
15.	SET-OFF	19
16.	REGISTRATION OF THIS LEASE	19
17.	ASSIGNMENTS	19
18.	UNDERLETTINGS	20
19.	SHARING OCCUPATION	21
20.	CHARGING	21
21.	PROHIBITION OF OTHER DEALINGS	21
22.	REGISTRATION AND NOTIFICATION OF DEALINGS AND OCCUPATION	21
23.	CLOSURE OF THE REGISTERED TITLE OF THIS LEASE	22
24.	REPAIRS	22
25.	DECORATION	23
26.	ALTERATIONS	23
27.	SIGNS	23
28.	RETURNING THE PROPERTY TO THE LANDLORD	24
29.	USE	24
30.	COMPLIANCE WITH LAWS	24
31.	ENERGY PERFORMANCE CERTIFICATES	25
32.	ENCROACHMENTS, OBSTRUCTIONS AND ACQUISITION OF RIGHTS	26
33.	BREACH OF REPAIR AND MAINTENANCE OBLIGATIONS	26
34.	INDEMNITY	26
35.	COVENANT TO COMPLY WITH COVENANTS IN THE SUPERIOR LEASE	27
36.	COVENANT WITH THE SUPERIOR LANDLORD	27
37.	LANDLORD'S COVENANTS	27
38.	GUARANTEE AND INDEMNITY	27
39.	RE-ENTRY AND FORFEITURE	27
40.	JOINT AND SEVERAL LIABILITY	28
41.	DISPUTES UNDER THE SUPERIOR LEASE	28
42.	ENTIRE AGREEMENT	28
43.	NOTICES, CONSENTS AND APPROVALS	28
44.	ENVIRONMENTAL PROTECTION	29
45.	GOVERNING LAW	30
46.	JURISDICTION	30
47.	CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999	30
48.	LIABILITY OF EXECUTIVE SCHEME	30
49.	TENANT'S OPTION TO DETERMINE	31
	THE SCHEDULE - GUARANTEE AND INDEMNITY	32

LR1. Date of lease 21 May 2019

LR2. Title number(s)

LR2.1 Landlord's title number(s)

WSX291991

LR2.2 Other title numbers

WSX284527 and WSX313072

LR3. Parties to this lease

Landlord

ANTHONY JOHN WICKINS and DEIRDRE ANGELA WICKINS the Trustees of the CWC UK Holdings Executive Pension Scheme, both of Valdoe House Annexe, Pook Lane, East Lavant, Chichester, West Sussex PO18 0AW

Tenant

MULTI-TILE LIMITED

Topps Tiles, Thorpe Way, Grove Park, Leicestershire, LE19 1SU

Company Registration Number: 00808214

LR4. Property

In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.

See the definition of "Property" in clause 1.1 of this lease.

LR5. Prescribed statements etc.

LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003.

None.

LR5.2 This lease is made under, or by reference to, provisions of:

None.

LR6. Term for which the Property is leased

The term as specified in this lease at clause 1.1 in the definition of "Contractual Term".

LR7. Premium

None.

LR8. Prohibitions or restrictions on disposing of this lease

This lease contains a provision that prohibits or restricts dispositions.

LR9. Rights of acquisition etc.

LR9.1 Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land

None.

LR9.2 Tenant's covenant to (or offer to) surrender this lease

None.

LR9.3 Landlord's contractual rights to acquire this lease

None.

LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property

None.

LR11. Easements

LR11.1 Easements granted by this lease for the benefit of the Property

The easements as specified in clause 3 of this lease.

LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property

The easements as specified in clause 4 of this lease.

LR12. Estate rentcharge burdening the Property

None.

LR13. Application for standard form of restriction

None.

LR14. Declaration of trust where there is more than one person comprising the Tenant

None.

THIS LEASE IS DATED

21 May 2018

PARTIES

- (1) **ANTHONY JOHN WICKINS and DEIRDRE ANGELA WICKINS**, the Trustees of the CWC UK Holdings Executive Pension Scheme, both of Valdoe House Annexe, Pook Lane, East Lavant, Chichester, West Sussex PO18 0AW (the **Landlord**).
- (2) **MULTI-TILE LIMITED** (Company Registration Number 00808214) a company registered in England and Wales whose registered office is at Topps Tiles, Thorpe Way, Grove Park, Leicestershire, LE19 1SU (the **Tenant**).

BACKGROUND

- (A) The Landlord is entitled to possession of the Property under the terms of the Superior Lease (a copy of which has been given to the Tenant).
- (B) The Landlord has agreed to grant an underlease of the Property to the Tenant on the terms set out in this lease.

AGREED TERMS

1. INTERPRETATION

The following definitions and rules of interpretation apply in this lease.

1.1 Definitions:

Act of Insolvency: an Act of Insolvency is any of the following:

- (a) the taking of any step in connection with any voluntary arrangement or any other compromise or arrangement for the benefit of any creditors of the Tenant;
- (b) the making of an application for an administration order or the making of an administration order in relation to the Tenant;
- (c) the giving of any notice of intention to appoint an administrator, or the filing at court of the prescribed documents in connection with the appointment of an administrator, or the appointment of an administrator, in any case in relation to the Tenant;
- (d) the appointment of a receiver or manager or an administrative receiver in relation to any property or income of the Tenant;
- (e) the commencement of a voluntary winding-up in respect of the Tenant, except a winding-up for the purpose of amalgamation or reconstruction of a solvent company in respect of which a statutory declaration of solvency has been filed with the Registrar of Companies;
- (f) the making of a petition for a winding-up order or a winding-up order in respect of the Tenant;
- (g) the striking-off of the Tenant from the Register of Companies or the making of an application for the Tenant to be struck-off;
- (h) the Tenant otherwise ceasing to exist (but excluding where the Tenant or any guarantor dies);
- (i) the making of an application for a bankruptcy order, the presentation of a petition for a bankruptcy order or the making of a bankruptcy order against the Tenant; or

- (j) the levying of any execution or other such process on or against, or taking control of possession of, the whole or any part of the Tenant's asset.

The paragraphs above shall apply in relation to a partnership or limited partnership (as defined in the Partnership Act 1890 and the Limited Partnerships Act 1907 respectively) subject to the modifications referred to in the Insolvent Partnerships Order 1994 (SI 1994/2421) (as amended) and a limited liability partnership (as defined in the Limited Liability Partnerships Act 2000) subject to the modifications referred to in the Limited Liability Partnerships Regulations 2001 (SI 2001/1090) (as amended).

Act of Insolvency includes any analogous proceedings or events that may be taken pursuant to the legislation of another jurisdiction in relation to a tenant incorporated or domiciled in such relevant jurisdiction.

Adjoining Premises: means any adjoining or neighbouring land or buildings now or at any time during the Contractual Term erected in which the Landlord or any Superior Landlord has or acquires during the Contractual Term a freehold or leasehold interest.

Annual Rent: rent at an initial rate of £67,000.00 per annum exclusive of VAT and then as revised pursuant to this lease.

CDM Regulations: the Construction (Design and Management) Regulations 2015 (SI 2015/51).

Conducting Media: includes all drains, channels, sewers, flues, conduits, ducts, pipes, wires, cables, watercourses, balancing ponds, gutters, culverts, soakaways and other similar transmission media and installations and all fixings louvres cowls covers sub-station governors and other ancillary apparatus and references to Conducting Media being "in" or "on" including Conducting Media in on under over or through.

Contractual Term: a term of 10 years beginning on (and including) the 8 December 2014 and ending on (and including) 7 December 2024.

Dangerous Substance: means any natural or artificial substance (whether in solid or liquid form or in the form of a gas or vapour and whether alone or in combination with any other substance) causing or capable of harm to man or any other living organism or damaging polluting contaminating or changing the composition of the environment (including water) or damaging public health or welfare.

Default Interest Rate: 4% per annum above the Interest Rate.

Energy Assessor: an individual who is a member of an accreditation scheme approved by the Secretary of State in accordance with regulation 22 of the Energy Performance of Buildings (England and Wales) Regulations 2012 (SI 2012/3118).

Energy Performance Certificate: a certificate as defined in regulation 2(1) of the Energy Performance of Buildings (England and Wales) Regulations 2012 (SI 2012/3118).

Entry Safeguards: means the Landlord shall:

- a. ensure that (so far as is reasonably practicable in the circumstances) adequate and reasonable access to the Property is maintained at all times for the Tenant and its employees agents servants customers contractors and workpeople;
- b. act in a reasonable and responsible manner and cause as little damage as is reasonably practicable to the business of the Tenant carried out at the Property;
- c. wherever practicable (except in case of emergency) make such entry outside normal working hours;
- d. give reasonable consideration to other methods of carrying out works without the Property being involved;

- e. cause as little damage as is reasonably practicable to the Property and the tenant's fixtures fittings and stock;
- f. make good any damage caused as soon as is reasonably practicable;
- g. ensure that (where reasonably practicable) the Tenant's reasonable requirements are complied with as to temporary signage and a display of the Tenant's name and business.

Environmental Laws: means all statutes laws regulations codes of practice circulars guidance notices and the like (whether in the United Kingdom or elsewhere) concerning the protection of human health or the environmental or the conditions of the works place or the control and prevention of pollution of land water or the atmosphere or the generation transportation storage treatment or disposal of any Dangerous Substance including but not limited to the Environmental Protection Act 1990 the Environment Act 1995 and the Water Resources Act 1991.

Executive Scheme: means the CWC UK Holdings Executive Pension Scheme created by a Trust Deed dated 28 December 1984 (as varied).

Head Landlord: the landlord for the time being of the Head Lease.

Head Lease: a lease which is dated 28 November 2003 and made between the Mayor and aldermen and Citizens of the City of Chichester (1) and Colin Frederick James Cushion and Audrey Pamela Cushion (2) and any documents made supplemental to it as the same is registered at the Land Registry under title number WSX284527.

Indemnity Proviso: PROVIDED THAT at all times the Landlord:-

- a) gives notice to the Tenant of any claim, loss or liability in respect of which it seeks an indemnity as soon as reasonably practicable after receiving notice of the same;
- b) takes all reasonable steps to mitigate any loss as is reasonably practicable;

AND PROVIDED that the Tenant shall not be required to indemnify the Landlord to the extent that any claim may be covered by insurance effected by the Landlord PROVIDED THAT the Tenant must use all reasonable endeavours to assist the Landlord in complying with this provision.

Insurance Rent: the sum payable by the Landlord to the Superior Landlord under the Superior Lease (before any discount or commission) for the insurance of:

- (a) the Property (other than any plate glass) for its full reinstatement cost (taking inflation of building costs into account) against loss or damage by or in consequence of the Insured Risks, including costs of demolition, site clearance, site protection and shoring-up, professionals' and statutory fees and incidental expenses, the cost of any work which may be required under any law and VAT in respect of all those costs, fees and expenses;
- (b) loss of Annual Rent of the Property for three years; and
- (c) any insurance premium tax payable on the above.

Insured Risks: means fire, explosion, lightning, earthquake, storm, flood, bursting and overflowing of water tanks, apparatus or pipes, impact by aircraft and articles dropped from them, impact by vehicles, subsidence, ground slip, heave, riot, civil commotion terrorism and any other risks against which the Superior Landlord or Head Landlord decides to insure against from time to time and Insured Risk: means any one of the Insured Risks.

Interest Rate: the base rate from time to time of Barclays Bank plc, or if that base rate stops being used or published, then a comparable commercial rate reasonably determined by the Landlord.

Landlord's Surveyor: means any professionally qualified person being a member of the Royal Institution of Chartered Surveyors or the Incorporated Society of Valuers and Auctioneers from time to time appointed by the Landlord to act as its surveyor for any purpose under this Lease and who may be the Landlord or a person in the employment of the Landlord.

LTA 1954: Landlord and Tenant Act 1954.

Permitted Use: subject to compliance with the terms and provisions of the Head Lease and Superior Lease (respectively) any or all uses falling within Use Classes B1(b) and (c), B2 and/or B8 of the Town and Country Planning (Use Classes) Order 1987 as at the date this lease is granted and for the sale preparation and repair of and serving of cars and accessories parts and tyres and the fitting of parts and vehicle tyres and MOT testing and for the business of the rental or motor cars and commercial vehicles and ancillary thereto their maintenance storage subsequent repair and/or in respect of any B8 use with a trade counter ancillary thereto Provided That the area of such trade counter does not exceed whichever shall be the greater of either 10% of the gross floor area of any building on the Property or the percentage permitted under planning consent granted from time to time in respect of the Property.

Plant: all Landlord's apparatus machinery and equipment in the Property including (for example) lifts lift shafts standby generators boilers items relating to mechanical ventilation heating and cooling and closed circuit television systems

Property: Unit 19 Spur Road, Quarry Lane, Chichester, West Sussex PO19 2PR as the same is more particularly described in the Head Lease respectively including:

- (a) any building or other structure that is now on the Property or that is erected there during the Term
- (b) the fences and walls that surround the Property
- (c) the Plant and fittings installed thereby the Landlord
- (d) all Conducting Media on the Property
- (e) all additions and improvements
- (f) all fixtures (whether or not fixed at the beginning of the Term) except any installed by the Tenant that can be removed without defacing the Property AND subject thereto for the avoidance of doubt the parties hereto agree and declare that the heating and lighting systems within any building from time to time on the Property and all ceiling finishes appropriate to the relevant use within those parts of the Property from time to time comprising the showrooms and offices and all other finishes appropriate to the relevant use within the relevant parts of the buildings from time to time on the Property including (but without prejudice to the generality of the foregoing) the relevant finishes to the floors in each part of the buildings from time to time on the Property shall be and at all times remain landlords fixtures and fittings (unless otherwise specifically provided to the contrary).

Recommendation Report: a report as defined in regulation 4 of the Energy Performance of Buildings (England and Wales) Regulations 2012 (SI 2012/3118).

Rent Commencement Date: 1 February 2015.

Rent Payment Dates: the first day of each calendar month.

Reservations: all of the rights excepted, reserved and granted to the Landlord by this lease.

Review Date: 8 December 2019.

Service Media: all media for the supply or removal of heat, electricity, gas, water, sewage, any air-conditioning, energy, telecommunications, data and all other services and utilities and all structures, machinery and equipment ancillary to those media.

Superior Landlord: the landlord for the time being of the Superior Lease.

Superior Landlord's Covenants: the obligations in the Superior Lease to be observed by the Superior Landlord.

Superior Lease: the lease by virtue of which the Landlord holds the Property, which is dated 5 September 1997 and made between Colin Frederick James Cushion and Audrey Pamela Cushion (1) and City Motor Holdings Limited (2) and any documents made supplemental to it as the same is registered at the Land Registry under title number WSX261991.

Superior Rent: the annual rent payable by the Landlord under clause 4 of the Superior Lease.

Third Party Rights: all rights, covenants and restrictions affecting the Property including the matters referred to at the date of this lease in the registers of title number WSX261991, the Superior Lease and the Head Lease.

Uninsured Risk: means the risk of loss or damage flowing from a risk (including politically motivated acts) to the extent that:

- (a) such risk is uninsurable in the UK market; or
- (b) (in the reasonable opinion of the Landlord) such risk either cannot be insured against by the Landlord in the UK market or cannot be so insured at a reasonably commercial rate

and in either case there is in fact no insurance against such risk pursuant to this clause.

Uninsured Damage: means substantial damage to the Property or its destruction caused by an Uninsured Risk (whether alone or in conjunction with damage or destruction caused by an Insured Risk) so as to render the Property wholly or substantially unfit for use and occupation or inaccessible.

VAT: value added tax chargeable in the UK.

VATA 1994: Value Added Tax Act 1994.

- 1.2 A reference to the **Superior Lease and Head Lease** is a reference to the superior lease, head lease and any deed, licence, consent, approval or other instrument supplemental to it. A reference to this **lease**, except a reference to the date of this lease or to the grant of the lease, is a reference to this deed and any deed, licence, consent, approval or other instrument supplemental to it.
- 1.3 A reference to the **Superior Landlord and Head Landlord** includes a reference to the person entitled to the immediate reversion to the Superior Lease and Head Lease respectively. A reference to the **Landlord** includes a reference to the person entitled to the immediate reversion to this lease. A reference to the **Tenant** includes a reference to its successors in title and assigns of the tenant covenants in the lease. A reference to a **guarantor** includes a reference to any guarantor of the tenant covenants of this lease including a guarantor who has entered into an authorised guarantee agreement.

- 1.4 In relation to any payment, a reference to a **fair proportion** is to a fair and reasonable proportion of the total amount payable, determined conclusively (except as to questions of law, fraud and manifest error) by the Landlord.
- 1.5 The expressions **landlord covenant** and **tenant covenant** each has the meaning given to it by the Landlord and Tenant (Covenants) Act 1995.
- 1.6 Unless the context otherwise requires, a reference to the **Property** is to the whole and any part of it.
- 1.7 A reference to the **term** is to the Contractual Term and statutory continuation of this lease.
- 1.8 A reference to the **end of the term** is to the end of the term however it ends.
- 1.9 References to the **consent** of the Landlord are to the consent of the Landlord given in accordance with clause 43.5 and references to the **approval** of the Landlord are to the approval of the Landlord given in accordance with clause 43.6. References to any consent or approval required from the Landlord shall be construed as also including a requirement to obtain the consent or approval of the Superior Landlord, where such consent or approval is required under the terms of the Superior Lease except that nothing in this lease shall be construed as imposing on the Superior Landlord any obligation (or indicating that such an obligation is imposed on the Superior Landlord by the terms of the Superior Lease) not unreasonably to refuse or withhold any such consent.
- 1.10 A **working day** is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in England.
- 1.11 A reference to laws in general is a reference to all local, national and directly applicable supra-national laws as amended, extended or re-enacted from time to time and shall include any subordinate laws made from time to time under them and all orders, notices, codes of practice and guidance made under them.
- 1.12 Unless otherwise specified, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision and all orders, notices, codes of practice and guidance made under it.
- 1.13 Any obligation on the Tenant not to do something includes an obligation not to knowingly allow that thing to be done and an obligation to use reasonable endeavours to prevent that thing being done by another person.
- 1.14 Unless the context otherwise requires, any words following the terms **including**, **include**, **in particular**, **for example**, or any similar expression, shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.15 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.16 A reference to **writing** and **written** does not include fax or email.
- 1.17 Unless the context otherwise requires, references to clauses and Schedules are to the clauses and Schedules of this lease and references to paragraphs are to paragraphs of the relevant Schedule.
- 1.18 Clause, Schedule and paragraph headings shall not affect the interpretation of this lease.
- 1.19 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders

- 1.20 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.

2. GRANT

- 2.1 The Landlord lets the Property with limited title guarantee to the Tenant for the Contractual Term.
- 2.2 The grant is made together with the ancillary rights set out in clause 3, excepting and reserving to the Landlord the rights set out in clause 4, and subject to the Third Party Rights.
- 2.3 The grant is made with the Tenant paying the following as rent to the Landlord:
- (a) the Annual Rent and all VAT in respect of it;
 - (b) the Insurance Rent;
 - (c) all interest payable under this lease.

3. ANCILLARY RIGHTS

- 3.1 The Tenant is granted the various rights and matters included within the Superior Lease insofar as the Landlord has the power to grant the same but subject (in any event) to the limitations and considerations imposed on them or to which the same are made subject in either the Head Lease or the Superior Lease.
- 3.2 The Rights are granted in common with the Landlord, the Superior Landlord, the Head Landlord and any other person authorised by the Landlord, the Superior Landlord or the Head Landlord.
- 3.3 The Rights are granted subject to the Third Party Rights insofar as the Third Party Rights affect the Property and the Tenant shall not knowingly do anything that may interfere with any Third Party Right.

4. RIGHTS EXCEPTED AND RESERVED

- 4.1 The following rights are excepted and reserved from this lease and to the extent possible for the benefit of any neighbouring or adjoining property in which the Landlord acquires an interest during the term and to the extent possible for the benefit of any neighbouring or adjoining property in which the Superior Landlord acquires an interest during the term:
- (a) right to the free passage and running of water, sewage, gas, electricity, telephone and other services and supplies to and from the Adjoining Premises in and through the Conducting Media which now are or may be during the Contractual Term in or under or over the Property;
 - (b) the right to construct and to maintain in on under or over the Property at any time during the Term any Conducting Media for the provision of services or supplies to such Adjoining Premises;
 - (c) the right at reasonable times and upon reasonable notice except in cases of emergency to enter (or in cases of emergency to break into and enter) the Property:
 - (i) to inspect the condition and state of repair of the Property;
 - (ii) to inspect cleanse connect to and remove replace with others alter or execute any works whatever to or in connection with the Conducting Media easements services or supplies referred to in clauses (a) and (b) above;

- (iii) to carry out any work of any kind to Adjoining Premises which cannot conveniently be carried out without access to the Property;
- (iv) to take schedules inventories of fixtures and other items to be yielded up on the expiry of the Term;
- (v) to exercise any of the rights granted to the Landlord elsewhere in this Lease;
- (vi) with or without consultants equipment and machinery to carry out tests and any examination necessary to ensure compliance with Environmental Laws

PROVIDED that any persons exercising the foregoing rights of entry shall do so in a manner so as to minimise so far as reasonably practicable damage and disturbance to the Property and provided further that the person exercising such rights shall make good all physical damage caused to the Property as soon as reasonably practicable.

- (d) the right with the Landlord's Surveyor and any third party determining the Annual Rent in default of agreement between the parties under any provisions for rent review contained in this Lease at any time and on reasonable prior notice to enter and inspect and measure the Property for all purposes connected with any pending or intended step under the LTA 1954 or the implementation of the provisions for rent review;
- (e) the right to build or rebuild or alter any Adjoining Premises in any manner whatsoever and to let the same for any purpose or otherwise deal therewith;
- (f) right to support and shelter and all other easements and rights now or hereafter belonging to or enjoyed by Adjoining Premises;
- (g) various rights and matters excepted or reserved out of the Head Lease;
- (h) various rights and matter excepted or reserved out of the Superior Lease.

4.2 The Landlord reserves for itself the right to enter the Property:

- (a) to repair, maintain or replace any Service Media or structure relating to any of the Reservations; and
- (b) for any other purpose mentioned in or connected with:
 - (i) this lease;
 - (ii) the Superior Lease;
 - (iii) the Head Lease;
 - (iv) the Reservations; and
 - (v) the interests of the Landlord the Superior Landlord and the Head Landlord in the Property.

4.3 The Reservations may be exercised by the Landlord the Superior Landlord and the Head Landlord and by anyone else who is or becomes entitled to exercise them, and by anyone authorised by the Landlord the Superior Landlord or the Head landlord provided in compliance with the Entry Safeguards.

4.4 The Tenant shall allow all those entitled to exercise any right to enter the Property to do so with their workers, contractors, agents and professional advisors, and to enter the Property at any reasonable time (where possible outside the usual business hours) and, except in the case of an emergency, after having given reasonable written notice to the Tenant.

4.5 No party exercising any of the Reservations, nor its workers, contractors, agents and professional advisors, shall be liable to the Tenant or to any undertenant or other occupier of or person at the Property for any loss, damage, injury, nuisance or inconvenience arising by reason of its exercising any of those Reservations except for:

- (a) physical damage to the Property; or
- (b) any loss, damage, injury, nuisance or inconvenience in relation to which the law prevents the Landlord from excluding liability

SAVE where it is the result of an act and/or default on the part of the Landlord.

4.6 Any party exercising its rights under this clause shall comply with the Entry Safeguards.

5. THIRD PARTY RIGHTS

5.1 The Tenant shall comply with all obligations on the Landlord the Superior Landlord and the Head Landlord relating to the Third Party Rights (insofar as those obligations relate to the Property) and shall not do anything (even if otherwise permitted by this lease) that may interfere with any Third Party Right.

5.2 The Tenant shall allow the Landlord, the Superior Landlord, the Head Landlord and any other person authorised by the terms of the Third Party Right to enter the Property in accordance with its terms.

6. THE ANNUAL RENT

6.1 The Tenant shall pay the Annual Rent and any VAT in respect of it by 12 equal instalments in advance on or before the Rent Payment Dates. The payments shall be made by banker's standing order that the Landlord requires at any time by giving notice to the Tenant.

6.2 The first instalment of the Annual Rent and any VAT in respect of it shall be made on the Rent Commencement Date and shall be the proportion, calculated on a daily basis, in respect of the period beginning on the Rent Commencement Date and ending on the day before the next Rent Payment Date.

7. REVIEW OF THE ANNUAL RENT

7.1 In this clause the **President** is the President for the time being of the Royal Institution of Chartered Surveyors or a person acting on his behalf and the **Surveyor** is the independent valuer appointed pursuant to clause 7.7.

7.2 The amount of Annual Rent shall be reviewed on the Review Date to equal:

- (a) the Annual Rent payable immediately before the Review Date (or which would then be payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it) or, if greater;
- (b) the open market rent agreed or determined pursuant to this clause.

7.3 The open market rent may be agreed between the Landlord and the Tenant at any time before it is determined by the Surveyor.

7.4 If the open market rent is determined by the Surveyor, it shall be the amount that the Surveyor determines is the annual rent (exclusive of any VAT) at which the Property could reasonably be expected to be let:

- (a) in the open market;
- (b) at the relevant Review Date;

- (c) on the assumptions listed in clause 7.5; and
- (d) disregarding the matters listed in clause 7.6.

7.5 The assumptions are:

- (a) the Property is available to let in the open market:
 - (i) by a willing lessor to a willing lessee;
 - (ii) as a whole;
 - (iii) with vacant possession;
 - (iv) without a fine or a premium;
 - (v) for a term equal to the unexpired residue of the Contractual Term at the relevant Review Date or a term of five years commencing on the relevant Review Date, if longer; and
 - (vi) otherwise on the terms of this lease other than as to the amount of the Annual Rent but including the provisions for review of the Annual Rent;
- (b) the willing lessee has had the benefit of any rent-free or other concession or contribution which would be offered in the open market at the relevant Review Date in relation to fitting out works at the Property;
- (c) the Property may lawfully be used, and is in a physical state to enable it to be lawfully used, by the willing lessee (or any potential undertenant or assignee of the willing lessee) for any purpose permitted by this lease;
- (d) the Landlord and the Tenant have fully complied with their obligations in this lease;
- (e) if the Property or any means of access to it or any Service Media serving the Property, has been destroyed or damaged, it has been fully restored;
- (f) no work has been carried out on the Property that has diminished its rental value;
- (g) any fixtures, fittings, machinery or equipment supplied to the Property by the Landlord that have been removed by or at the request of the Tenant, or any undertenant or its respective predecessors in title (otherwise than to comply with any law) remain at the Property; and
- (h) the willing lessee and its potential assignees and undertenants shall not be disadvantaged by any actual or potential exercise of an option to tax under Part 1 of Schedule 10 to the VATA 1994 in relation to the Property.

7.6 The matters to be disregarded are:

- (a) any effect on rent due to the fact that the Tenant or any authorised undertenant has been in occupation of the Property;
- (b) any goodwill attached to the Property by reason of any business carried out there by the Tenant or by any authorised undertenant or by any of their predecessors in business;
- (c) any effect on rent attributable to any physical improvement to the Property and Service Media within or exclusively serving the Property carried out after the date of this lease, by or at the expense of the Tenant or any authorised undertenant with all necessary consents, approvals and authorisations and not pursuant to an obligation to the Landlord (other than an obligation to comply with any law);

- (d) any effect on rent of any obligation on the Tenant to reinstate the Property to the condition or design it was in before any alterations or improvements were carried out; and
 - (e) any statutory restriction on rents or the right to recover them.
- 7.7 The Surveyor shall be an independent valuer who is a Member of the Royal Institution of Chartered Surveyors. The Landlord and the Tenant may, by agreement, appoint the Surveyor at any time before either of them applies to the President for the Surveyor to be appointed. Any application to the President may not be made earlier than three months before the relevant Review Date.
- 7.8 The Surveyor shall act as an expert and not as an arbitrator. The Surveyor shall determine the open market rent and shall have power to determine any issue involving the interpretation of any provision of this lease, his jurisdiction to determine the matters and issues referred to him or his terms of reference. The Surveyor's decision shall be given in writing, and the Surveyor shall provide reasons for any determination. The Surveyor's written decision on the matters referred to him shall be final and binding in the absence of manifest error or fraud.
- 7.9 The Surveyor shall give the Landlord and the Tenant an opportunity to make written representations to the Surveyor and to make written counter-representations commenting on the representations of the other party to the Surveyor. The parties will provide (or procure that others provide) the Surveyor with such assistance and documents as the Surveyor reasonably requires for the purpose of reaching a decision.
- 7.10 If the Surveyor dies, or becomes unwilling or incapable of acting, or unreasonably delays in making any determination, then either the Landlord or the Tenant may apply to the President to discharge the Surveyor and clause 7.7 shall then apply in relation to the appointment of a replacement.
- 7.11 The fees and expenses of the Surveyor and the cost of the Surveyor's appointment and any counsel's fees, or other fees, reasonably incurred by the Surveyor shall be payable by the Landlord and the Tenant in the proportions that the Surveyor directs (or if the Surveyor makes no direction, then equally). If either the Landlord or the Tenant does not pay its part of the Surveyor's fees and expenses within ten working days after written demand by the Surveyor then:
 - (a) the other party may pay instead; and
 - (b) the amount so paid shall be a debt of the party that should have paid due and payable on demand to the party that actually made the payment.
- The Landlord and the Tenant shall otherwise each bear their own costs in connection with the rent review.
- 7.12 If the revised Annual Rent has not been agreed by the Landlord and the Tenant or determined by the Surveyor on or before the Review Date, the Annual Rent payable from (and including) the Review Date shall continue at the rate payable immediately before the Review Date. No later than five working days after the revised Annual Rent is agreed or the Surveyor's determination is notified to the Landlord and the Tenant, the Tenant shall pay:
 - (a) the shortfall (if any) between the amount that it has paid for the period beginning on the Review Date and ending on the Rent Payment Date following the date of agreement or notification of the revised Annual Rent and the amount that would have been payable had the revised Annual Rent been agreed or determined on or before that Review Date; and
 - (b) interest at the Interest Rate on that VAT exclusive shortfall calculated on a daily basis by reference to the Rent Payment Dates on which parts of the shortfall would

have been payable if the revised Annual Rent had been agreed or determined on or before the Review Date and the date payment is received by the Landlord.

- 7.13 Time shall not be of the essence for the purposes of this clause.
- 7.14 If at any time there is a guarantor, the guarantor shall not have any right to participate in the review of the Annual Rent.
- 7.15 As soon as practicable after the amount of the revised Annual Rent has been agreed or determined, a memorandum recording the amount shall be signed by or on behalf of the Landlord and the Tenant and endorsed on or attached to this lease and its counterpart. The Landlord and the Tenant shall each bear their own costs in connection with the memorandum.

8. INSURANCE

- 8.1 The Landlord shall insure the Property against damage caused by the Insured Risks and loss of rent and to effect this insurance with a reputable insurance company that the Landlord or Head Landlord may from time to time decide and to use its reasonable endeavours to procure that the insurers note the interest of the Tenant on such policy of insurance and to use reasonable endeavours to procure that the insurers shall give a waiver of subrogation rights in favour of the Tenant. Neither the Superior Landlord nor the Landlord shall be obliged to insure any part of the Property installed by the Tenant.
- 8.2 Notwithstanding that the Tenant is obliged to pay the Insurance Rent in respect of the Insured Risks, the Landlord may also insure against three year's loss of Annual Rent to the extent that the Annual Rent exceeds the Superior Rent.
- 8.3 The Tenant shall pay to the Landlord within 14 days of written demand:
- (a) the Insurance Rent and a sum equivalent to the premium payable by the Landlord in respect of any costs that it incurs under clause 8.2 together with any insurance premium tax payable;
 - (b) any amount that is deducted or disallowed by the Superior Landlord's insurers pursuant to any excess provision in the insurance policy in so far as the excess is attributable to the Property; and
 - (c) any reasonable and proper costs that the Superior Landlord properly incurs in obtaining a valuation of the Property for insurance purposes provided that such valuation is not obtained more than once in any one year period.

If the Superior Landlord insures the Property together with other land, the amount of the Insurance Rent shall be a fair and reasonable proportion of the total for the Property and the other land.

- 8.4 The Tenant shall:
- (a) as soon as reasonably practicable inform the Landlord and the Superior Landlord if any matter occurs that any insurer or underwriter may treat as material in deciding whether, or on what terms, to insure or to continue to insure the Property and shall give the Landlord and the Superior Landlord notice of that matter and shall also as soon as reasonably practicable inform the Landlord if any matter occurs that any insurer or underwriter may treat as material in deciding whether, or on what terms, to insure or continue the insurance referred to in clause 8.2 and shall give the Landlord notice of that matter;
 - (b) not to knowingly do or knowingly omit anything as a result of which any policy of insurance of the Property or any neighbouring property or any policy of insurance of the Landlord pursuant to clause 8.2 may become void or voidable or otherwise prejudiced, or the payment of any policy money may be withheld, nor (unless the

Tenant has previously notified the Landlord and the Superior Landlord and has paid any increased or additional premium) anything as a result of which any increased or additional insurance premium may become payable;

- (c) comply at all times with the requirements of the insurers relating to the Property and any policy of insurance of the Landlord pursuant to clause 8.2 (provided that they are notified in writing);
- (d) as soon as reasonably practicable upon becoming aware inform the Landlord and the Superior Landlord of the occurrence of any damage or loss relating to the Property arising from an Insured Risk or of any other event that might affect any insurance policy relating to the Property and shall give the Landlord and the Superior Landlord notice of that damage or loss;
- (e) not effect any insurance of the Property (except any plate glass at the Property) but if it becomes entitled to the benefit of any insurance proceeds in respect of the Property (other than in respect of plate glass) pay those proceeds or cause them to be paid to the Superior Landlord; and
- (f) pay the Landlord an amount equal to any insurance money that the insurers of the Property refuse to pay by reason of any act or omission of the Tenant, any undertenant, their respective workers, contractors or agents or any person at the Property with the actual or implied authority of any of them. The Tenant shall do likewise if the Landlord is similarly refused any insurance money in respect of its obligations under clause 8.2 of this lease.

8.5 If the Property is damaged or destroyed by a risk against which the Superior Landlord is obliged to insure under the terms of the Superior Lease so as to be unfit for occupation and use then, unless the policy of insurance of the Property has been vitiated in whole or in part in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property with the actual or implied authority of any of them, payment of the Annual Rent, or a fair proportion of it according to the nature and extent of the damage, shall be suspended until the soonest of one of the following:

- (a) the date that the Property has been reinstated and made fit for occupation and use;
- (b) the end of three years from the date of damage or destruction; and
- (c) the end of the period of suspension of the payment of the Superior Rent under the Superior Lease.

8.6 In the event that the Annual Rent is suspended pursuant to this clause 8.5 the Landlord or the Superior Landlord agrees to reimburse the Tenant such part of the rent first reserved by this Lease and any additional rent reserved by this Lease which have been paid in advance and is attributable to the period between the date of damage and/or destruction and the end of the period in respect of which payment was made. The payment shall be made within fourteen days of the date of damage and/or destruction of the Property.

8.7 If, following substantial damage to or destruction of the Property, the Superior Lease is determined in accordance with the provisions of the Superior Lease, the Landlord shall notify the Tenant of this no later than five working days after:

- (a) receipt by the Landlord of the Superior Landlord's notice to determine; or
- (b) service by the Landlord of the notice to determine the Superior Lease on the Superior Landlord.

On the same date, the Landlord shall send to the Tenant a certified copy of the notice to determine and any accompanying correspondence that the Landlord has sent to or

received from the Superior Landlord. The determination of this lease under clause 8.7 shall be without prejudice to any right or remedy of the Landlord in respect of any breach of the tenant covenants of this lease. Any proceeds of the insurance effected by the Superior Landlord under the terms of the Superior Lease shall belong to the Superior Landlord and any proceeds of the insurance effected by the Landlord under clause 8.2 of this lease shall belong to the Landlord.

- 8.8 Provided that the Tenant has complied with its obligations in this clause, the Tenant may terminate this lease by giving notice to the Landlord if, following damage or destruction by an Insured Risk, the Property has not been reinstated so as to be fit for occupation and use within three years after the date of damage or destruction. On giving this notice this lease shall determine but this shall be without prejudice to any right or remedy of the Landlord in respect of any breach of the tenant covenants of this lease. Any proceeds of the insurance effected by the Superior Landlord under the terms of the Superior Lease shall belong to the Superior Landlord. Any proceeds of the insurance effected by the Landlord under clause 8.2 of this lease shall belong to the Landlord.

9. UNINSURED RISKS

- 9.1 Notwithstanding any provisions contained in this Lease the Tenant will not be responsible for repairing or decorating the Property as a result of Uninsured Damage and this clause will have effect as if the damage was an Insured Risk.

- 9.2 If any Uninsured Damage occurs the Landlord must elect either:

- (a) to reinstate the Property out of its own monies or
- (b) not to reinstate it

and in either case such election must be made by the Landlord and notified to the Tenant within twelve months of the date of damage or destruction by the Uninsured Risk.

- 9.3 If the Landlord has not made the election referred to in clause 9.2 within the twelve month period referred to in that paragraph then the Landlord will be deemed to have elected not to reinstate the Property on the date twelve months after the date of damage.

- 9.4 For the avoidance of doubt pending making an election pursuant to clause 9.2 the Landlord will not be obliged to repair or reinstate damage to the Property.

- 9.5 If the Landlord elects to reinstate pursuant to clause 9.2 then:

- (a) it will at its own cost make good such Uninsured Damage carrying out any necessary works or reinstatement as soon as reasonably practicable.
- (b) if the Property are unfit for occupation and use or inaccessible then the Annual Rent will cease to be payable from the date the Uninsured Damage occurs until the earlier of the date the Property are again fit for occupation and use and accessible and termination of this Lease

PROVIDED THAT if after having elected to reinstate it proves impractical for the Landlord to commence such reinstatement (whether because necessary consents cannot be obtained or it proves uneconomic to do so or otherwise) the Landlord may terminate this Lease at any time by giving written notice to the Tenant.

- 9.6 If the Landlord elects or is deemed to have elected not to reinstate pursuant to this clause then either the Landlord or the Tenant may by written notice to the other party given at any time after the earlier of:-

- (a) the date of the Landlord's actual or deemed election and

- (b) twelve months after the date of the damage

determine the Term with immediate effect.

9.7 If the Landlord elects to reinstate pursuant to clause 9.2 but

- (a) the Landlord has not commenced reinstatement works by the second anniversary of the date of the Landlord's election; or
- (b) reinstatement of the Property (excluding tenant's fit-out works) has not been completed within four years of the date of the election;

then the Landlord or the Tenant may terminate this Lease with immediate effect by serving written notice on the other PROVIDED THAT such notice will only be effective if the Property has not been so reinstated prior to service of the notice.

9.8 If the Term is determined pursuant to clause 9.6 the Landlord will be entitled to retain all insurance monies relating to any damage by an Insured Risk but such termination will be without prejudice to the rights of either party against the other in respect of any antecedent breach.

10. RATES AND TAXES

10.1 The Tenant shall pay all present and future rates, taxes and other impositions and outgoings payable in respect of the Property, its use and any works carried out there, except:

- (a) any taxes payable by the Landlord in connection with any dealing with or disposition of:
 - (i) the reversion to this lease; or
 - (ii) the Landlord's interest in the Superior Lease;
- (b) any taxes payable by the Superior Landlord in connection with any dealing with or disposition of the reversion to the Superior Lease; or
- (c) any taxes, other than VAT and insurance premium tax, payable by the Landlord or the Superior Landlord or by reason of the receipt of any of the rents due under this lease or the Superior Lease.

10.2 If any rates, taxes or other impositions and outgoings are payable in respect of the Property together with other property, the Tenant shall pay a fair and reasonable proportion of the amount payable.

11. UTILITIES

11.1 The Tenant shall pay all costs in connection with the supply and removal of electricity, gas, water, sewage, telecommunications, data and other services and utilities exclusively to or from the Property.

11.2 If any of those costs are payable in relation to the Property together with other property, the Tenant shall pay a fair and reasonable proportion of all those costs.

11.3 The Tenant shall comply with all laws of the relevant suppliers relating to the use of those services and utilities.

12. VAT

12.1 All sums payable by the Tenant are exclusive of any VAT that may be chargeable. The Tenant shall pay VAT in respect of all taxable supplies made to it in connection with this

lease on the due date for making any payment or, if earlier, the date on which that supply is made for VAT purposes PROVIDED THAT the Landlord provides the Tenant with a valid VAT invoice properly addressed to the Tenant for the full amount.

- 12.2 Every obligation on the Tenant, under or in connection with this lease, to pay the Landlord or any other person any sum by way of a refund or indemnity, shall include an obligation to pay an amount equal to any VAT incurred on that sum by the Landlord or other person, except to the extent that the Landlord or other person obtains credit for such VAT under the VATA 1994.

13. DEFAULT INTEREST AND INTEREST

If any Annual Rent or any other money payable under this lease has not been paid by the date it is due, whether it has been formally demanded or not, the Tenant shall pay the Landlord interest on that amount at the Default Interest Rate (both before and after any judgment). Such interest shall accrue on a daily basis for the period beginning on the due date to and including the date of payment.

14. COSTS

- 14.1 The Tenant shall pay the reasonable and proper costs and expenses of the Landlord and those of the Superior Landlord and the Head Landlord including any solicitors' or other professionals' costs and expenses (which have been reasonably and properly incurred) (incurred both during and after the end of the term provided that they relate to the period of the Tenant's occupation) in connection with or in reasonable proper contemplation of any of the following:

- (a) the enforcement of the tenant covenants of this lease;
- (b) serving any notice in connection with this lease under section 146 or 147 of the Law of Property Act 1925 or taking any proceedings under either of those sections, notwithstanding that forfeiture is avoided otherwise than by relief granted by the court;
- (c) serving any notice in connection with this lease under section 17 of the Landlord and Tenant (Covenants) Act 1995;
- (d) the preparation and service of a schedule of dilapidations in connection with this lease; or
- (e) any consent or approval applied for under:
 - (i) this lease, whether or not it is granted (unless the consent or approval is unreasonably withheld by the Landlord in circumstances where the Landlord is not unreasonably to withhold it); and
 - (ii) the Superior Lease, where the consent of the Superior Landlord is required under this Lease, whether or not it is granted; and
 - (iii) the Head Lease, where the consent of the Head Landlord is required under this Lease, whether or not it is granted

SAVE where it is unlawfully withheld.

- 14.2 Where the Tenant is obliged to pay or indemnify the Landlord against any solicitors' or other professionals' costs and expenses (whether under this or any other clause of this lease) that obligation extends to those costs and expenses assessed on a full indemnity basis.

15. SET-OFF

The Annual Rent and all other amounts due under this lease shall be paid by the Tenant or any guarantor (as the case may be) in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

16. REGISTRATION OF THIS LEASE

Promptly following the grant of this lease, the Tenant shall apply to register this lease at the Land Registry. The Tenant shall ensure that any requisitions raised by the Land Registry in connection with that application are dealt with promptly and properly and the Landlord must provide all reasonable assistance as required. Within one month after completion of the registration, the Tenant shall send the Landlord official copies of its title.

17. ASSIGNMENTS

17.1 The Tenant shall not assign the whole of this lease without the consent of the Landlord, such consent not to be unreasonably withheld or delayed and, of the Superior Landlord in accordance with the terms of the Superior Lease.

17.2 The Tenant shall not assign part only of this lease.

17.3 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may give its consent to an assignment subject to any or all of the following conditions:

- (a) (where reasonably required in the circumstances) a condition that the assignor enters into an authorised guarantee agreement which:
 - (i) is in respect of all the tenant covenants of this lease;
 - (ii) is in respect of the period beginning with the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995;
 - (iii) requires (in the event of a disclaimer of this lease) the assignor to enter into a new tenancy for a term equal to the unexpired residue of the Contractual Term; and
 - (iv) is otherwise in a form reasonably required by the Landlord and the Superior Landlord;
- (b) a condition that a person of standing acceptable to the Landlord acting reasonably enters into a guarantee and indemnity in the form set out in the Schedule (with such amendments and additions as the Landlord may reasonably require);
- (c) a condition that the assignor enters into an authorised guarantee agreement in respect of the tenant covenants mentioned in clause 36 of the lease in favour of the Superior Landlord in respect of the period beginning on the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995. The authorised guarantee agreement shall be in a form reasonably required by the Superior Landlord; and
- (d) a condition that a person of standing acceptable to the Superior Landlord enters into guarantee and indemnity obligations in favour of the Superior Landlord in respect of the tenant covenants mentioned in clause 36 of this lease. The guarantee and indemnity obligations shall be in a form reasonably required by the Superior Landlord.

- 17.4 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may refuse its consent to an assignment if any of the following circumstances (where reasonable in the circumstances) exist at the date of the Tenant's application for consent to assign the lease:
- (a) the Annual Rent or any other undisputed money due and demanded (unless disputed on bona fide grounds) under this lease is outstanding or there is a material breach of covenant by the Tenant that has not been remedied;
 - (b) in the Landlord's reasonable opinion the assignee is not of sufficient financial standing to enable it to comply with the Tenant's covenants and conditions contained in this lease.
- 17.5 Nothing in this clause shall prevent the Landlord from giving consent subject to any other reasonable condition, nor from refusing consent to an assignment in any other circumstance where it is reasonable to do so.
- 18. UNDERLETTINGS**
- 18.1 The Tenant shall not underlet the whole of the Property except in accordance with this clause nor without the consent of the Landlord, such consent not to be unreasonably withheld or delayed, and of the Superior Landlord in accordance with the terms of the Superior Lease.
- 18.2 The Tenant shall not underlet part only of the Property.
- 18.3 The Tenant shall not underlet the Property:
- (a) together with any property or any right over property that is not included within this lease;
 - (b) at a fine or premium or reverse premium; nor
 - (c) allowing any rent free period to the undertenant that exceeds the period as is then usual in the open market in respect of such a letting.
- 18.4 The Tenant shall not underlet the Property unless, before the underlease is granted, the Tenant has given the Landlord:
- (a) a certified copy of the notice served on the undertenant, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy to be created by the underlease; and
 - (b) a certified copy of the declaration or statutory declaration made by the undertenant in accordance with the requirements of section 38A(3)(b) of the LTA 1954.
- 18.5 Any underletting by the Tenant shall be by deed and shall include:
- (a) an agreement between the Tenant and the undertenant that the provisions of sections 24 to 28 of the LTA 1954 are excluded from applying to the tenancy created by the underlease;
 - (b) the reservation of a rent which is not less than the full open market rental value of the Property at the date the Property is underlet and which is payable at the same times as the Annual Rent under this lease (but this shall not prevent an underlease providing for a rent-free period of a length permitted by clause (c));
 - (c) provisions for the review of rent at the same dates and on the same basis as the review of rent in this lease, unless the term of the underlease does not extend beyond the next Review Date;

- (d) a covenant by the undertenant, enforceable by and expressed to be enforceable by the Landlord and the Superior Landlord (as superior landlords at the date of grant) and their respective successors in title in their own right, to observe and perform the tenant covenants in the underlease and any document that is supplemental or collateral to it and the tenant covenants in this lease, except the covenants to pay the rents reserved by this lease; and
- (e) provisions requiring the consent of the Landlord to be obtained in respect of any matter for which the consent of the Landlord is required under this lease and, of the Superior Landlord in accordance with the terms of the Superior Lease,

and shall otherwise be consistent with and include tenant covenants no less onerous (other than as to the Annual Rent) than those in this lease and in a form approved by the Landlord, such approval not to be unreasonably withheld or delayed, and of the Superior Landlord in accordance with the terms of the Superior Lease.

18.6 In relation to any underlease granted by the Tenant, the Tenant shall:

- (a) not vary the terms of the underlease nor accept a surrender of the underlease without the consent of the Landlord, such consent not to be unreasonably withheld or delayed, and of the Superior Landlord in accordance with the terms of the Superior Lease;
- (b) enforce the tenant covenants in the underlease and not waive any of them nor allow any reduction in the rent payable under the underlease; and
- (c) ensure that in relation to any rent review the revised rent is not agreed without the approval of the Landlord, such approval not to be unreasonably withheld or delayed, and of the Superior Landlord in accordance with the terms of the Superior Lease.

19. SHARING OCCUPATION

19.1 If and so long as this Lease is vested in the Tenant it may share occupation of the Property with one or more company which is a Group Company of the Tenant on the following conditions:

- (a) no tenancy is created by the arrangement and no interest in or right in respect of the Property is conferred on any Group Company; and
- (b) immediately upon any company ceasing to be a Group Company of the Tenant the Tenant shall procure that such company vacates the Property.

20. CHARGING

20.1 Not to mortgage or charge the whole of the Property without the consent of the Landlord which shall not be unreasonable withheld or delayed.

21. PROHIBITION OF OTHER DEALINGS

Except as expressly permitted by this lease, the Tenant shall not assign, underlet, charge, part with or share possession or share occupation of this lease or the Property or assign, part with or share any of the benefits or burdens of this lease, or in any interest derived from it, whether by a virtual assignment or other similar arrangement or hold the lease on trust for any person (except pending registration of a dealing permitted by this lease at the Land Registry or by reason only of joint legal ownership).

22. REGISTRATION AND NOTIFICATION OF DEALINGS AND OCCUPATION

22.1 In this clause a Transaction is:

- (a) any dealing with this lease or the devolution or transmission of, or parting with possession of any interest in it;
 - (b) the creation of any underlease or other interest out of this lease, or out of any interest, underlease derived from it, and any dealing, devolution or transmission of, or parting with possession of any such interest or underlease; or
 - (c) the making of any other arrangement for the occupation of the Property.
- 22.2 In respect of every Transaction that is registrable at the Land Registry, the Tenant shall promptly following completion of the Transaction apply to register it (or procure that the relevant person so applies). The Tenant shall ensure (or shall procure that) any requisitions raised by the Land Registry in connection with an application to register a Transaction are dealt with promptly and properly with the Landlord using all reasonable endeavours to provide assistance where required in relation to any requisitions raised. Within one month of completion of the registration, the Tenant shall send the Landlord official copies of its title (and where applicable of the undertenant's title).
- 22.3 No later than 14 days after a Transaction the Tenant shall:
- (a) give the Landlord's solicitors notice of the Transaction;
 - (b) deliver four certified copies of any document effecting the Transaction to the Landlord's solicitors;
 - (c) pay the Landlord's solicitors a registration fee of £50 (plus VAT) together with any charges payable to the Superior Landlord's solicitors in accordance with the terms of the Superior Lease; and
 - (d) deliver to the Landlord's solicitors a copy of any Energy Performance Certificate and Recommendation Report issued as a result of the Transaction (if one exists).
- 22.4 If the Landlord so requests in writing, the Tenant shall promptly supply the Landlord with full details of the occupiers of the Property and the terms upon which they occupy it.
- 23. CLOSURE OF THE REGISTERED TITLE OF THIS LEASE**
- Within one month after the end of the term (and notwithstanding that the term has ended), the Tenant shall make an application to close the registered title of this lease and shall ensure that any requisitions raised by the Land Registry in connection with that application are dealt with promptly and properly. The Tenant shall keep the Landlord informed of the progress and completion of its application.
- 24. REPAIRS**
- 24.1 The Tenant shall keep the Property clean and tidy and in good and substantial repair and condition and shall ensure that any Service Media, fixtures or Plant within and exclusively serving the Property are kept in good working order.
- 24.2 The Tenant shall not be liable to repair the Property to the extent that any disrepair has been caused by an Insured Risk, unless and to the extent that:
- (a) the policy of insurance of the Property has been vitiated or any insurance proceeds withheld in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any person on the Property with the actual or implied authority of any of them; or
 - (b) the insurance cover in relation to that disrepair is excluded, limited, is unavailable or has not been extended, as mentioned in clause 8.2 of the Superior Lease.

25. DECORATION

- 25.1 The Tenant shall decorate the outside and the inside of the Property every third anniversary of the term and also in the last three months before the end of the term PROVIDED THAT the Tenant shall not be required to decorate more than once in any 12 month period.
- 25.2 All decoration shall be carried out in a good and proper manner using good quality materials that are appropriate to the Property and the Permitted Use and shall include all appropriate preparatory work.
- 25.3 All decoration carried out in the last three months of the term shall also be carried out to the satisfaction of the Landlord and using materials, designs and colours approved by the Landlord. Where the decoration is carried out in the last three months of the term of the Superior Lease, it shall also be carried out to the reasonable satisfaction of the Superior Landlord using materials, designs and colours approved by the Superior Landlord in accordance with the terms of the Superior Lease.

26. ALTERATIONS

- 26.1 The Tenant shall not make any external or structural alteration or addition to the Property and shall not make any opening in any boundary structure of the Property.
- 26.2 The Tenant shall not install any Service Media on the exterior of the Property nor alter the route of any Service Media at the Property without the consent of the Landlord, such consent not to be unreasonably withheld or delayed, and of the Superior Landlord in accordance with the terms of the Superior Lease.
- 26.3 The Tenant shall not make any internal, non-structural alteration to the Property without the consent of the Landlord, such consent not to be unreasonably withheld or delayed, and of the Superior Landlord in accordance with the terms of the Superior Lease PROVIDED that the Tenant may install remove or alter internal non-structural demountable partitions and/or shelving without the need to obtain the prior consent of the Landlord PROVIDED that the Tenant forthwith submits to the Landlord detailed plans and specifications showing such works once they have been completed AND PROVIDED that such works do not involve cutting into the load bearing parts of the Property.
- 26.4 The Tenant shall not carry out any alteration to the Property which would, or may reasonably be expected to, have an adverse effect on the asset rating in any Energy Performance Certificate commissioned in respect of the Property (except as required by statute).

27. SIGNS

- 27.1 In this clause Signs include signs, fascia, placards, boards, posters and advertisements.
- 27.2 The Tenant shall not attach any Signs to the exterior of the Property or display any inside the Property so as to be seen from the outside except Signs of a design, size and number and in a position that are appropriate to the Property and the Permitted Use, without the consent of the Landlord, such consent not to be unreasonably withheld, and of the Superior Landlord in accordance with the terms of the Superior Lease PROVIDED That any changes to the Tenant's corporate image will not require Landlord's consent PROVIDED that if any signs shall be placed or displayed in breach of the provisions of this clause 27 and shall not be removed within seven days of a written notice requesting their removal to permit the Landlord or its agents to enter the Property and remove such signs and pay to the Landlord all Costs incurred in doing so provided in compliance with the Entry Safeguards.
- 27.3 Before the end of the term, the Tenant shall remove any Signs placed by it at the Property and shall make good any damage caused to the Property by that removal.

- 27.4 The Tenant shall allow the Landlord or the Superior Landlord to fix to and keep at the Property any sale or re-letting board as the Landlord or the Superior Landlord reasonably requires PROVIDED such sale or re-letting boards do not materially interfere with the Tenant's use and enjoyment of the Property.

28. RETURNING THE PROPERTY TO THE LANDLORD

- 28.1 At the end of the term the Tenant shall return the Property to the Landlord in the repair and condition required by this lease.
- 28.2 If the Landlord gives the Tenant written notice no later than two months before the end of the term, the Tenant shall remove items it has fixed to the Property, remove any alterations it has made to the Property and make good any damage caused to the Property by that removal.
- 28.3 At the end of the term, the Tenant shall remove from the Property all chattels belonging to or used by it.
- 28.4 The Tenant irrevocably appoints the Landlord and the Superior Landlord to be the Tenant's agent to store or dispose of any chattels or items it has fixed to the Property and which have been left by the Tenant on the Property for more than ten working days after the end of the term. Neither the Landlord or the Superior Landlord shall be liable to the Tenant by reason of that storage or disposal. The Tenant shall indemnify the Landlord or the Superior Landlord in respect of any claim made by a third party in relation to that storage or disposal PROVIDED that the Landlord complies with the Indemnity Proviso.

29. USE

- 29.1 The Tenant shall not use the Property for any purpose other than the Permitted Use.
- 29.2 The Tenant shall not use the Property for any illegal purpose nor for any purpose or in a manner that would cause loss, damage, injury, legal nuisance or inconvenience to the Landlord, its other tenants, the Superior Landlord or any other owner or occupier of neighbouring property.
- 29.3 The Tenant shall not knowingly overload any structural part of the Property nor any machinery or equipment at the Property nor any Service Media at or serving the Property.

30. COMPLIANCE WITH LAWS

- 30.1 Save where it is the responsibility of the Landlord within the ambit of the lease the Tenant shall comply with all laws relating to:
- (a) the Property and the occupation and use of the Property by the Tenant;
 - (b) the use or operation of all Service Media and machinery and equipment at or serving the Property whether or not used or operated, and shall, where necessary, replace or convert such Service Media within or exclusively serving the Property so that it is capable of lawful use or operation;
 - (c) any works carried out at the Property; and
 - (d) all materials kept at or disposed from the Property

PROVIDED THAT the Tenant is not obliged to deal with any of the MEEs obligations.

- 30.2 Without prejudice to any obligation on the Tenant to obtain any consent or approval under this lease, the Tenant shall carry out all works that are required under any law to be carried out at the Property whether by the owner or the occupier.

- 30.3 Within five working days after receipt of any notice or other communication affecting the Property (and whether or not served pursuant to any law) the Tenant shall:
- (a) send a copy of the relevant document to the Landlord and the Superior Landlord; and
 - (b) take all steps necessary to comply with the notice or other communication and take any other action in connection with it as the Landlord or Superior Landlord may require.
- 30.4 The Tenant shall not apply for any planning permission for the Property without the Landlord's consent such consent not to be unreasonably withheld and of the Superior Landlord in accordance with the terms of the Superior Lease.
- 30.5 The Tenant shall comply with its obligations under the CDM Regulations, including all requirements in relation to the provision and maintenance of a health and safety file. The Tenant shall maintain the health and safety file for the Property in accordance with the CDM Regulations and shall give it to the Landlord at the end of the term.
- 30.6 The Tenant shall supply all information to the Landlord that the Landlord reasonably requires from time to time to comply with the Landlord's obligations under the CDM Regulations.
- 30.7 As soon as the Tenant becomes aware of any defect in the Property, it shall give the Landlord notice of it. The Tenant shall indemnify the Landlord against any liability under the Defective Premises Act 1972 in relation to the Property by reason of any failure of the Tenant to comply with any of the tenant covenants in this lease PROVIDED that the Indemnity Proviso is complied with.
- 30.8 The Tenant shall keep the Property equipped with all fire prevention, detection and fighting machinery and equipment and fire alarms which are required under all relevant laws or required by the insurers of the Property or reasonably recommended by them (provided that this is notified in writing to the Tenant) and shall keep that machinery, equipment and alarms properly maintained and available for inspection.
- 30.9 The Landlord is to pay all reasonable and proper costs, fees and expenses incurred by the Landlord in carrying out works to the Property in accordance with a method statement (approved by both parties (acting reasonably)) to improve their environmental rating where the Tenant has consented to the works PROVIDED THAT if the Landlord enters the Property in accordance with this clause 30.9 the Landlord is to comply with the Entry Safeguards

31. ENERGY PERFORMANCE CERTIFICATES

- 31.1 The Tenant shall:
- (a) co-operate with the Landlord so far as is reasonably necessary to allow the Landlord to obtain an Energy Performance Certificate and Recommendation Report for the Property including providing the Landlord with copies of any plans or other information held by the Tenant that would assist in obtaining an Energy Performance Certificate; and
 - (b) allow such access to any Energy Assessor appointed by the Landlord as is reasonably necessary to inspect the Property for the purposes of preparing an Energy Performance Certificate and/or Recommendation Report for the Property at reasonable times on prior written notice.
- 31.2 The Tenant shall not commission an Energy Performance Certificate for the Property without the Landlord's consent (such consent not to be unreasonably withheld or delayed).

32. ENCROACHMENTS, OBSTRUCTIONS AND ACQUISITION OF RIGHTS

- 32.1 The Tenant shall not grant any right or licence over the Property to a third party.
- 32.2 If a third party makes or attempts to make any encroachment over the Property or takes any action by which a right may be acquired over the Property, the Tenant shall:
- (a) immediately inform the Landlord upon becoming aware and shall give the Landlord notice of that encroachment or action; and
 - (b) take all steps (including any proceedings) the Landlord reasonably requires to prevent or license the continuation of that encroachment or action.
- 32.3 The Tenant shall not obstruct the flow of light or air to the Property nor obstruct any means of access to the Property.
- 32.4 The Tenant shall not make any acknowledgement that the flow of light or air to the Property or that the means of access to the Property is enjoyed with the consent of any third party.
- 32.5 If any person takes or threatens to take any action to obstruct the flow of light or air to the Property or obstruct the means of access to the Property, the Tenant shall:
- (a) immediately inform the Landlord upon becoming aware and shall give the Landlord notice of that action; and
 - (b) take all steps (including proceedings) the Landlord reasonably requires to prevent or secure the removal of the obstruction.

33. BREACH OF REPAIR AND MAINTENANCE OBLIGATIONS

- 33.1 The Landlord and the Superior Landlord may upon reasonable written notice (except in case of an emergency) enter the Property to inspect its condition and state of repair and may give the Tenant a notice of any breach of any of the tenant covenants in this lease relating to the condition or repair of the Property.
- 33.2 If the Tenant has not begun any works needed to remedy that breach within six weeks following that notice (or if works are required as a matter of emergency, then immediately) or if the Tenant is not carrying out the works with all due speed, then the Landlord may enter the Property and carry out the works needed.
- 33.3 The costs reasonably and properly incurred by the Landlord in carrying out any works pursuant to this clause (and any professional fees and any VAT in respect of those costs) shall be a debt due from the Tenant to the Landlord and payable on demand.
- 33.4 Any action taken by the Landlord pursuant to this clause shall be without prejudice to the Landlord's other rights, including those under clause 39.

34. INDEMNITY

The Tenant shall keep the Landlord indemnified against all liabilities, expenses, reasonable and proper costs (including but not limited to any solicitors' or other professionals' costs and expenses), claims, damages and losses suffered or incurred by the Landlord arising out of or in connection with any breach of any tenant covenants in this lease, or any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property with the actual or implied authority of any of them subject to compliance with the Indemnity Proviso.

35. COVENANT TO COMPLY WITH COVENANTS IN THE SUPERIOR LEASE

The Tenant shall observe and perform the tenant covenants in the Superior Lease, except the covenants to pay the rents reserved by the Superior Lease.

36. COVENANT WITH THE SUPERIOR LANDLORD

36.1 The Tenant covenants with the Superior Landlord and its successors in title in their own right to observe and perform:

- (a) the tenant covenants in this lease and any document that is collateral to it; and
- (b) the tenant covenants in the Superior Lease, except the covenants to pay the rents reserved by the Superior Lease.

37. LANDLORD'S COVENANTS

37.1 The Landlord covenants with the Tenant, that, the Tenant shall have quiet enjoyment of the Property without any interruption by the Landlord or any person claiming under the Landlord except as otherwise permitted by this lease.

37.2 Subject to the Tenant paying the rents reserved by this lease and observing the tenant's covenants, the Landlord shall pay the rents reserved by the Superior Lease and perform the covenants on the part of the tenant contained in the Superior Lease so far as the Tenant is not liable for such performance under the terms of this lease.

37.3 At the request and cost of the Tenant, the Landlord shall use all reasonable endeavours to procure that the Superior Landlord complies with the Superior Landlord's Covenants during such period as the Superior Lease subsists and, if reasonable, the Landlord may require that the Tenant pay it reasonable security in advance in respect of anticipated costs for enforcing such compliance.

37.4 If the Superior Lease is surrendered, the Landlord shall from the date of the surrender perform or procure the performance of obligations equivalent to the Superior Landlord's Covenants immediately prior to the surrender of the Superior Lease.

38. GUARANTEE AND INDEMNITY

38.1 If an Act of Insolvency occurs in relation to a guarantor, or if any guarantor (being an individual) dies or becomes incapable of managing his affairs the Tenant shall, if the Landlord requests, procure that a person of standing acceptable to the Landlord, within 10 days of that request, enters into a replacement or additional guarantee and indemnity of the tenant covenants of this lease in the same form as that entered into by the former guarantor.

38.2 Clause 38.1 shall not apply in the case of a person who is guarantor by reason of having entered into an authorised guarantee agreement.

38.3 For so long as any guarantor remains liable to the Landlord, the Tenant shall, if the Landlord requests, procure that that guarantor joins in any consent or approval required under this lease and consents to any variation of the tenant covenants of this lease.

39. RE-ENTRY AND FORFEITURE

39.1 The Landlord may re-enter the Property (or any part of the Property in the name of the whole) at any time after any of the following occurs:

- (a) any rent is unpaid 21 days after becoming payable whether it has been formally demanded or not;

- (b) any breach of any condition of, or tenant covenant in, this lease; and
- (c) an Act of Insolvency.

39.2 If the Landlord re-enters the Property (or any part of the Property in the name of the whole) pursuant to this clause, this lease shall immediately end, but without prejudice to any right or remedy of the Landlord in respect of any breach of covenant by the Tenant.

40. JOINT AND SEVERAL LIABILITY

40.1 Where the Tenant comprises more than one person, those persons shall be jointly and severally liable for the obligations and liabilities of the Tenant arising under this lease. The Landlord may take action against, or release or compromise the liability of, or grant time or other indulgence to, any one of those persons without affecting the liability of any other of them.

40.2 Where a guarantor comprises more than one person, those persons shall be jointly and severally liable for the obligations and liabilities of a guarantor arising under this lease. The Landlord may take action against, or release or compromise the liability of, or grant time or other indulgence to, any one of those persons without affecting the liability of any other of them.

40.3 The obligations of the Tenant and any guarantor arising by virtue of this lease are owed to the Landlord and the obligations of the Landlord are owed to the Tenant.

40.4 The Landlord shall not be liable to the Tenant for any failure of the Landlord to perform any landlord covenant in this lease.

41. DISPUTES UNDER THE SUPERIOR LEASE

Notwithstanding the other terms of this lease, if any dispute, issue, question or matter arising out of or under or relating to the Superior Lease also affects or relates to the provisions of this lease, the determination of that dispute, issue, question or matter pursuant to the provisions of the Superior Lease is to be binding on the Tenant as well as the Landlord for the purposes of both the Superior Lease and this lease provided that this provision is not to apply to the provisions for the review of rent payable under this lease.

42. ENTIRE AGREEMENT

42.1 This lease constitutes the whole agreement between the parties and supersedes all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them relating to its subject matter.

42.2 Each party acknowledges that in entering into this lease it does not rely on, and shall have no remedies in respect of, any representation or warranty (whether made innocently or negligently) other than those contained in any written replies given to any written enquiries raised before the date of this lease.

42.3 Nothing in this lease constitutes or shall constitute a representation or warranty that the Property may lawfully be used for any purpose allowed by this lease.

42.4 Nothing in this clause shall limit or exclude any liability for fraud.

43. NOTICES, CONSENTS AND APPROVALS

43.1 Except where this lease specifically states that a notice need not be in writing, any notice given under or in connection with this lease shall be:

- (a) in writing and for the purposes of this clause an email is not in writing; and

- (b) given:
- (i) by hand or by pre-paid first-class post or other next working day delivery service at the party's registered office address (if the party is a company) or (in any other case) at the party's principal place of business.
- 43.2 If a notice complies with clause 43.1, whether or not this lease requires that notice to be in writing, it shall be deemed to have been received:
- (a) if delivered by hand, at the time the notice is left at the proper address;
 - (b) if sent by pre-paid first-class post or other next working day delivery service, on the second working day after posting.
- 43.3 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.
- 43.4 Section 196 of the Law of Property Act 1925 shall otherwise apply to notices given under this lease. For the avoidance of doubt any notice served on the Tenant shall only be validly served if sent to the Tenant's registered office.
- 43.5 Where the consent of the Landlord is required under this lease, a consent shall only be valid if it is given by deed, unless:
- (a) it is given in writing and signed by the Landlord or a person duly authorised on its behalf; and
 - (b) it expressly states that the Landlord waives the requirement for a deed in that particular case.
- If a waiver is given, it shall not affect the requirement for a deed for any other consent.
- 43.6 Where the approval of the Landlord is required under this lease, an approval shall only be valid if it is in writing and signed by or on behalf of the Landlord, unless:
- (a) the approval is being given in a case of emergency; or
 - (b) this lease expressly states that the approval need not be in writing.
- 43.7 If the Landlord gives a consent or approval under this lease, the giving of that consent or approval shall not imply that any consent or approval required from a third party has been obtained, nor shall it obviate the need to obtain any consent or approval from a third party.
- 43.8 Where the consent of the Superior Landlord is required under this lease, consent shall only be valid if it would be valid as a consent given under the Superior Lease. Where the approval of the Superior Landlord is required under this lease, an approval shall only be valid if it would be valid as an approval given under the Superior Lease.
- 43.9 Where the Tenant requires the consent or approval of the Superior Landlord to any act or omission then, subject to the provisions of clause 1.9, the Landlord shall at the cost of the Tenant use all reasonable endeavours to obtain that consent or approval.

44. ENVIRONMENTAL PROTECTION

- 44.1 The Tenant shall:
- (a) not discharge or permit or suffer to be discharged into any Service Media within or that serve the Property any Dangerous Substance;
 - (b) ensure that there is no release from the Property into any environmental medium of any Dangerous Substance and in the event of any such release promptly to report

the same to any proper regulatory authority and the Landlord and to carry out such remediation clean up and preventative measures as may be required by any regulatory authority or as may be reasonably required by the Landlord;

- (c) at all times comply with all Environmental Laws relating to or affecting the Property the Tenant use of occupation thereof or any activity carried on therefrom;
- (d) indemnify and keep the Landlord indemnified from and against all Costs (including but not limited to clean up costs remediation costs costs of preventative measures legal and environmental consultancy expense and liabilities to third parties and governmental regulatory or administrative authorities) arising from or under any Environmental Law or any breach violation non-observance or non-performance thereof or of the covenants contained in this sub-clause by the Tenant its undertenants or their respective employees agents or anyone at the Property with their authority (express or implied);
- (e) in carrying out, pursuant to the provisions of this clause 44, any works or in otherwise complying with all Environmental Laws to do so at all times in compliance with an environmental consultants report (previously approved by the Landlord);
- (f) notify the Landlord forthwith upon the occurrence or discover of any spillage or deposit or the presence on the Property of any Dangerous Substance; and
- (g) at the Tenant's cost, clean up and remedy any matter or thing resulting from any breach or non-observance of the covenants contained in this sub-clause or resulting from the Tenant's occupation or use of the Property.

44.2 The provisions of sub-clauses (f) and (g) shall not cease but shall continue following the end of sooner determination of the Term in relation to any breaches of the provisions thereof which arose during the Term.

45. GOVERNING LAW

This lease and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

46. JURISDICTION

Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this lease or its subject matter or formation (including non-contractual disputes or claims).

47. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Save for the Superior Landlord, a person who is not a party to this lease shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this lease. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

48. LIABILITY OF EXECUTIVE SCHEME

The parties hereto hereby agree and declare that:

48.1 Notwithstanding anything to the contrary that the liability of the said Anthony John Wickins and the said Deirdre Angela Wickins shall be limited to the period that the relevant person continues to be a trustee of the Executive Scheme and that none of the Landlords parties hereto shall be liability of any breach of the covenants on the part of the Landlord contained in this Lease which may happen after his death or after he has ceased to have any estate or interest in the Property.

48.2 Notwithstanding anything to the contrary under no circumstances shall the liability of the said Anthony John Wickins and/or Deirdre Angela Wickins exceed in aggregate the value of the interest of the Executive Scheme in the Property.

49. TENANT'S OPTION TO DETERMINE

49.1 In this clause the following definitions apply:

Break Date: 8 December 2019

Break Notice: notice to terminate this lease.

49.2 Subject to clause 49.3, the Tenant may terminate this lease on the Break Date by serving the Break Notice on the Landlord not less than six months before the Break Date.

49.3 The Break Notice shall have no effect if at the Break Date:

- (a) the Tenant has not paid any part of the Annual Rent, or any VAT in respect of it, which was due to have been paid up to and including the Break Date; and
- (b) the Tenant has not vacated the Property and given the Property to the Landlord free from any occupation;

49.4 The Break Notice shall be in writing and, for the purposes of this clause, writing does not include facsimile transmission or email.

49.5 The Break Notice shall not purport to terminate the lease in relation to any part as opposed to the whole of the Property.

49.6 Subject to clause 49.3, following service of the Break Notice, this lease shall terminate on the Break Date specified in the Break Notice.

49.7 In the event that this Lease is determined pursuant to Clause 49 the Landlord agrees to reimburse the Tenant such part of the rent first reserved by this Lease and any additional rent reserved by this Lease which have been paid in advance and is attributable to the period between the date of termination of this Lease and the end of the period in respect of which payment was made. The payment shall be made within fourteen days of determination of this Lease.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

THE SCHEDULE - Guarantee and indemnity

1. GUARANTEE AND INDEMNITY

1.1 The Guarantor guarantees to the Landlord that the Tenant shall:

- (a) pay the rents reserved by this lease and observe and perform the tenant covenants of this lease and that if the Tenant fails to pay any of those rents or to observe or perform any of those tenant covenants, the Guarantor shall pay or observe and perform them; and
- (b) observe and perform any obligations the Tenant enters into in an authorised guarantee agreement made in respect of this lease (the **Authorised Guarantee Agreement**) and that if the Tenant fails to do so, the Guarantor shall observe and perform those obligations.

1.2 The Guarantor covenants with the Landlord as principal obligor and as a separate and independent obligation and liability from its obligations and liabilities under paragraph 1.1 to indemnify and keep indemnified the Landlord against any failure by the Tenant:

- (a) to pay any of the rents reserved by this lease or any failure to observe or perform any of the tenant covenants of this lease; or
- (b) to observe or perform any of the obligations the Tenant enters into in the Authorised Guarantee Agreement.

2. GUARANTOR'S LIABILITY

2.1 The liability of the Guarantor under paragraph (a) and paragraph (a) shall continue until the end of the term, or until the Tenant is released from the tenant covenants of this lease by virtue of the Landlord and Tenant (Covenants) Act 1995, if earlier.

2.2 The liability of the Guarantor shall not be reduced, discharged or otherwise adversely affected by any of the following:

- (a) any time or indulgence granted by the Landlord to the Tenant;
- (b) any delay or forbearance by the Landlord in enforcing the payment of any of the rents or the observance or performance of any of the tenant covenants of this lease (or the Tenant's obligations under the Authorised Guarantee Agreement) or in making any demand in respect of any of them;
- (c) any refusal by the Landlord to accept any rent or other payment due under this lease where the Landlord believes that the acceptance of such rent or payment may prejudice its ability to re-enter the Property;
- (d) the Landlord exercising any right or remedy against the Tenant for any failure to pay the rents reserved by this lease or to observe or perform the tenant covenants of this lease (or the Tenant's obligations under the Authorised Guarantee Agreement);
- (e) the Landlord taking any action or refraining from taking any action in connection with any other security held by the Landlord in respect of the Tenant's liability to pay the rents reserved by this lease or observe and perform the tenant covenants of the lease (or the Tenant's obligations under the Authorised Guarantee Agreement) including the release of any such security;
- (f) a release or compromise of the liability of any one of the persons who is the Guarantor, or the grant of any time or concession to any one of them;

- (g) any legal limitation or disability on the Tenant or any invalidity or irregularity of any of the tenant covenants of the lease (or the Tenant's obligations under the Authorised Guarantee Agreement) or any unenforceability of any of them against the Tenant;
- (h) the Tenant being dissolved, or being struck off the register of companies or otherwise ceasing to exist, or, if the Tenant is an individual, by the Tenant dying or becoming incapable of managing its affairs;
- (i) without prejudice to paragraph 4, the disclaimer of the Tenant's liability under this lease or the forfeiture of this lease; or
- (j) the surrender of the lease in respect of part only of the Property, except that the Guarantor shall not be under any liability in relation to the surrendered part in respect of any period after the surrender; or
- (k) by any other act or omission except an express written release by deed of the Guarantor by the Landlord.

2.3 The liability of each of the persons making up the Guarantor is joint and several.

2.4 Any sum payable by the Guarantor shall be paid without any deduction, set-off or counter-claim against the Landlord or the Tenant.

3. VARIATIONS AND SUPPLEMENTAL DOCUMENTS

3.1 The Guarantor shall, at the request of the Landlord, join in and give its consent to the terms of any consent, approval, variation or other document that may be entered into by the Tenant in connection with this lease (or the Authorised Guarantee Agreement).

3.2 The Guarantor shall not be released by any variation of the rents reserved by, or the tenant covenants in, this Lease (or the Tenant's obligations under the Authorised Guarantee Agreement) whether or not:

- (a) the variation is material or prejudicial to the Guarantor;
- (b) the variation is made in any document; or
- (c) the Guarantor has consented, in writing or otherwise, to the variation.

3.3 The liability of the Guarantor shall apply to the rents reserved by and the tenant covenants in this lease (and the Tenant's obligations under the Authorised Guarantee Agreement) as varied except to the extent that the liability of the Guarantor is affected by section 18 of the Landlord and Tenant (Covenants) Act 1995.

4. GUARANTOR TO TAKE A NEW LEASE OR MAKE PAYMENT

4.1 If this lease is forfeited or the liability of the Tenant under this lease is disclaimed and the Landlord gives the Guarantor notice not later than six months after the forfeiture or the Landlord having received notice of the disclaimer, the Guarantor shall enter into a new lease of the Property on the terms set out in paragraph 4.2.

4.2 The rights and obligations under the new lease shall take effect beginning on the date of the forfeiture or disclaimer and the new lease shall:

- (a) be granted subject to the right of any person to have this lease vested in them by the court and to the terms on which any such order may be made and subject to the rights of any third party existing at the date of the grant;
- (b) be for a term that expires at the same date as the end of the Contractual Term of this lease had there been no forfeiture or disclaimer;

- (c) reserve as an initial annual rent an amount equal to the Annual Rent payable under this lease at the date of the forfeiture or disclaimer or which would be payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it (subject to paragraph 5) and which is subject to review on the same terms and dates provided by this lease;
 - (d) be excluded from sections 24 to 28 of the LTA 1954; and
 - (e) otherwise be on the same terms as this lease (as varied if there has been any variation).
- 4.3 The Guarantor shall pay the Landlord's solicitors' costs and disbursements (on a full indemnity basis) and any VAT in respect of them in relation to the new lease and shall execute and deliver to the Landlord a counterpart of the new lease within one month after service of the Landlord's notice.
- 4.4 The grant of a new lease and its acceptance by the Guarantor shall be without prejudice to any other rights which the Landlord may have against the Guarantor or against any other person or in respect of any other security that the Landlord may have in connection with this lease.
- 4.5 The Landlord may, instead of giving the Guarantor notice pursuant to paragraph 4.1 but in the same circumstances and within the same time limit, require the Guarantor to pay an amount equal to six months Annual Rent and the Guarantor shall pay that amount on demand.
- 5. RENT AT THE DATE OF FORFEITURE OR DISCLAIMER**
- 5.1 If at the date of the forfeiture or disclaimer there is a rent review pending under this lease, then the initial annual rent to be reserved by the new lease shall be the greater of:
 - (a) the Annual Rent previously payable (or which would have been payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it) under the lease prior to forfeiture or disclaimer; and
 - (b) the open market rent of the Property at the relevant Review Date, as determined by the Landlord and agreed by the Superior Landlord before the grant of the new lease.
- 6. PAYMENTS IN GROSS AND RESTRICTIONS ON THE GUARANTOR**
- 6.1 Any payment or dividend that the Landlord receives from the Tenant (or its estate) or any other person in connection with any insolvency proceedings or arrangement involving the Tenant shall be taken and applied as a payment in gross and shall not prejudice the right of the Landlord to recover from the Guarantor to the full extent of the obligations that are the subject of this guarantee and indemnity.
- 6.2 The Guarantor shall not claim in competition with the Landlord in any insolvency proceedings or arrangement of the Tenant in respect of any payment made by the Guarantor pursuant to this guarantee and indemnity. If it otherwise receives any money in such proceedings or arrangement, it shall hold that money on trust for the Landlord to the extent of its liability to the Landlord.
- 6.3 The Guarantor shall not, without the consent of the Landlord, exercise any right or remedy that it may have (whether against the Tenant or any other person) in respect of any amount paid or other obligation performed by the Guarantor under this guarantee and indemnity unless and until all the obligations of the Guarantor under this guarantee and indemnity have been fully performed.

7. OTHER SECURITIES

- 7.1 The Guarantor warrants that it has not taken and covenants that it shall not take any security from or over the assets of the Tenant in respect of any liability of the Tenant to the Guarantor. If it does take or hold any such security it shall hold it for the benefit of the Landlord.
- 7.2 This guarantee and indemnity is in addition to and independent of any other security that the Landlord may from time to time hold from the Guarantor or the Tenant or any other person in respect of the liability of the Tenant to pay the rents reserved by this lease and to observe and perform the tenant covenants of this lease. It shall not merge in or be affected by any other security.
- 7.3 The Guarantor shall not be entitled to claim or participate in any other security held by the Landlord in respect of the liability of the Tenant to pay the rents reserved by this lease or to observe and perform the tenant covenants of this lease.

Signed as a DEED by

Anthony John Wickins

.....

in the presence of:

witness signature

name

address

occupation

Signed as a DEED by

Deirdre Angela Wickins

.....

in the presence of:

witness signature

name

address

occupation

Executed as a DEED by

Multi-Tile Limited

acting by a director in the presence of:

Director:



.....

witness signature

name

address

occupation



DAVID TOWNSLEY

14 VICTORIA ROAD, WOODHOUSE EAVES, LEICS.

CHARTERED SURVEYOR.