

DATED 13th Mch 2020

CRANFIELD TECHNOLOGY PARK INVESTMENTS LIMITED (1)

DMT SOLUTIONS U.K. LIMITED (2)

LEASE
of Part Ground Floor (Rear) Derwent House
Cranfield Technology Park

LAND REGISTRY PRESCRIBED CLAUSES

LR1. Date of lease

17th March

2020

LR2. Title number(s)

LR2.1 Landlord's title number(s)

BD311748

LR2.2 Other title numbers

LR3. Parties to this lease

Landlord

CRANFIELD TECHNOLOGY PARK INVESTMENTS LIMITED incorporated in England and Wales with company number 10754603 and registered office is at 7th Floor, Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire EN6 1AG

Tenant

DMT SOLUTIONS U.K. LIMITED incorporated in England and Wales with company number 11365624 and registered office at 2nd Floor, Titan Court, 3 Bishop Square, Hatfield, United Kingdom, AL10 9NA

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.

Part Ground Floor (Rear) Derwent House Cranfield Technology Park University Way Cranfield MK43 0BT more fully described in Schedule 1

LR5. Prescribed statements etc.

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

See clause 2 and schedule 2

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

See clause 2 and schedule 3

LR12. Estate rentcharge burdening the Property

None

LR13. Application for standard form of restriction

None

LEASE PARTICULARS

Date

13th March 2020

Landlord

CRANFIELD TECHNOLOGY PARK INVESTMENTS LIMITED incorporated in England and Wales with company number 10754603 and registered office is at 7th Floor, Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire EN6 1AG

Tenant

DMT SOLUTIONS U.K. LIMITED incorporated in England and Wales with company number 11365624 and registered office at 2nd Floor, Titan Court, 3 Bishop Square, Hatfield, United Kingdom, AL10 9NA

Guarantor

None

Premises

Part Ground Floor (Rear) Derwent House Cranfield Technology Park University way Cranfield MK43 0BT

Term

A term of 6 years from and including 13th March 2020 to and including 12th March 2026

Rent Commencement Date

13th March 2020

Basic Rent

£42,500 per annum (exclusive)

Rent Review Dates

[13th March 2023] being the third anniversary of the term commencement date

Landlord and Tenant Act

Excluded

Date of Landlord's Notice

18th February 2020

Date of Declaration

18th February 2020

THIS LEASE is made on the date and between the parties stated in the Land Registry Prescribed Clauses and Lease Particulars

WITNESSES as follows:

1. Definitions, Interpretation and Miscellaneous Provisions

1.1 Definitions

- (a) "Adjoining Property" means any neighbouring or adjoining land or property (excluding the remainder of the Complex) in which the Landlord or a Group Company of the Landlord has (or during the Term acquires) a leasehold or a freehold interest
- (b) "Authorised Guarantee Agreement" means an authorised guarantee agreement as defined in the Landlord and Tenant (Covenants) Act 1995.
- (c) "Authority" means any statutory public local or other authority or any court of law or any government department or any of them or any of their duly authorised officers
- (d) "Basic Rent" means £42,500 per annum (exclusive) from and including the Rent Commencement Date PROVIDED THAT for the first 6 months of the Term the Basic Rent shall be reduced by 50%
- (e) "Break Notice" means a written notice to terminate this Lease in accordance with clause 9
- (f) "Building" means the building forming part of the Complex known as Derwent House, Cranfield Technology Park shown edged blue and numbered 1 on the Site Plan and every part of it and everything attached to it or used for its benefit or such other area of a greater or lesser extent as the Landlord may determine and notify to the Tenant in writing from time to time provided that the Tenant's beneficial use and occupation of the Demised Premises and the Rights are not materially prejudiced
- (g) "CDM Regulations" means the Construction (Design and Management) Regulations 2015
- (h) "Car Park" means the car park forming part of the Complex
- (i) "Common Parts" means:
 - (i) all parts of the Complex from time to time provided or created for the common use of the tenants or occupiers of the Complex and their visitors including without limitation any means of vehicular and pedestrian accesses passages stairways circulation areas lifts landscaped areas art features canopies signage loading bays fire escapes toilet facilities storage areas refuse collection and disposal areas and common parking areas; and
 - (ii) all other parts of the Complex (except for the Lettable Areas) the Service Media and the Plant on the Complex (except where the same forms part of any Lettable Areas)
- (j) "Complex" means the Landlord's development at Cranfield Technology Park on the land edged red on the Site Plan registered at the Land Registry under Title Number BD311748 and every part of it and everything attached to it or used for its benefit or such other area of a greater or lesser extent as the Landlord may determine and notify to the Tenant in writing from time to time provided that the Tenant's beneficial use and occupation of the Demised Premises and the Rights are not materially prejudiced
- (k) "Connected Person" means any person firm or company which is connected with the Tenant for the purposes of section 839 Income and Corporation Taxes Act 1988
- (l) "Consent" means an approval permission authority licence or other relevant form of approval given by the Landlord in writing

- (m) "Contractual Term" means a term of 6 years calculated from (and including) the Term Commencement Date to and including 12th March 2026;
- (n) "CRC" means the carbon emissions trading scheme established by the CRC Energy Efficiency Scheme Order 2010 or any scheme or tax which replaces or supplements it;
- (o) "CRC Costs" means all costs of whatever nature properly incurred in complying with the CRC (and references to CRC Costs incurred by the Landlord include those incurred, paid or payable by the Landlord or any person from time to time required to participate in the CRC in combination with the Landlord).
- (p) "Demised Premises" means the premises referred to as the Property in clause LR4
- (q) "Determination" means the end of the Term however that occurs
- (r) "Enactment" means:
- (i) any Act of Parliament; and
 - (ii) any European Union legislation or decree or other supranational legislation or decree having effect as law in the United Kingdom
- and references (whether specific or general) to any Enactment include any statutory modification or re-enactment of it for the time being in force and any order instrument plan regulation permission or direction made or issued under it or under any Enactment replaced by it or deriving validity from it
- (s) "EPC" means an energy performance certificate and recommendation report (as those terms are defined in the EPC Regulations) in relation to the Demised Premises or the Building or the Complex
- (t) "EPC Regulations" means the Energy Performance of Buildings (England And Wales) Regulations 2012
- (u) "Group Company" means any company of which the Tenant or the Landlord (as the case may be) is a Subsidiary or which has the same Holding Company as the Tenant or the Landlord (as the case may be) where Subsidiary and Holding Company have the meanings given to them by section 736 Companies Act 1985
- (v) "Guarantor" means any person who is required to give a covenant to the Landlord as the assignee's guarantor in a Licence to Assign for so long as each of those persons remain bound by the covenants on their part in this Lease or the Licence to Assign
- (w) "Interest Rate" means four percent above the base lending rate from time to time of Lloyds Bank plc or such other bank being a UK shareholder in the CHAPS Clearing Company Limited as the Landlord may from time to time nominate or if that base lending rate cannot be ascertained then four percent above such other rate as the Landlord may reasonably specify and where and whenever interest is payable at or by reference to the Interest Rate it shall be calculated on a daily basis
- (x) "Internal Area" has the meaning attributed to Net Internal Area specified by the edition of the Code of Measuring Practice jointly issued by the ISVA and the RICS current at the date of this Lease
- (y) "Land Registry Prescribed Clauses" means the clauses numbered LR1 to LR13 (inclusive) at the front of this Lease and references to clauses with an "LR" prefix shall be interrupted accordingly
- (z) "Landlord" means the party so named in Clause LR3 and includes the immediate reversioner to this Lease from time to time

- (aa) "Lease" means this Lease and includes where relevant any deed of variation licence Consent or other document supplemental to or associated with this Lease
- (bb) "Legal Obligation" means any obligation from time to time created by any Enactment or Authority which relates to the Demised Premises or the Complex or its use and includes without limitation obligations imposed by the Planning Acts or as a condition of any Necessary Consents
- (cc) "Licence to Assign" means a licence to assign and authorised guarantee agreement in a form to be agreed by the Landlord and the Tenant (acting reasonably)
- (dd) "Main Structure" means the foundation floor slabs floors load bearing walls columns beams steel frames and roofs of the Building as the case may be but not the floor screed or floor coverings plaster or wall coverings where they are comprised in the Demised Premises and all Service Media (other than those situated in and exclusively serving the Demised Premises) and "structural" means anything appertaining to the Main Structure
- (ee) "Necessary Consents" means planning permission and all other consents licences permissions and approvals whether of a public or private nature which shall be relevant in the context
- (ff) "Outgoings" means all rates taxes charges duties assessments impositions and outgoings of any sort which are at any time during the Term payable by the owner or occupier of property and includes charges for electricity gas water sewerage telecommunications (including meter rentals connection and hire charges) and other services rendered to or consumed by the relevant property and CRC Costs reasonably attributed by the Landlord to utilities consumed (or to be consumed) at the Demised Premises (even if they are levied on the Landlord) but excludes tax payable by the Landlord on the receipt of the rents or on any dealings with its reversion to this Lease and input VAT suffered by the Landlord in respect of the Demised Premises or the Complex
- (gg) "Payment Days" means 25th March 24th June 29th September and 25th December in each year
- (hh) "Permitted Use" means use as offices and laboratories for high technology design research and development or product or service based education and training within Class B1 of the Schedule to the Town and Country Planning (Use Classes) Order 1987 and purposes ancillary to such uses. Not to be used for warehousing or manufacturing (other than prototype manufacture) or other industrial use (unless such use ancillary or incidental or permitted use); nor any purposes which involves conducting experiments on live animals, nor for any purposes involving the development and manufacture of passenger road vehicles for the mass market (without the Landlord's written consent)
- (ii) "Planning Acts" means every Enactment or regulation of any Authority from time to time in force in relation to the Town and Country Planning development control and the use of land or buildings
- (jj) "Plant" means all apparatus plant machinery and equipment from time to time in or on the Demised Premises or the Complex including (without limitation) lifts lift motors hoists shafts generators boilers ducts vents pipes cables and other items relating to ventilation air conditioning the provision of hot and cold water heating cooling public address and closed circuit television systems security systems burglar and fire alarm fire prevention or fire control building management systems and window cleaning cradles or gantries
- (kk) "Public Sector Body" means the relevant Secretary of State or other Minister of the Crown, Government Department or Agency, non departmental public body or other person or body exercising functions for and on behalf of the Crown
- (ll) "Regulations" means the regulations in paragraph 2 of Part III of schedule 6 and any others from time to time made by the Landlord varying the same or in addition to or in substitution for those regulations which the Landlord first notifies to the Tenant in writing and which it considers appropriate having regard to the principles of good estate management and which are for the benefit of the whole or substantially the whole of the occupiers of the Building or the Complex (as the case may be) provided that

- (i) in the event of there being any inconsistency between any such new or varied regulations and this Lease then the provisions of this Lease shall take precedence
- (ii) any such varied or new regulations shall not materially prejudice the Tenant's beneficial use and occupation of the Demised Premises or the Rights
- (mm) "Rent" means all sums reserved as rent by this Lease set out at Clause 2
- (nn) "Rent Commencement Date" means13th March.....2020 being the date of this Lease
- (oo) "Reservations" means the exceptions and reservations set out in schedule 3
- (pp) "Rights" means the rights set out in schedule 2
- (qq) "Service Media" means sewers drains pipes wires cables ducts gutters fibres and any other medium for the passage or transmission of soil water gas electricity telecommunications air smoke light information or other matters and includes where relevant ancillary equipment and the other structures plant equipment and machinery from time to time in or on the Complex or the Demised Premises
- (rr) "Sign" includes any sign hoarding showcase signboard flag flagpole bill plate fascia poster or advertisement
- (ss) "Tenant" means the party so named in clause LR3 and includes its successors in title
- (tt) "Term" means the Contractual Term
- (uu) "Term Commencement Date" means13th March.....2020 being the date of this Lease
- (vv) "Title Matters" means all rights easements privileges restrictions covenants or other matters affecting the Demised Premises and referred to in the Landlord's Title Number BD311748
- (ww) "VAT" includes any future tax of a like nature and all references to an election by the Landlord to waive exemption under paragraph 2(1) of Schedule 10 to the Value Added Tax Act 1994 shall be deemed to include any such election made by a company in the same VAT group as the Landlord

1.2 Interpretation

In this Lease:

- (a) words importing any gender include every gender
- (b) words importing the singular number only include the plural number and vice versa
- (c) words importing persons include firms companies and corporations and vice versa
- (d) references to numbered clauses and schedules are references to the relevant clause in or schedule to this Lease
- (e) reference in any schedule to numbered paragraphs are references to the numbered paragraphs of that schedule
- (f) where any obligation is undertaken by two or more persons jointly they shall be jointly and severally liable in respect of that obligation
- (g) any obligation on any party not to do or omit to do anything shall include an obligation not to allow that thing to be done or omitted to be done by any undertenant of that party or by any

employee servant agent invitee or licensee of that party

- (h) where the Landlord or the Tenant covenant to do something they shall be deemed to fulfil that obligation if they procure that it is done
- (i) the headings to the clauses schedules and paragraphs and the contents of the lease particulars are provided for convenience only and shall not affect the interpretation of this Lease
- (j) the attached plans are for identification only
- (k) any sum payable by one party to the other shall be exclusive of VAT which shall where it is chargeable be paid in addition to the sum in question at the time when the sum in question is due to be paid
- (l) any relevant perpetuity period shall be eighty years from the date of this Lease and shall apply to any rights granted or reserved over or in respect of anything which is not now in existence
- (m) any reference to a particular plan in this Lease shall be to the relevant named plan so annexed
- (n) any part of the Demised Premises that faces onto any of the Common Parts shall be regarded as an external part of the Demised Premises notwithstanding that such Common Parts may be covered in and "exterior" and "external" shall be construed accordingly
- (o) the rights of the Landlord to have access to the Demised Premises are to be construed as extending to any mortgagee of the Landlord and to all persons authorised by them
- (p) any provisions of this Lease requiring the Tenant to obtain Consent are to be construed as also requiring (as a condition precedent) the consent or other approval of any mortgagee of the Landlord (where their consent or approval is required) and the Landlord shall not be considered to be unreasonably withholding or delaying Consent if the consent or approval of the mortgagee is withheld or delayed or is given subject to conditions and nothing in this Lease shall be construed to imply that any mortgagee is not to unreasonably withhold or delay any application for consent or approval
- (q) unless this Lease states otherwise all sums payable to the Landlord are due on written demand

1.3 In this Lease:

(a) Compensation

(Except to the extent that compensation may be payable by law) neither the Tenant nor any undertenant or any occupier of the Demised Premises shall be entitled to any compensation under any Enactment upon Determination

(b) Landlord's Liability

(Except to the extent it may be liable by law) the Landlord shall not be liable to the Tenant or any undertenant or any servant agent licensee or invitee of them by reason of:

- (i) any act neglect default or omission of any of the tenants or owners or occupiers of any adjoining or neighbouring premises (whether on the Complex or not) or of any representative or employee of the Landlord (unless acting within the scope of the express or implied authority of the Landlord) or
- (ii) the defective working stoppage or breakage of or leakage or overflow from any Service Media or Plant which is beyond the reasonable control of the Landlord (although the Landlord will then take all reasonable steps to restore such service or

provide an alternative service as soon as reasonably practicable); or

- (iii) the obstruction by others of the Common Parts or the areas over which rights are granted by this Lease (in which event the Landlord will use reasonable endeavours to remedy the obstruction as soon as possible)

(c) Alterations

The Landlord shall be entitled to vary and make alterations to the Complex and the Common Parts and to alter renew or replace any Service Media or Plant and to temporarily obstruct the access to the Demised Premises and the Common Parts while doing so but shall ensure that reasonable access to the Demised Premises is always available and provided that such work does not materially affect the use and enjoyment of the Demised Premises

(d) No Planning Warranty

Nothing in this Lease shall imply or warrant that the Demised Premises may lawfully be used for the Permitted Use

(e) Covenants

- (i) The Landlord and the Tenant shall not be liable to each other for breach of any covenant in this Lease to the extent that its performance or observance becomes impossible or illegal but subject to the other provisions of this Lease the Term and without prejudice to the Tenant's remedies, the Tenant's liability to pay the Rent shall not cease or be suspended for that reason save as the Rent cesser pursuant to clause 5 of this Lease.
- (ii) This Lease does not pass to the Tenant the benefit of or the right to enforce any covenants which now benefit or which may in the future benefit the reversion to this Lease, and the Landlord shall be entitled in its sole discretion to waive vary or release any such covenants

(f) Approvals

The Landlord shall incur no liability to the Tenant or any undertenant by reason of any Consent given to or inspection made of any drawings plans specifications or works prepared or carried out by or on behalf of any such party nor shall any such approval or inspection in any way relieve the Tenant from its obligations under this Lease

(g) Notices

Section 196 Law of Property Act 1925 (as amended by the Recorded Delivery Service Act 1962) shall apply to all notices which may need to be served under this Lease

(h) Disputes

Any dispute arising between the Tenant or any undertenant and any owner or occupier (other than the Landlord) of any Adjoining Property or any other part of the Complex as to any right or privilege or any party or other wall or otherwise shall (except where it relates to a matter of law) be determined on behalf of the Tenant or any undertenant by the Landlord or someone appointed by him and any such decision shall bind the Tenant or any undertenant who shall pay the proper cost of obtaining it

(i) New Tenancy

- (i) This Lease is a new tenancy for the purposes of the Landlord and Tenant (Covenants) Act 1995

- (ii) If the Landlord and the Tenant at any time agree in writing that the Tenant may defer payment of any sums due under this Lease then for the purposes of Section 17 Landlord and Tenant (Covenants) Act 1995 those sums shall be deemed to be due for payment on the deferred date so agreed and not on the earlier date on which they would, but for that agreement, have fallen due

2. Demise and Rent

The Landlord demises with full title guarantee the Demised Premises to the Tenant together with the Rights reserving to the Landlord the Reservations subject to the Title Matters to hold them to the Tenant for the Contractual Term paying during the Term as Rent:

- 2.1 the Basic Rent to be paid yearly (and proportionately for any part of a year) by equal quarterly instalments in advance on the Payment Days (the first payment to be made on the Rent Commencement Date for the period from the Rent Commencement Date to the next Payment Day); and
- 2.2 any other sums which are or may at any time become due from the Tenant to the Landlord under this Lease

3. Tenant's Covenants

The Tenant covenants with the Landlord to observe and perform the covenants in Schedules 4, 5 and 7

4. Landlord's Covenants

The Landlord covenants with the Tenant (whilst the reversion immediately expectant upon this Lease is vested in it) to observe and perform the covenants in schedule 6

5. Re-Entry

5.1 "Relevant Event" means when:

- (a) the whole or part of the Rent payable under this Lease remain unpaid twenty-one days after becoming due (whether formally demanded or not); or
- (b) any of the material covenants of the Tenant in this Lease are not performed or observed, provided that the Tenant has been given a written notice of such breach by the Landlord and reasonable time to remedy such breach; or
- (c) the Tenant or the Guarantor (or if there is more than one Tenant or Guarantor then if any one of them):
- i. is the subject of any judgement or order made against it or any distress execution or any other similar process is levied on any goods in the Demised Premises which is not complied with within fourteen days;
 - ii. becomes Insolvent;
 - iii. is dissolved or is removed from the Register of Companies or otherwise ceases to exist; or
- (d) any event occurs or proceedings are taken against the Tenant or the Guarantor in any jurisdiction which has an effect equivalent or similar to any of the events mentioned in this clause

5.2 **"Insolvent"** means:

- (a) in the case of a corporate Tenant or Guarantor if it:
 - i. is the subject of a petition presented or an order made (or a resolution passed) or analogous proceedings are taken for appointing an administrator or liquidator of or winding up such company (save for the purpose of an amalgamation or reconstruction which does not involve or arise out of insolvency); or
 - ii. has a mortgagee take possession (or any such person exercises or attempts to exercise any power of sale) or a receiver or administrative receiver is appointed of the whole or any part of the undertaking property assets or revenues of such company; or
 - iii. stops payment or agrees to declare a moratorium or becomes or is deemed to be insolvent or makes a proposal for a voluntary arrangement under Part I of the Insolvency Act 1986 or makes an application under section 896 of the Companies Act 2006; or
 - iv. is unable to pay its debts within the meaning of section 123 Insolvency Act 1986
- (b) in the case of an individual if such person:
 - i. is the subject of a bankruptcy petition or bankruptcy order; or
 - ii. convenes a meeting of his creditors or any of them to enter into any arrangement scheme compromise or moratorium or composition with his creditors (whether pursuant to Part VIII of the Insolvency Act 1986 or otherwise); or
 - iii. is the subject of an application or order or appointment under section 253 or section 273 or section 286 of the Insolvency Act 1986; or
 - iv. is unable to pay or has no reasonable prospect of being able to pay his debts within the meaning of sections 267 and 268 of the Insolvency Act 1986; or
 - v. as a receiver appointed

5.3 If any Relevant Event shall occur then the Landlord may at any time (and notwithstanding any waiver of any previous right of re-entry) re-enter the Demised Premises (or any part in the name of the whole) whereupon this Lease shall immediately determine (but without prejudice to any other rights or powers of the Landlord in respect of any previous breach of this Lease)

6. Contracts (Rights of Third Parties) Act 1999

This Lease is enforceable by the original parties to it and by their successors in title and permitted assigns. Any rights of any person not a party to this Lease to enforce the terms of this Lease pursuant to the Contracts (Rights of Third Parties) Act 1999 are excluded

7. Exclusion of sections 24-28 of the LTA 1954

7.1 The parties agree that the provisions of sections 24 to 28 of the LTA 1954 are excluded in relation to the tenancy created by this lease.

7.2 The parties confirm that:

- (a) the Landlord served a notice on the Tenant, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy created by this lease, before the date of this;

- (b) *Constance Faith* who was duly authorised by the Tenant to do so made a statutory declaration dated [*18 February 2020*] in accordance with the requirements of section 38A(3)(b) of the LTA 1954.

7.3 There is no agreement for lease to which this lease gives effect.

8. Rent Review

8.1 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 8.7.

8.2 The Basic Rent shall be reviewed on each Review Date to equal:

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

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

8.4 If the open market rent is determined by the Surveyor, it shall be the amount that the Surveyor determines is the best annual rent (exclusive of any VAT) at which the Demised Premises 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 8.5; and
- (d) disregarding the matters listed in clause 8.6.

8.5 The assumptions are:

- (a) the Demised Premises 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 6 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 Basic Rent but including the provisions for review of the Basic Rent, and other than the provision in this lease for a rent-free or reduced rent period;

- (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 Demised Premises;
- (c) the Demised Premises 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 Demised Premises or any means of access to it or any Service Media serving the Demised Premises, has been destroyed or damaged, it has been fully restored;
- (f) no work has been carried out on the Demised Premises that has diminished its rental value;
- (g) any fixtures, fittings, machinery or equipment supplied to the Demises Premises by the Landlord that have been removed by or at the request of the Tenant, or any undertenant or their respective predecessors in title (otherwise than to comply with any law) remain at the Demised Premises; 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 Demised Premises.

8.6 The matters to be disregarded are:

- (a) any effect on rent of the fact that the Tenant or any authorised undertenant has been in occupation of the Demised Premises;
- (b) any goodwill attached to the Demised Premises 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 Demised Premises and Service Media within or exclusively serving the Demised Premises 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 fit out the Demised Premises or to reinstate the Demised Premises 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.

8.7 The Surveyor shall be an independent valuer who is a Member or Fellow 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.

8.8 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.

- 8.9 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.
- 8.10 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 8.7 shall then apply in relation to the appointment of a replacement.
- 8.11 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 the Tenant does not pay its part of the Surveyor's fees and expenses within ten working days after demand by the Surveyor, the Landlord may pay that part and the amount it pays shall be a debt of the Tenant due and payable on written demand to the Landlord. The Landlord and the Tenant shall otherwise each bear their own costs in connection with the rent review.
- 8.12 If the revised Basic Rent has not been agreed by the Landlord and the Tenant or determined by the Surveyor on or before the relevant Review Date, the Basic Rent payable from (and including) that Review Date shall continue at the rate payable immediately before that Review Date. No later than five days after the revised Basic 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 from the Review Date until the Rent Payment Day following the date of agreement or notification of the revised Basic Rent and the amount that would have been payable had the revised Basic Rent been agreed or determined on or before that Review Date; and
 - (b) interest at the Interest Rate on that shortfall calculated on a daily basis by reference to the Rent Payment Days on which parts of the shortfall would have been payable if the revised Basic Rent had been agreed or determined on or before that Review Date and the date payment is received by the Landlord.
- 8.13 Time shall not be of the essence for the purposes of this clause.
- 8.14 If at any time there is a guarantor, the guarantor shall not have any right to participate in the review of the Basic Rent.
- 8.15 As soon as practicable after the amount of the revised Basic 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.

9. Tenant's Break Option

- 9.1 Subject to clause 9.2, the Tenant may terminate this lease on the 13th March 2023] being the 3rd anniversary of the Term Commencement Date ("Break Date") by serving a Break Notice on the Landlord at least 6 months before the Break Date.
- 9.2 The break notice shall have no effect if at the Break Date:
- (i) the Tenant has not paid any part of the Basic Rent, or any VAT in respect of it, which was due to have been paid;
 - (ii) any underleases deriving from this lease have not been terminated; or
 - (iii) any person is in occupation of the whole of the Demised Premises.
- 9.3 Time shall be of the essence in respect of all time periods and limits in this clause.
- 9.4 Subject to clause 9.2, following service of the Break Notice, this lease shall terminate on the Break Date.
- 9.5 If this Lease terminates in accordance with clause 9.4 then on the Break Date, the Landlord shall refund to the Tenant the proportion of Rents, any VAT paid in respect of them, for the period from and excluding the Break Date up to and excluding the next Payment Day, calculated on a daily basis.
- 9.6 Termination of this lease pursuant to this clause shall be without prejudice to any right or remedy of the Tenant or Landlord in respect of any antecedent breach of the tenant covenants of this lease

IN WITNESS of which this Lease has been executed by the parties as a Deed and delivered on the date stated in clause LR1

Schedule 1

The Demised Premises

The property stated in clause LR4 forming the rear part of the Ground Floor of Derwent House at Cranfield Technology Park University Way Cranfield MK43 0BT having an approximate Internal Area of 2,500 square feet edged red on the Demised Premises Plan forming part of the land more particularly described in the Property Register of Title Number BD311748

including (for the avoidance of doubt):

- 1 all Service Media and Plant exclusively serving the Demised Premises up to the point of connection with the common or public system
- 2 all Landlord's fixtures and fittings
- 3 all improvements alterations and additions
- 4 the floors (but not the floor slabs) screed plaster and other finishes coverings and carpets on the floors
- 5 the interior finishes (including the plaster paint paper or any other coverings) from the upper side of the floor slab immediately below the Demised Premises to the underside of the floor or roof slab immediately above the Demised Premises (but including any voids between the false ceilings and the ceiling slab above the Demised Premises and any voids between any suspended floor and the floor slab below the Demised Premises)
- 6 all non load bearing walls and columns wholly within the Demised Premises and the interior one half (including the finishes thereon) of the thickness of such walls dividing the Demised Premises from any other parts of the Building or any other part of the Complex
- 7 all doors and windows (whether internal or external) and their frames glass and fittings

but excluding:

- 8 the Main Structure
- 9 all Service Media and Plant within the Demised Premises serving any other part of the Building or any other part of the Complex or any Adjoining Property and not exclusively serving the Demised Premises
- 10 all tenant's and trade fixtures and fittings

Schedule 2

The Rights

1 Access

1.1 (Subject to the Tenant paying the Service Charge) the right of access to the Demised Premises:

- (a) at all times on foot only over the footpaths passageways halls stairways and other pedestrian parts designed for this purpose forming part of the Common Parts
- (b) at all times with or without appropriate vehicles over the roadways designed for this purpose forming part of the Common Parts for all reasonable and proper purposes in connection with the Tenant's use of the Demised Premises

2 Common Parts

(Subject to the Tenant paying the Service Charge) the right at all times to use the Common Parts for the purpose and in the manner for which they are designed

3 Service and Service Media

(Subject to the Tenant paying the Service Charge) the right to use all Service Media and Plant (not forming part of the Demised Premises) from time to time serving the Demised Premises or provided within the Perpetuity Period for the benefit of the Demised Premises

4 Support

The right of support, shelter and protection for the Demised Premises from those parts of the Complex designed to provide the same

5 Parking

The right at all times to park private motor cars in the parking spaces reasonably allocated by the Landlord in writing from time to time in the Car Park

6 Access to Carry out Works

The right (where the works referred to in this paragraph cannot reasonably be carried out from the Demised Premises) to enter upon those parts of the Common Parts or any Adjoining Property that are reasonably required for such purpose with or without workmen and such necessary plant and materials for the purpose of inspecting repairing maintaining and cleaning the Demised Premises and otherwise so as to comply with the Tenant's obligations in this Lease subject to the Tenant:

- (a) obtaining Consent (not to be unreasonably withheld or delayed where the Tenant agrees to the Landlord's reasonable requirements to minimise any disturbance and/or inconvenience to the Landlord and/or the other occupiers of the Complex or any Adjoining Property and in relation to a reasonable timetable for the commencement and carrying out of the works)
- (b) acting promptly
- (c) causing as little damage as possible and making good all damage and other losses caused as soon as reasonably practicable to the Landlord's reasonable satisfaction

7 Signage

7.1 To display a non-illuminated non-moving sign at the entrance to the Demised Premises showing the name or trading name of the Tenant (or any permitted undertenant or occupier) and the business carried on at the Demised Premises of a size and in a style for which the Landlord has given Consent (not to be unreasonably withheld or delayed)

- 7.2 (Subject to the Tenant meeting the proper costs of the same) to have the name of the Tenant or any permitted occupier displayed (in such position as the Landlord may reasonably determine) on any communal signboard at the Building or the Complex maintained by the Landlord for the benefit of all the occupiers of the Building or the Complex (as the case may be)

8 Extent of Rights

All the above rights:

- (a) are granted only to the extent the Landlord has the power to grant them
- (b) are not granted exclusively to the Tenant but in common with the Landlord any other tenants and occupiers of the Complex or any Adjoining Property and any other persons authorised by them
- (c) may be temporarily interrupted suspended diverted or varied for the purposes of any works of maintenance repair or alteration (provided that the Landlord must use reasonable endeavours to restore the provision of the relevant Service as soon as reasonably practicable)
- (d) shall be exercised by the Tenant in accordance with the Regulations
- (e) are definitive (and nothing contained or referred to in this Lease will confer or grant to the Tenant any other right quasi-right easement quasi-easement or privilege not specifically mentioned) and the parties agree section 62 of the Law of Property Act 1925 will not apply to this Lease

Schedule 3
The Reservations

1 Works

The right to carry out works to the Complex or to any Adjoining Property and to use them in whatever manner may be desired and to consent to others doing so whether or not in each case the access of light and air to the Demised Premises or any other amenity from time to time enjoyed by them shall be temporarily and not materially affected

2 Services

The right to the free passage and running of water sewage gas electricity telephones and other services or supplies from and to any other parts of the Complex and any Adjoining Property in and through the Service Media which now are or may during the Term be in on over or under the Demised Premises

3 Service Media

The right to construct install affix and to maintain in on over or under the Demised Premises at any time during the Term any Service Media or Plant for the benefit of any part of the Complex or any Adjoining Property

4 Access

The right upon reasonable prior written notice to the Tenant (and without notice in emergency) to enter (or in the case of emergency to break and enter) and remain on the Demised Premises with or without workmen tools appliances scaffolding and materials at reasonable times for the purposes of:

- (a) installing inspecting repairing renewing reinstalling cleaning maintaining removing or connecting up to any Service Media or Plant
- (b) inspecting cleaning altering repairing maintaining renewing demolishing or rebuilding any part of the Complex or any Adjoining Property
- (c) carrying out works under schedule 8
- (d) complying with the Landlord's obligations under this Lease or with any other Legal Obligation of the Landlord
- (e) inspecting the condition and state of repair of the Demised Premises
- (f) taking schedules or inventories of fixtures and fittings and other items to be yielded up on the expiry of the Term
- (g) exercising any of the rights granted to the Landlord under this Lease
- (h) remedying any breach of the Tenant's obligations under this Lease
- (i) carrying out any inspection of the Demised Premises or to comply with the requirements of the Insurers (whether for valuation purposes or otherwise)

the person entering causing as little damage and inconvenience as reasonably possible and making good at its expense any damage caused to the Demised Premises by such entry to the Tenant's reasonable satisfaction

5 Scaffolding

The right to erect temporary scaffolding for any purpose connected with or related to the Complex or any Adjoining Property notwithstanding that such scaffolding may temporarily restrict the access or the passage of light to or the use and enjoyment of the Demised Premises PROVIDED THAT the Landlord will use reasonable endeavours to provide temporary alternative access to the Demised Premises

6 Support

The rights of light air support protection shelter and all other easements and rights now or at any time during the Term belonging to or enjoyed by any other parts of the Complex or any Adjoining Property

7 Freehold Title

The rights reserved in the freehold title to the Demised Premises

8 Extent of Rights

The above rights are reserved for the Landlord any mortgagee and all others from time to time authorised by them or otherwise entitled and without any liability (save where damage is caused to the Demised Premises in the exercise of these rights) to pay compensation

Schedule 4

Insurance

1 Definitions

1.1 1.2 **"Insurance Charge"** means:

- (a) the Complex Percentage of the cost to the Landlord of effecting and maintaining those elements of the Insurance Policy referred to in paragraphs 2.1(a) (b) and (c); and
- (b) the total cost to the Landlord in effecting and maintaining that element of the Insurance Policy referred to in paragraph 2.1(d)

1.3 **"Insurance Policy"** means the insurance policy or policies maintained by the Landlord covering the insurances taken out pursuant to paragraph 2.1

1.4 **"Insured Risks"** means any of the following:

fire storm tempest lightning explosion riot civil commotion malicious damage act of terrorism impact flood bursting or overflowing of water tanks burst pipes discharge from sprinklers aircraft and other aerial devices or articles dropped from them (other than war risks) earthquake landslip heave subsidence or such other risks as the Landlord may from time to time reasonably require to be covered

1.5 **"Insurers"** means the underwriters or insurance office of good repute with whom the Insurance Policy is effected as determined by the Landlord from time to time

1.6 **"Loss of Rent"** means loss of all Rent and applicable VAT due to damage or destruction by any of the Insured Risks for a period of three years having regard to potential increases in those as a result of rent reviews or other matters which may occur

2 Landlord's Provisions

2.1 The Landlord shall effect and maintain the following insurances with the Insurers:

- (a) insurance against damage or destruction by the Insured Risks other than damage caused in pursuance of theft in a sum equal to the Landlord's reasonable estimate from time to time of the full reinstatement cost of the Complex including:
 - (i) the cost of demolition shoring up and site clearance
 - (ii) all architects' surveyors' and other professional fees and incidental expenses in connection with reinstatement
 - (iii) VAT on those amounts to the extent applicable and to the extent that the Landlord may not be able to recover the same from HM Revenue & Customs
- (b) third party property owners and public liability insurance
- (c) insurance against liability under the Defective Premises Act 1972 (and any other Enactment in respect of which the Landlord requires insurance)
- (d) Loss of Rent

2.2 The Landlord (acting reasonably) shall not be obliged to insure under paragraph 2.1 if and to the extent that:

- (a) insurance is not available in the London insurance market at a reasonable cost
- (b) any normal excess exclusion or limitation imposed by the Insurers applies
- (c) the Insurance Policy has become void or voidable by reason of any act or default of the Tenant or any undertenant or any employee servant agent licensee of any of them

and to that extent if any damage occurs by a risk which would otherwise be an Insured Risk but which is not actually insured against as a result of any of the above matters the same shall not be treated as an Insured Risk

- 2.3 The Landlord will promptly (upon payment of a reasonable administration charge) at the request of the Tenant produce a copy or full details of the Insurance Policy and evidence that it is in force
- 2.4 The Landlord will procure that the interest of the Tenant noted on the Insurance Policy
- 2.5 The Landlord will use all reasonable endeavours to procure that the Landlord's insurer waives its rights of subrogation against the Tenant and any undertenants or occupiers of the Property.
- 2.6 The Landlord will promptly notify the Tenant in writing of any change in the Insurance Policy from time to time which is material to the Tenant
- 2.7 If the Landlord receives any commissions or other benefits for effecting or maintaining the Insurance Policy it shall not be obliged to pass the benefit of them on to the Tenant
- 2.8 If the Landlord is itself an insurance company it may self-insure in which case it shall be deemed to be doing so at its usual rates and on its usual terms for insuring a third party

3 Reinstatement

- 3.1 If the Complex or any part thereof is destroyed or damaged by the Insured Risks then subject to paragraph 7.1 the Landlord will use all reasonable endeavours to obtain all Necessary Consents and other consents required to reinstate the same (but not so as to be obliged to appeal any refusal) as soon as reasonably practicable and if these are obtained and subject to them remaining in force the Landlord will apply the insurance moneys received under the Insurance Policy in reinstating the damage with all reasonable speed and will (to the extent that the sums are insufficient as a result of the Landlord's own act neglect or default) make up the shortfall out of its own resources
- 3.2 The Complex need not be reinstated under paragraph 3.1 to the same state appearance or layout as before with the same materials used in its original construction but following any reinstatement the Demised Premises shall enjoy substantially the same rights and amenities as before
- 3.3 In the event the Landlord (acting reasonably) considers that it is impractical or impossible to carry out the reinstatement of the Complex for any reason beyond its control it shall not be under any continuing obligation to do so and shall be entitled to retain for its own benefit all insurance moneys received (other than insurance for plate glass, the windows, doors and the window and door frames) or receivable under the Insurance Policy

4 Tenant's Provisions

- 4.1 The Tenant shall pay the Insurance Charge to the Landlord within fourteen days of written demand
- 4.2 The Tenant shall pay to the Landlord within fourteen days of written demand the Complex Percentage of the reasonable and proper costs incurred by the Landlord in valuing the Complex for insurance purposes at reasonable intervals (provided that such valuations are not carried out more frequently than once every two years)

4.3 The Tenant shall pay to the Landlord within fourteen days of written demand a fair and reasonable proportion as determined by the Landlord (having regard to the nature of the claim) any normal and proper excess which the Landlord is required to bear under any Insurance Policy in relation to the Demised Premises; and

- (a) the Landlord's reasonable and proper costs in administering and in preparing and making any claim in relation to the Demised Premises under the Insurance Policy

4.4 The Tenant covenants with the Landlord:

- (a) not to do or fail to do anything which shall in relation to the Demised Premises cause the Insurance Policy to be or become void or voidable or increase the premiums payable under it (and will pay within fourteen days of written demand the whole of any increase in any premium arising from a breach of this provision)
- (b) not to insure or maintain insurance of the Complex or the Demised Premises (except plate glass at the Demised Premises) against any of the Insured Risks except the Tenant may insure against any normal and proper excess and if in breach of this provision the Tenant shall pay any such sums it is entitled to receive under any such policies to the Landlord on written demand
- (c) to notify the Landlord of the incidence of any Insured Risk or any other matter which the Tenant believes ought reasonably to be notified to the Insurers including disclosing any conviction judgement or finding of any Authority relating to the Tenant or any director or other officer or major shareholder of the Tenant of such a nature as to be likely to affect the decision of the Insurers to put the Insurance Policy in place or renew it
- (d) to comply with all the conditions of the Insurance Policy and all proper and reasonable requirements of the Insurers notified to the Tenant in writing
- (e) to notify the Landlord in writing of the value of any alterations additions or improvements which the Tenant or any undertenant proposes to make which may become landlord's fixtures (so as to enable the Landlord to arrange adequate cover for them) before those works are commenced, provided that the Landlord is not obliged to insure any such alterations additions or improvements against the Insured Risks in the event that the Landlord has not been notified of such alterations additions or improvements by the Tenant
- (f) to insure its own public and employer's liability in respect of the Demised Premises and provide the Landlord with reasonable evidence that the same is in force upon request
- (g) to effect and maintain insurance of any plate glass comprised in the Demised Premises against breakage in the full replacement cost of that plate glass and to promptly produce to the Landlord on written request the policy of insurance and the receipt for the premium
- (h) if required by the Landlord to effect and maintain its own insurance against damage to the Demised Premises in pursuance of theft and to produce to the Landlord on written demand the policy of insurance and the receipt for the premium

5 Rent Cesser

If the Complex is damaged or destroyed by any of the Insured Risks such that the Demised Premises are wholly or partially unfit for occupation and use or incapable of reasonable access then (unless paragraph 6 applies) the Basic Rent and Service Charge or a fair proportion according to the nature and extent of the damage or loss in question shall be suspended until the date on which the Demised Premises are again fit for occupation and use or capable of access PROVIDED THAT:

- (a) there shall be no rent cesser under this paragraph unless and until any arrears of the Rent or any other sums due under this Lease for any period up to the date when the Demised Premises are wholly or partially unfit for beneficial occupation and use or incapable of reasonable access have been paid by the Tenant to the Landlord in full; and

(b) the Tenant shall be entitled to be repaid any sums previously paid in advance to the Landlord to which the Loss of Rent insurance applies when such insurance moneys are received by the Landlord

6 Vitiating of Insurance

6.1 If the insurance money under the Insurance Policy is wholly or partly irrecoverable (or where paragraph 2.7 applies if such money would under the Landlord's usual terms of insurance be wholly or partly irrecoverable) by reason of any act or default of the Tenant or any undertenant or any employee servant agent licensee of any of them or where the sum insured is inadequate as a result of a breach by the Tenant of paragraph 4.4(e) then the Tenant will (before the Landlord becomes obliged under paragraph 3.1 to endeavour to obtain all Necessary Consents for reinstatement or to begin reinstatement) pay to the Landlord the irrecoverable amount or the amount of such shortfall as the case may be

6.2 In addition to any sum payable under paragraph 6.1 the Tenant shall pay interest at the Interest Rate on the relevant sum from the date on which that sum is due to the date of payment

7 Determination

7.1 If paragraph 3.3 applies or if at any time during the last three years of the Term the Complex or any part thereof is destroyed or damaged by any of the Insured Risks such that the Demised Premises are unfit for beneficial occupation and use or incapable of reasonable access and if the Landlord, pursuant to paragraph 3.3 above) does not reinstate the damage then the Landlord may determine this Lease by giving not less than three months' notice at any time within six months after such damage or destruction occurring

7.2 If the Complex is otherwise destroyed or damaged by any of the Insured Risks such that the Demised Premises are unfit for occupation and use or incapable of reasonable access and if the Demised Premises are not made fit for occupation and use or capable of reasonable access within three years after that destruction or damage occurs then either the Landlord or the Tenant may by one month's written notice to the other served at any time after that date (but before the Demised Premises are again fit for occupation and use) determine this Lease

7.3 If notice is given pursuant to paragraph 7.1 or 7.2 then upon such notice expiring:

(a) this Lease shall forthwith determine but the determination shall be without prejudice to any right of action of either party in respect of any previous breach of this Lease by the other or to any obligation of the Tenant under paragraphs 4.4 or 6 (and any sums payable under those paragraphs shall be paid on determination if they have not already become payable) and

(b) all moneys payable under the Insurance Policy or by the Tenant under paragraphs 4.4 or 6 shall be paid to and belong to the Landlord absolutely

8 Arbitration

Any dispute under paragraphs 5 6 or 7 shall be referred to the judgement of an arbitrator who shall be appointed and act pursuant to the provisions of the Arbitration Act 1996

Schedule 5
Tenant's Covenants

Part I
Financial Provisions

1 Payment of Rents

1.1 To pay the Rent due under this Lease in pounds sterling at the times and in the manner required by this Lease and without deduction or set-off whether legal or equitable

1.2 To pay the Basic Rent by direct debit if required by the Landlord

2 To pay Outgoings

2.1 To pay and discharge all Outgoings relating to the Demised Premises at the times when they become due on written notice by the Landlord

2.2 If at any time the Demised Premises are not separately assessed for any Outgoings the Tenant shall pay to the Landlord within fourteen days of written demand a fair proportion of any assessment which includes the Demised Premises

2.3 Not without Consent (which shall not be unreasonably withheld or delayed) make any claim for relief in respect of any Outgoings where to do so might prejudice the Landlord's own actual or potential entitlement to relief then or in the future

2.4 Not without Consent (which shall not be unreasonably withheld or delayed) agree with the relevant Authority any rating or other assessment in respect of the Demised Premises and to consult with (and have due regard to the representations of) the Landlord (acting reasonably) in the negotiations for any such assessment or any appeal against any such assessment

3 Costs

The Tenant shall pay to the Landlord within fourteen days of written demand on a full indemnity basis all reasonable and proper costs expenses losses and liabilities incurred by the Landlord as a result of or in connection with:

- (a) any application for Consent under this Lease whether or not Consent is refused (on lawful grounds) or the application is withdrawn
- (b) the preparation and service of any notice under section 146 or 147 Law of Property Act 1925 notwithstanding that forfeiture may be avoided otherwise than by relief granted by the Court
- (c) the preparation service and enforcement of any notice under paragraph 5 of Part II of this schedule or any schedule of dilapidations served during the Term or within six months after Determination

4 VAT

4.1 Any sum payable under this Lease by the Tenant to the Landlord shall be treated as exclusive of VAT and the Tenant shall on the same date pay any VAT properly chargeable in respect of such sum or consideration

4.2 Where the Tenant is obliged to pay or reimburse any expenditure incurred by the Landlord under this Lease the Tenant shall pay an amount equal to the VAT on that expenditure which due to the act or default of the Tenant the Landlord is unable to recover as an input

5 Interest

- 5.1 If the Basic Rent or any part of it is not paid in cleared funds in the Landlord's hands on the date on which it is due or if any other sum due under this Lease is not paid within 7 days after becoming due (whether or not demanded except where a demand is required by this Lease) the sum in question shall carry interest (before or after any Court Order) at the Interest Rate for the period from the date on which it became due until the date of actual payment and that interest shall be paid by the Tenant on written demand by the Landlord
- 5.2 If the Landlord refuses to accept the Basic Rent or any other sum due under this Lease because a Relevant Event has occurred and the Landlord does not wish to waive its rights under clause 5 then such unpaid sums shall nevertheless bear interest under paragraph 5.1 of this schedule until the date the sum in question is accepted by the Landlord

6 Indemnities

- 6.1 To be responsible for and keep the Landlord indemnified against all damage damages losses costs expenses actions demands proceedings claims taxes levies or charges and liabilities made against or suffered by the Landlord caused by or in any way arising out of:
- (a) any act omission or negligence of the Tenant or any person at the Demised Premises or on the Complex expressly or impliedly with the Tenant's authority; or
 - (b) any breach or non-observance by the Tenant of the covenants conditions or other provisions in this Lease; or
 - (c) injury to any persons (including officers or servants of the Landlord) the infringement disturbance or destruction of any right easement or privilege and damage to property (moveable or immovable) caused by or in any way arising out of the condition or use of the Demised Premises or anything kept within the same or the carrying out of any work to the Demised Premises including any matters arising in respect of section 4 of the Defective Premises Act 1972; or
 - (d) the Tenant's use of the Demised Premises
- 6.2 If any payment made by the Tenant to the Landlord under this Lease by way of indemnity or on an indemnity basis ("the initial payment") is taxable in the Landlord's hands the sum payable shall be increased so that after payment of the tax on it the Landlord retains a net sum equal to the initial payment

7 Shared Items

Save where such items fall to be payable within the Service Charge the Tenant shall pay to or reimburse the Landlord a fair and proper proportion (as reasonably determined by the Landlord) within fourteen days of written demand of the cost of repairing and maintaining any facilities or things which are used or shared with other property and if necessary the cost of rebuilding or replacing them

8 To Remedy Breaches

The Tenant shall remedy any breach of its obligations under this Lease within such reasonable period as the Landlord may specify provided that if the Tenant shall fail to comply with such notice the Landlord may enter the Demised Premises (if necessary) and remedy the breach itself and recover the cost of so doing within fourteen days of written demand as a debt from the Tenant

Part II

Repairs Alterations and Decoration

1 Repair

- 1.1 To keep the Demised Premises in good and substantial repair and condition and to the extent necessary to comply with such obligation reinstate rebuild or renew each part of them where beyond economic repair
- 1.2 To keep all Landlord's fixtures and fittings and the Service Media and Plant in and exclusively serving the Demised Premises properly maintained and in good working order and condition and in doing so to employ reputable contractors to regularly inspect and service as often as reasonably necessary the same and renew or replace the same where beyond economic repair or any part as and when necessary with new ones of at least equal type and quality

2 Decoration

- 2.1 In this paragraph "**Decorate**" means to carry out in a good and workmanlike manner and to a high standard in keeping with modern practice the preparation and decoration with good quality paint or other appropriate treatment or preservative and/or the cleaning washing down re-pointing and reinstating of all tiles and finishes of the Demised Premises and/or the papering and plastering of areas so decorated all to the Landlord's reasonable satisfaction and "**Decoration**" and "**Redecorate**" shall be construed accordingly
- 2.2 To keep the interior of the Demised Premises Decorated and to Redecorate them in the last year of the Term having first obtained Consent to the colour scheme which Consent shall not be unreasonably withheld or delayed

3 Insured Risk

Paragraphs 1 and 2 shall not apply to the extent that any lack of repair or Decoration is caused by damage by an Insured Risk (unless paragraph 6 of schedule 5 applies)

4 Cleaning

To keep the Demised Premises (and its curtilage) and the Tenant's fixtures and fittings in a clean and tidy condition free from rubbish and other articles

5 Tenant's Breach

- 5.1 If the Tenant is in breach of any of paragraphs 1-4 then in addition to any other rights which the Landlord may have:
- (a) the Landlord may serve on the Tenant written notice specifying the breach in question and
 - (b) the Tenant shall as soon as practicable after receipt of that notice and in any event within two months (or sooner in emergency) commence and proceed with all due speed to remedy the breach and
 - (c) if the Tenant fails to comply with paragraph 5.1(b) the Landlord may enter the Demised Premises and carry out the relevant work and all costs incurred by the Landlord in so doing shall be a debt from the Tenant to the Landlord which the Tenant shall pay within fourteen days of written demand
- 5.2 The Tenant shall give written notice to the Landlord immediately on becoming aware of:
- (a) any damage to or destruction of the Demised Premises or the Complex or

- (b) any defect or want of repair in the Demised Premises or the Complex (including without limitation any relevant defect within the meaning of section 4 Defective Premises Act 1972) which the Landlord is liable to repair under this Lease or which the Landlord is or may be liable to repair under common law or by virtue of any Enactment

6 Yielding up on Determination

- 6.1 On Determination the Tenant shall yield up the Demised Premises to the Landlord with vacant possession in a state of repair condition and decoration which is consistent with the Tenant's repair and condition covenants in this Lease
- 6.2 If at Determination the Tenant leaves any fixtures fittings or other items in the Demised Premises for more than ten days after the Determination date the Landlord may treat them as having been abandoned and may remove destroy or dispose of them as the Landlord wishes and the Tenant shall pay to the Landlord within fourteen days of written demand the cost of this and indemnify the Landlord against any and all resulting liability
- 6.3 Immediately before the end of the Term if and to the extent required by the Landlord in writing six months prior to the end of the Term (but not otherwise) the Tenant shall:
 - (a) reinstate all alterations additions or improvements made by the Tenant to the Demised Premises at any time during the Term (or pursuant to any agreement for lease made before the start of the Term) and where this involves the disconnection of Service Media or Plant the Tenant shall ensure that the disconnection is carried out properly and safely and that the Service Media and Plant suitably sealed off or capped and left in a safe condition
 - (b) replace any of the Landlord's fixtures and fittings which shall be missing damaged beyond economic repair or destroyed with new items of at least equal type and quality (or at the Landlord's option pay to the Landlord the reasonable cost of replacing them)
 - (c) remove from the Demised Premises any Sign of the Tenant or any occupier of the Demised Premises
- 6.4 The Tenant shall make good any damage caused in complying with paragraph 6.3 and shall carry out all relevant works (including the making good of damage) to the reasonable satisfaction of the Landlord
- 6.5 If at Determination the Demised Premises are not left in the state required by this paragraph 6 the Tenant shall pay mesne profits to the Landlord within fourteen days of written demand (in addition to any other sums payable as a result of that breach of covenant) equal to the Basic Rent which would have been payable under this Lease had there been no such Determination for the period from the date of Determination to the date upon which the Landlord (acting expeditiously) has put (or might reasonably have put) the Demised Premises into the state in which they should have been left

7 Alterations

- 7.1 The Tenant shall make no alteration addition or improvement to the Demised Premises whether structural or otherwise except as expressly permitted under paragraphs 7.2 and 7.3.
- 7.2 The Tenant may carry out alterations additions or improvements to the interior of the Demised Premises which do not affect the exterior or the external appearance of the Demised Premises and which do not affect the Main Structure where:
 - (a) the Tenant has submitted to the Landlord plans and specifications showing the proposed works
 - (b) the Tenant has obtained and supplied copies to the Landlord of all Necessary Consents to carry out the proposed works

- (c) the Tenant has notified the Landlord of the valuation of the proposed works for insurance purposes
 - (d) the Tenant has given to the Landlord such covenants relating to the carrying out of the proposed works as the Landlord may reasonably require and
 - (f) the Tenant has obtained Consent to the works (which shall not be unreasonably withheld or delayed)
- 7.3 The Tenant shall be permitted to install and remove demountable partitions within the Demised Premises without requiring the consent of the Landlord.
- 7.4 In carrying out any work for which the Landlord has given Consent under paragraph 7.2 the Tenant shall:
- (a) comply in all respects with all Necessary Consents relating to those works
 - (b) comply with the reasonable requirements of the Insurers
 - (c) comply with the reasonable requirements of the Landlord and permit it to enter the Demised Premises at a reasonable time and after not less than five days' prior notice for the purpose of inspecting the progress of those works
 - (d) not overload the Service Media or Plant
 - (e) carry out the same in a good and workmanlike manner with good quality materials to the reasonable satisfaction of the Landlord
- 7.4 To the extent that any works undertaken by or on behalf of the Tenant fall within the scope of the CDM Regulations the Tenant:
- (a) acknowledges and accepts that it will be the client in relation to any works for the purposes of the CDM Regulations and shall perform all the duties imposed on client by the CDM Regulations in relation to them; and
 - (b) if the works are notifiable under the CDM Regulations supply to the Landlord a copy of the health and safety file prepared for the purpose of the CDM Regulations within one month of the works being completed and shall deliver the original health and safety file to the Landlord on Determination

8 Signs

The Tenant shall not fix or display in or on the Demised Premises or any other part of the Complex any flag advertisement poster billboard Sign radio television or other aerial or satellite dish save as permitted under Schedule 2 of this Lease

Part III

User Provisions

1 Use

- 1.1 The Tenant shall use the Demised Premises solely for the Permitted Use
- 1.2 The Tenant shall not use the Demised Premises:

- (a) for any purpose or activity which is illegal immoral noisy noxious dangerous or offensive or for the burning or incineration of waste or rubbish
- (b) for the wholesale or retail sale of any goods or as a sex shop a betting office for an auction public religious or political meeting or for gambling
- (c) as offices to which members of the public are normally admitted otherwise than by way of appointment
- (d) in a way which in the reasonable opinion of the Landlord may be or become a nuisance to or cause damage or annoyance to the Landlord or any other person or any neighbouring property
- (e) for a purpose which involves any substance harmful to the Demised Premises or the Complex
- (f) in a way which may result in the disapplication of the Landlord's election to waive exemption in respect of the Demised Premises under paragraph 2(1) of Schedule 10 to the Value Added Tax Act 1994
- (g) for the purpose of residing or sleeping
- (h) for storage or manufacturing (other than prototype manufacture) or other industrial use (unless such use is ancillary or incidental to the Permitted Use)
- (i) for any purpose which involves or is in any way ancillary to or connected with conducting experiments on live animals nor for any purpose involving the development and manufacture of passenger road vehicles for the mass market
- (j) for vivisection or any purpose associated with vivisection
- (k) for the primary activity of providing academic or vocational training

1.3 The Tenant shall not enter into any covenant in favour of any person (other than the Landlord) nor require a covenant from any person the effect of which is to restrict the use of the Demised Premises further than it is already restricted by this Lease

2 Regulations

2.1 The Tenant shall and shall take all reasonable steps to procure that all occupiers of and visitors to the Demised Premises shall:

- (a) ensure that the delivery and despatch of goods mail and other items to the Demised Premises and access for workmen servicing deliveries and materials shall only take place through the Common Parts and through the service entrances lifts stairs and corridors as are reasonably designated for those purposes by the Landlord and notified to the Tenant in writing from time to time and in using such lifts stairs and corridors the Tenant shall procure that such protective measures as are reasonably necessary are taken
- (b) ensure that no electrical or other equipment shall be installed in the Demised Premises that causes material and frequent electrical or other interference to television radio telecommunications or other equipment belonging to the Landlord
- (c) dispose of rubbish in suitable containers and in the manner reasonably required by and to the reasonable satisfaction of the Landlord and not to store deposit or exhibit any goods articles or rubbish so that the same may be visible from outside the Demised Premises

- (d) ensure that no sound from loudspeakers or other artificially generated noise or flashing lights which can be heard or be visible outside the Demised Premises shall be created within the Demised Premises or that any machinery is used which may cause material vibration to be felt outside the Demised Premises or which may damage the Main Structure
- (e) maintain to the reasonable satisfaction of the Landlord adequate fire prevention apparatus upon the Demised Premises and shall from time to time remove from the Demised Premises all inflammable material as quickly as possible upon becoming aware of such material
- (f) not exhibit or place any articles of any kind outside the Demised Premises
- (g) ensure the Demised Premises are locked when not in use
- (h) not leave the Demised Premises empty for more than one month without:
 - i) notifying the Landlord in writing
 - ii) providing such security arrangements as the Landlord reasonably requires
- (j) not park any motor cars or other vehicle except in the places in the Car Park specifically allocated by the Landlord from time to time (if any) without additional charge other than Service Charge and to ensure that any such motor cars or other vehicles are taxed and roadworthy
- (k) not obstruct the Common Parts and so far as reasonably practicable to maintain and contribute to the respectability security and good order and conduct of the Complex by complying with the Landlord's reasonable Regulations first communicated to the Tenant in writing in relation thereto
- (l) not at any time to obstruct the fire escape routes or use the fire escape doors for any purpose except for the purpose of emergency escape routes from the Building.
- (m) comply with the Landlord's reasonable Regulations first communicated to the tenant in writing with regard to smoking on the Complex

3 Legal Obligations and Necessary Consents

- 3.1 The Tenant shall comply with all Legal Obligations relating to the Demised Premises and its use of the same
- 3.2 Where the Tenant receives from an Authority any formal notice relating to the Demised Premises (whether or not the notice is of a Legal Obligation) it shall promptly send a copy to the Landlord and if requested by the Landlord at its own reasonable cost to make or join in making such objections representations or appeals in respect of it as the Landlord may reasonably require
- 3.3 Not to do in or near the Demised Premises any act or thing by reason of which the Landlord may under any Legal Obligation incur have imposed upon it or become liable to pay any penalty damages compensation costs charges or expenses
- 3.4 Where any Legal Obligation requires the carrying out of works to the Demised Premises the Tenant shall (to the extent required by this Lease) apply for Consent and any Necessary Consents to carry out the works and after obtaining them the Tenant shall carry out the works to the reasonable satisfaction of the Landlord acting reasonably
- 3.5 Where the Legal Obligation requires the carrying out of works both on the Demised Premises and any other property the Landlord may carry out those works and the Tenant shall pay to the Landlord within fourteen days of written demand a fair and reasonable proportion of the proper cost of those works which relate to the Demised Premises

- 3.6 Before doing anything at the Demised Premises which requires any Necessary Consents (and whether or not the Landlord shall have issued its Consent to that matter under the other provisions of this Lease) the Tenant shall:
- (a) obtain all Necessary Consents for the purpose; and
 - (b) produce copies of all Necessary Consents (and its applications for the same) to the Landlord; and
 - (c) obtain the approval of the Landlord (which shall not be unreasonably withheld or delayed) to the Necessary Consents and the implementation of them
- 3.7 Where any Necessary Consent implemented by the Tenant or any undertenant or permitted occupier of the Demised Premises requires works to be carried out by a date subsequent to the end of the Term the Tenant shall ensure that those works are completed before Determination
- 3.8 The Tenant must co-operate with the Landlord and provide such information and assistance as the Landlord may reasonably require to enable the Landlord to comply with its obligations (if any) under the CRC

4 Service Media

- 4.1 The Tenant shall not use the Service Media or the Plant:
- (a) for any purpose other than that for which they are designed or
 - (b) so as to exceed the capacity for which they are designed
- 4.2 The Tenant will keep clean and free from obstruction all Service Media and Plant serving the Demised Premises

5 Overloading and Damage

- 5.1 The Tenant shall not overload any part of the Demised Premises or the Building by bringing into the Demised Premises or allowing to remain there any safe or other heavy article that may damage any lift within the Building or any part of the Main Structure
- 5.2 The Tenant shall not without Consent suspend anything from any wall or ceiling in the Demised Premises (provided that in considering whether to give Consent the Landlord may consult with an appropriately qualified engineer whose reasonable costs shall be paid by the Tenant within fourteen days of written demand)
- 5.3 The Tenant shall not knowingly do anything on the Demised Premises which would or might remove support from or endanger any Adjoining Property or any part of the Complex

6 Rights and Easements

- 6.1 The Tenant shall not grant to any third party any rights of any nature over the Demised Premises
- 6.2 The Tenant shall preserve all easements and rights currently enjoyed by the Demised Premises and in particular (without limitation) will not obstruct any of the windows of the Demised Premises
- 6.3 The Tenant shall use reasonable endeavours not to do or omit to do anything whereby any right of prescription may arise against the Landlord

7 Entry by Landlord

- 7.1 Upon reasonable prior written notice (except in emergency when no notice need be given) the Tenant shall permit the Landlord and those authorised by it at all reasonable times following prior written notice (except in the case of an emergency) to enter (and remain unobstructed on) the Demised Premises for the purpose of exercising any of the rights reserved by this Lease in schedule 3. The Landlord shall cause as little damage and inconvenience as possible and promptly make good any resulting damage caused to the Demised Premises or any contents including tenant's or trade fixtures and fittings to the Tenant's reasonable satisfaction.
- 7.2 The Tenant shall upon written request supply the Landlord with telephone numbers via which at least two keyholders of the Demised Premises can be contacted at any time in the case of emergency

8 Title Matters

- 8.1 The Tenant shall observe and perform all covenants in respect of the Demised Premises arising from the Title Matters

9 Plans and Information

If called upon to do so in writing to supply the Landlord with all plans information and documents and other evidence that the Landlord may reasonably require (but not more than once in a year) to:

- (a) satisfy itself that the provisions of this Lease are being complied with
- (b) enable it to consider any application for Consent made by the Tenant
- (c) implement any rent review
- (d) carry out any step or procedure under the Landlord and Tenant Act 1954

Part IV

Dealings with the Demised Premises

1 General Prohibition

Except where permitted by this Lease the Tenant shall not assign underlet charge part with or share possession or occupation of all or any part of the Demised Premises in any way nor hold the Demised Premises on trust or as the agent for any other person

2 Limit of Consent

Any Consent granted under this Part of this schedule shall (unless it expressly states otherwise) only be valid if the dealing to which it relates is completed within three months after the date of the Consent

3 Notice of Dealings

Within fourteen days after any dealing with or transmission or devolution of the Demised Premises or any interest in it the Tenant shall give to the Landlord notice in duplicate specifying the basic particulars of the matter in question and at the same time supply a certified and stamped copy of any instrument making or evidencing it and pay a registration fee of £40 or such higher sum as shall be reasonably specified by the Landlord at the time

4 Provision of Occupier Information

From time to time on written demand (but not more than once in a year) during the Term the Tenant shall provide the Landlord with particulars of all derivative interests of or in the Demised Premises

including particulars of rents rent reviews permitted uses and service and maintenance charges payable in respect of them and the identity of the occupiers of the Demised Premises

5 EPCs and CRC

- (a) The Tenant shall not obtain an EPC until the Landlord has approved the energy assessor to be instructed to prepare and issue it (such approval not to be unreasonably withheld or delayed) and shall promptly provide to the Landlord a copy of any EPC received by the Tenant
- (b) The Tenant shall co-operate with the Landlord and provide such information and assistance as the Landlord may reasonably require to enable the Landlord to comply with its obligations (if any) under the CRC.

Schedule 6
Landlord's Covenants

1 Quiet Enjoyment

(That for so long as the Tenant complies with the obligations on its part contained in this Lease) to allow the Tenant to hold and use the Demised Premises during the Term without any interruption (except as authorised by this Lease) by the Landlord or by any person lawfully claiming through under or in trust for the Landlord

2 Title Matters

To observe and perform its covenants in the Title Matters (except to the extent that the same are the Tenant's responsibility under this Lease)

3 Insurance

To observe and perform the covenants on its part contained in schedule 4

4 Service Charge

To observe and perform the covenants on its part contained in schedule 7

Schedule 7
Service Charge

Part I - The Mechanics

1 Definitions

- 1.1 **"Building Charge"** means the Building Percentage of the Building Costs in any Charging Period
- 1.2 **"Building Common Parts"** means those Common Parts wholly within or exclusively serving the Building
- 1.3 **"Building Costs"** means the aggregate costs of (so far as the same relate to the Building Services) the items listed in Part III of this schedule
- 1.4 **"Building Percentage"** means a fair and reasonable proportion as conclusively determined by the Landlord but which in the absence of special circumstances will be primarily based on the proportion which the Internal Area of the Demised Premises bears to the Internal Area of the Lettable Areas in the Building
- 1.5 **"Building Services"** means those services carried out by the Landlord to or for the Building as set out in Part II of this schedule
- 1.6 **"Calculation Date"** means the 31 December in any year or such other date or dates in each year of the Term as the Landlord may by written notice stipulate
- 1.7 **"Charging Period"** means the periods:
- (a) from the commencement of the Term to (and including) the first Calculation Date occurring immediately after the commencement of the Term; and then
 - (b) between two consecutive Calculation Dates (excluding the first Calculation Date but including the second Calculation Date in that period); and then
 - (c) from (and including) the Calculation Date occurring immediately prior to Determination up to Determination
- 1.8 **"Complex Charge"** means the Complex Percentage of the Complex Costs in any Charging Period
- 1.9 **"Complex Common Parts"** means those Common Parts serving the Complex which do not form part of the Building Common Parts or the Common Parts of the Other Buildings
- 1.10 **"Complex Costs"** means the aggregate costs of (so far as the same relate to the Complex Services) the items listed in Part III of this schedule
- 1.11 **"Complex Percentage"** means a fair and reasonable proportion as conclusively determined by the Landlord but which in the absence of special circumstances will be primarily based on the proportion which the Internal Area of the Demised Premises bears to the Internal Area of all the Lettable Areas of the Complex
- 1.12 **"Complex Services"** means those services provided by the Landlord for the Complex set out in Part II of this schedule
- 1.13 **"Interim Charge"** means the Landlord's reasonable estimate of the Service Charge which will be payable by the Tenant during a Charging Period
- 1.14 **"Lettable Area"** means any part of the Complex (including the Demised Premises) designed or intended for letting or exclusive occupation (except in connection with the management of the

Complex) the boundaries of any Lettable Area being determined in the same manner as the boundaries of the Demised Premises under schedule 1

- 1.15 **"Managing Agent"** means any party from time to time appointed by the Landlord to manage the Complex (who may be an employee of the Landlord)
- 1.16 **"Other Buildings"** means those parts of the Complex (but not the Building) where a building charge (equivalent to the Building Charge) is charged by the Landlord from time to time
- 1.17 **"Reserve Fund"** means the funds (if any) from time to time established by the Landlord to meet the cost of any of the Services which the Landlord anticipates may be required in the future
- 1.18 **"Services"** means both the Complex Services and the Building Services
- 1.19 **"Service Charge"** for any Charging Period means the Building Charge and the Complex Charge
- 1.20 **"Service Charge Code"** the RICS Code of Practice known as "Service Charges in Commercial Property Third Edition which is effective from 4th February 2014 or such subsequent edition as is in force from time to time
- 1.21 **"Statement"** means the service charge statement issued pursuant to paragraph 3.3

2 The Performance of the Services

- 2.1 Subject to the Tenant paying the Service Charge the Landlord shall use all reasonable endeavours to perform such of the Services as the Landlord from time to time and in such manner as the Landlord reasonably considers appropriate in accordance with the aims core principles and best practice recommended in the Service Charge Code and may choose to increase the scope of add to alter vary suspend or discontinue any of the Services where it considers it reasonable or appropriate to do so having regard to the principles of good estate management
- 2.2 Notwithstanding paragraph 2.1 the Landlord shall not be obliged to provide the Services where:
 - (a) it is prevented from doing so by circumstances beyond its reasonable control including without limitation breakdown damage the need for inspection or repair shortage of labour fuel equipment or materials and inclement weather
 - (b) the Services in question cannot reasonably be provided as a result of works of alteration inspection or repair or any other works being carried out at the Complex
 - (c) the Tenant has failed to give the Landlord written notice of the failure of the Services in question

but in the circumstances set out in paragraphs 2.2(a) or 2.2(b) the Landlord shall use all reasonable endeavours to restore the relevant Service in question as soon as reasonably practicable
- 2.3 In performing any of the Services the Landlord shall be entitled to employ such agents contractors and individuals as it may think fit (including a Group Company of the Landlord) and to delegate its duties and powers to them (such parties' fees forming part of the Complex Costs and/or the Building Costs (as the case may be)
- 2.4 The Landlord shall not be liable to the Tenant in respect of any act omission or negligence of any person undertaking the Services or any of them for or on behalf of the Landlord
- 2.5 If at any time during the Term the total property enjoying the benefit of the Services is increased or decreased or if any other event occurs the result of which is that the Building Percentage and/or the Complex Percentage (whether or not relating to individual items of expenditure) is no longer appropriate to the Demised Premises the Landlord shall be entitled to vary the said percentage to such other percentage as is fair and reasonable in all the circumstances

2.6 If at any time the Landlord supplies or provides services additional to the Services or the provision of any of the Services is attributable to any particular tenant or tenants ("the Additional Services") the Landlord may exclude the cost of the Additional Services from the Building Costs and/or the Complex Costs and charge them to particular tenants according to user and where the Additional Services are charged to the Tenant the Tenant shall pay to the Landlord within fourteen days of written demand the costs properly incurred by the Landlord in respect of the Additional Services (or a fair and reasonable proportion of such costs where the Additional Services are provided to the Tenant and other tenants of the Complex)

2.7 In carrying out the Services the Landlord will:

- (a) act in good faith
- (b) in accordance with the principles of good estate management
- (c) use all reasonable endeavours to do so:
 - (i) to a reasonable standard
 - (ii) in a reasonably efficient and economic manner
 - (iii) so that only items beyond reasonable economic repair are renewed or replaced (save that in the case of decorating any part of the Complex the Landlord may decorate replace or refurbish the same at any time provided it acts reasonably)
 - (iv) in accordance with the aims core principles and best practice recommended in the Service Charge Code

2.8 The Landlord will at the request of the Tenant provide a copy of any valid EPC from time to time held by the Landlord

3 Calculation and Payment of Service Charge

3.1 The Landlord will notify the Tenant before or during any Charging Period of the Interim Charge payable by the Tenant during that Charging Period

3.2 The Tenant shall pay the Interim Charge by four equal instalments on the Payment Days

3.3 As soon as practicable after each Calculation Date the Landlord will supply the Tenant with the Statement certified by the Landlord or the Managing Agent as containing a fair and complete summary of:

- (a) the Building Costs for the Charging Period
- (b) the Complex Costs for the Charging Period
- (c) the amount of the Building Costs and/or the Complex Costs which have been credited to any Reserve Fund or which the Landlord intends to credit to it
- (d) the amount of any of the Building Costs and/or the Complex Costs which have been paid from any Reserve Fund or received from any insurer tenant or other person not being a tenant or occupier of the Complex
- (e) the total standing to the credit of any Reserve Fund
- (f) the total of the Interim Charge collected from the Tenant during the relevant Charging Period

- (g) the Building Charge for the Charging Period
 - (h) the Complex Charge for the Charging Period
 - (i) the Service Charge for the Charging Period
- 3.4 If the Service Charge exceeds the Interim Charge the Tenant shall pay the excess to the Landlord within seven days of receipt of the Statement
 - 3.5 If the Service Charge is less than the Interim Charge then the shortfall shall be set off against any other moneys due from the Tenant to the Landlord under this Lease and any balance shall be credited against the next payment of the Interim Charge or (following the end of the Term) paid promptly to the Tenant
 - 3.6 Any omission by the Landlord to include within the Statement in any Charging Period a sum expended or a liability incurred in that period shall not preclude the Landlord from including that sum or amount in any subsequent Charging Period
 - 3.7 The Tenant shall not be entitled to dispute any item of the Building Costs and/or the Complex Costs by reason only of an allegation that the Services in question could have been provided or costs incurred at a cost less than that in fact incurred by the Landlord
 - 3.8 For a period of one month after delivery of the Statement the Landlord will make available any receipts or invoices evidencing expenditure of the Building Costs and/or the Complex Costs for inspection by the Tenant at the offices of the Landlord or the Managing Agent during normal business hours by appointment
 - 3.9 The Statement shall be prepared by a suitably qualified person (who may be an employee of the Landlord) and shall (in the absence of manifest error) be conclusive and final and binding on the parties
 - 3.10 No invalidity of any part of the Statement shall affect the validity of any other part of the Statement
 - 3.11 Where the Landlord is undertaking major works it may elect to apportion the cost so incurred over one or more Charging Periods

Part II

The Services

- 1 In Parts II and III of this schedule any reference to:
 - 1.1 **"the Common Parts"** shall be construed as meaning:
 - (a) **"the Complex Common Parts"** for the purpose of determining the Complex Services; or
 - (b) **"the Building Common Parts"** for the purpose of determining the Building Services
 - 1.2 **"the Property"** shall be construed as meaning:
 - (a) **"the Complex"** for the purpose of determining the Complex Services; or
 - (b) **"the Building"** for the purpose of determining the Building Services

and any dispute between the parties as to whether any item forming part of the Services should be a Complex Cost or a Building Cost shall be settled by the Managing Agent who shall act fairly and impartially between the parties and whose decision (save in the case of manifest error) shall be conclusive and binding on the parties)

2 The Services are:

2.1 Repair Cleaning and Decoration

- (a) the repair decoration inspection testing maintenance altering rebuilding reinstating and renewal of the Common Parts and the exterior of the Property
- (b) the cleaning of the Common Parts and the exterior of the Property
- (c) the maintenance and landscaping of the grounds of the Property
- (d) the cleaning of the windows of the Property (both interior and exterior)

2.2 Amenity Services

- (a) the provision and maintenance of a lift service
- (b) the provision of lighting (including security floodlighting) to the Common Parts when required
- (c) the provision of adequate heating to the Property
- (d) the provision of air-conditioning comfort cooling or other appropriate ventilation to the Property
- (e) the provision of hot and cold water to any hot or cold taps in the Property
- (f) the provision of towels soap and other requisites to any toilets in the Common Parts
- (g) the provision of such equipment as the Landlord reasonably considers appropriate to any kitchen in the Common Parts

2.3 Security

- (a) the provision and maintenance of appropriate or useful signs or notices in the Common Parts and the provision and operation of any other signs flags flag poles directional signage and traffic control systems name boards and/or communal signboards for the general benefit of the occupiers of the Property
- (b) the provision and operation of a security patrol and/or security observation system and/or other security equipment as the Landlord reasonably considers appropriate for the Property
- (c) the provision and operation in the Property of such fire prevention fire fighting and fire alarm and detection equipment and emergency lighting and signs as may be required by any Authority or Enactment or by the Insurers
- (d) providing a reception or security desk within the Common Parts

2.4 Equipping the Common Parts

- (a) the provision of carpets and furniture and the equipping of the Common Parts as the Landlord reasonably considers appropriate
- (b) the provision either permanently or at times which the Landlord reasonably considers appropriate of pictures floral displays and other decorations art and/or water features in the Common Parts
- (c) provision, cleaning, maintaining, repairing, operating and replacing fire prevention, detection and fighting machinery and equipment on the Common Parts

2.5 Refuse

the provision, cleaning, maintaining, repairing and replacing of refuse bins compactors and the operation of a refuse collection service for the Property

2.6 EPCs

the provision of EPCs

2.7 General

the provision of any other works services or facilities which the Landlord from time to time reasonably considers appropriate for the purpose of maintaining improving or modernising the Services or facilities in or for the Property and the Common Parts and which are for the general benefit of all or substantially all the occupiers of the Property and which are in keeping with the principles of good estate management

Part III

The Costs

1 Costs

The Building Costs and the Complex Costs shall include all costs and expenses properly incurred by the Landlord in the operation and management of the Property and the provision of the Services to it including without limitation:

1.1 The Services:

- (a) the cost of providing the Services
- (b) the cost of (and CRC Costs reasonably attributed by the Landlord to) all fuel or other energy sources for the Property
- (c) the cost of leasing any item required in connection with the Services and effecting insurance of the Plant or Service Media or any other insurances (including employers third party and public liability insurances) that the Landlord reasonably requires
- (d) such sums as the Landlord may in the interests of good estate management consider desirable to retain by way of a Reserve Fund
- (e) the cost of removing any obstruction from the Common Parts or abating any nuisance in the Common Parts

1.2 Third Party Payments:

- (a) any reasonable costs which the Landlord may be properly required to pay to other parties in respect of the repair decoration inspecting testing maintenance or renewal of any areas or structures used in common with other parties
- (b) the Outgoings attributable to the Common Parts
- (d) the proper cost of complying with making representations against or otherwise contesting the incidence of any Legal Obligation which will affect the Property

1.3 Managing Agents and other Fees:

- (a) the cost of employing or retaining the Managing Agent for managing the Property and collecting all rents and service charges (but not any costs arising as a result of those rents

and/or service charges being in arrears) due from the occupiers of the Lettable Areas (provided that where this task is undertaken by the Landlord or a Group Company of the Landlord then the Managing Agent's costs shall be deemed to be an amount equal to 10% of the aggregate of the Complex Costs and the Building Costs)

- (b) the cost of employing (and terminating the employment of) or retaining staff reasonably required to provide the Services including all incidental expenditure relating to that employment which without limitation shall include expenditure on pensions insurance health welfare industrial training levies redundancy clothing tools machinery equipment and vehicles and the provision of residential and other accommodation reasonably determined by the Landlord in connection with such employment which in each case the Landlord considers are required for the proper performance by the staff in question of their duties
- (c) all professional charges fees and expenses payable by the Landlord in respect of any of the Services or the Building Costs and/or the Complex Costs
- (d) the cost of calculating the Service Charge for each tenant and the preparation and issue of certificates accounts and audits in respect of the Service Charge
- (e) the cost of any other individual firm or company employed or retained by the Landlord to perform or in connection with any of the Services
- (f) the cost of entering into any contracts for the provision of Services

1.4 Tax and Interest:

- (a) all VAT payable by the Landlord in respect of the Building Costs and/or the Complex Costs so far as it is not recoverable by the Landlord as an input due to the act or default of the Tenant

2 Exclusions

2.1 The Building Costs and/or the Complex Costs shall not include:

- (a) (where and to the extent the Landlord has incurred expenditure in or incidental to making good any loss or damage covered by any Insurance Policy where the Tenant has paid to the Landlord the whole or part of the relevant premium) any sums which the Landlord recovers under the Insurance Policy
- (b) (where and to the extent the Landlord has incurred expenditure in or incidental to providing any of the Services which are recoverable (in whole or in part) from any person other than the Tenant or any other tenant of the Property) any sums which the Landlord recovers from any such person (less any irrecoverable costs in securing that payment)
- (c) any expenditure in respect of the maintenance or repair of any part of the Property or anything within the same that is the exclusive responsibility of any tenant of any Lettable Area
- (d) all costs (including professional fees of whatsoever description) incurred by or on behalf of the Landlord in connection with the original construction of and equipping and fitting out of the Complex or any part or parts thereof or anything originally installed within it
- (e) the costs of the first EPC to be provided to the Tenant

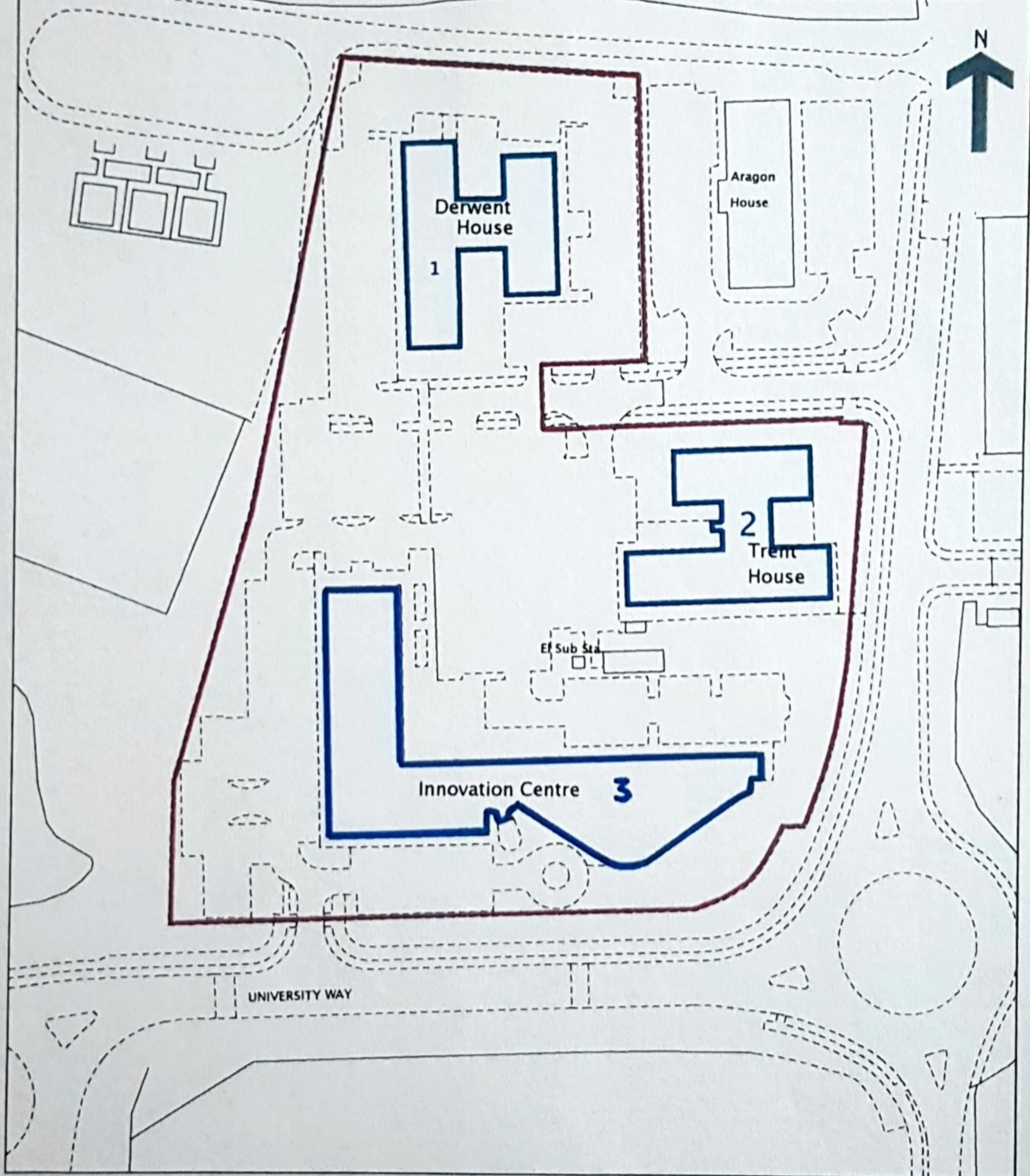
2.2 The Service Charge shall not be increased or altered by reason only that at any relevant time any other Lettable Area may be vacant or be occupied by the Landlord or that any tenant or occupier of any other Lettable Area may be in default in payment of its Service Charge

Land Registry
Official copy of
title plan

Title number **BD311748**
Ordnance Survey map reference **SP9341NE**
Scale **1:1250 enlarged from 1:2500**
Administrative area **Central Bedfordshire**

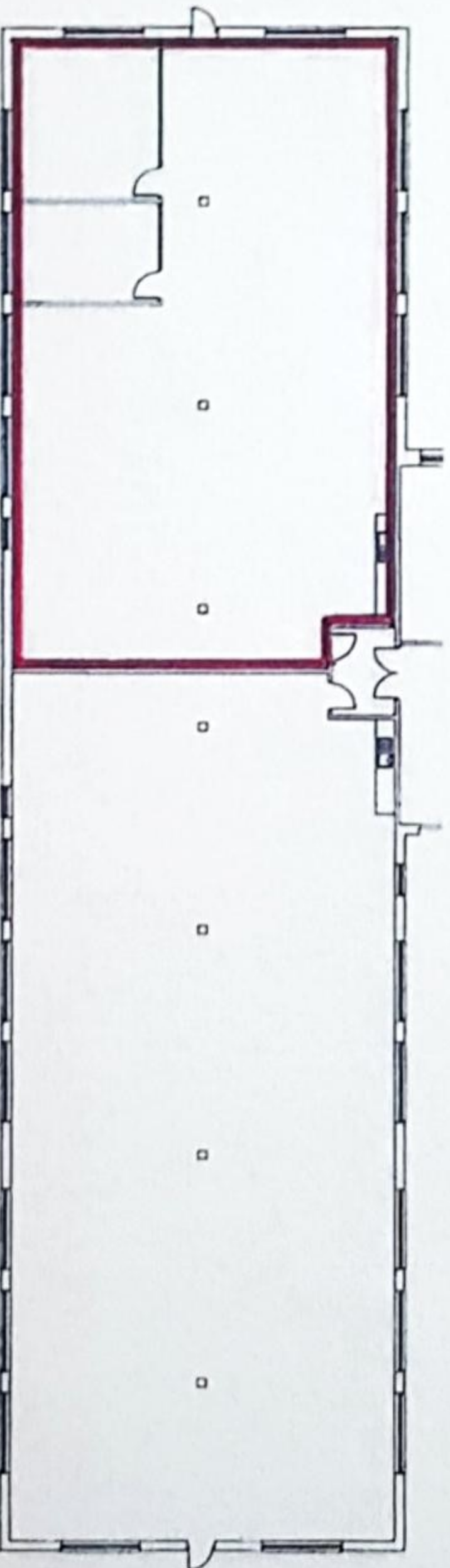


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A handwritten signature in black ink.

[Handwritten signature]



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JOB TITLE

EXISTING LAYOUT OF SUITE
GROUND FLOOR
DERMENT HOUSE
CRAINFIELD TECH PARK

DRAWN BY: MCD DATE: 02/08/2019

DRAWING TITLE

EXISTING LAYOUT OF SUITE
GROUND FLOOR
DERMENT HOUSE
CRAINFIELD TECH PARK

DRAWING NUMBER
DERMENTHOUSE_GF_2.A

Executed as a deed by

**CRANFIELD TECHNOLOGY PARK INVESTMENTS
LIMITED**


Director

acting by a director, in the presence of:

.....

Witness Signature *D Francis*

Witness Name: *DANIEL FRANCIS*

Witness Address: *25 GABRIEL ROAD, WARE, SG12 0XW*

Witness Occupation *Qualified Accountant*

Signed as a deed by

DMT SOLUTIONS U.K LIMITED

.....
Director

acting by a director, in the presence of:

.....

Witness Signature

Witness Name:

Witness Address:

Witness Occupation