

**Counterpart
Lease**

relating to premises known as Factory Site, Mumby Road, Gosport

- (1) Cosalt plc
- (2) Cosalt International Limited

Dated *26 August* 2011

Osborne Clarke

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**Prescribed clauses under Schedule 1A of the
Land Registration Rules 2003**

LR1. Date of lease	26 August 2011
LR2. Title number(s)	<p>LR2.1 Landlord's title number HP714611</p> <p>LR2.2 Other title numbers</p>
LR3. Parties to this lease	<p>Landlord: Cosalt plc (Company Number 00019628) whose registered office is at Origin 4 Origin Way, Europarc, Grimsby, North East Lincolnshire, DN37 9TZ</p> <p>Tenant: Cosalt International Limited (Company Number 00553893) whose registered office is at Origin 4 Origin Way, Europarc, Grimsby, North East Lincolnshire, DN37 9TZ</p>
LR4. Property	<p>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.</p> <p>The Premises as defined in clause 1.1.</p>
LR5. Prescribed statements etc.	<p><i>LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003</i></p> <p>Not applicable</p> <p><i>LR5.2 This lease is made under, or by reference to, provisions of:</i></p> <p>Not applicable</p>
LR6. Term for which the Property is leased	The term as specified in the definition of Contractual Term in the Lease Particulars
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	<p><i>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</i></p> None <p><i>LR9.2 Tenant's covenant to (or offer to) surrender this lease</i></p> None <p><i>LR9.3 Landlord's contractual rights to acquire this lease</i></p> None
LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property	None
LR11. Easements	<p><i>LR11.1 Easements granted by this lease for the benefit of the Property</i></p> Contained in schedule 1 <p><i>LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property</i></p> Contained in schedule 2
LR12. Estate rentcharge burdening the Property	None
LR13. Application for standard form of restriction	The Parties to this lease apply to enter the following standard form of restriction against: <p>None</p>
LR14. Declaration of trust where there is more than one person comprising the Tenant	Not applicable

Lease Particulars

Landlord: Cosalt Plc
Company Number: 00019628
Registered Office: Origin 4 Origin Way, Europarc, Grimsby, North East Lincolnshire, DN37 9TZ

Tenant: Cosalt International Limited
Company Number: 00553893
Registered Office: Origin 4 Origin Way, Europarc, Grimsby, North East Lincolnshire, DN37 9TZ

Premises: Factory Site, Mumby Road, Gosport as registered under title number HP714611

Contractual Term: 10 years starting on the Term Start Date and expiring
[25 August 2021

Term Start Date: 26 August 2011

Initial Rent: £15,000.00 per year

Rent Start Date: 26 August 2011

Review Dates: 26 August 2013 and 2016

Permitted Use: Use within Classes B1(c) and/or B2 and/or B8 of the schedule to the 1987 Order with ancillary offices.

Break Date: 23 June 2013

Contracted out: The Lease is excluded from the security of tenure provisions of Part II of the 1954 Act.

Handwritten initials and signatures:
JK
JK
JK
JK

This Lease is made on the date stated and between the parties specified in the Prescribed Clauses.

It is agreed as follows:

1 Definitions and interpretation

1.1 In this Lease, unless the context otherwise requires, the following definitions and those set out in the Lease Particulars will apply:

"1954 Act" means the Landlord and Tenant Act 1954 (as amended).

"1987 Order" means the Town and Country Planning (Use Classes) Order 1987 (as amended).

"1995 Act" means the Landlord and Tenant (Covenants) Act 1995.

"2003 Order" means the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003.

"Authorised Guarantee Agreement" means as defined by section 28(1) of the 1995 Act.

"Authority" means any statutory, public, local or other competent authority or court of competent jurisdiction.

"Break Date" means 23 June 2013.

"Business Day" means a day (other than a Saturday or Sunday) on which clearing banks are open for business in the City of London.

"Conduits" means gutters, pipes, ducts, cables, aerials, tanks, sewers, drains, shafts, fire prevention and security installations and all other facilities of a similar nature together with all meters and other apparatus used in connection with them.

"Due Date" means in respect of:

- (a) the Yearly Rent, the Quarter Day it falls due, and
- (b) any other rents or sums and any VAT payable under this Lease, the date 10 Business Days after the date when payment is due.

"Due Proportion" means such fair and reasonable proportion as is conclusively certified by the Landlord's surveyor as representing the due proportion of the relevant expenditure reasonably attributable to the Premises.

"Environmental Law" means all laws, regulations, directives and codes of practice applicable to the United Kingdom relating to the protection of the environment (as defined in section 1(2) of the Environmental Protection Act 1990), pollution control and human, animal and plant welfare.

"Group Company" means a member of the same group (within the meaning of section 42(1) of the 1954 Act).

"Guarantor" means the party so named in the Lease Particulars (if any) and any person from time to time who guarantees the obligations of the Tenant in this Lease.

"Insolvent" means as defined in clause 5.1

"Insurance Rent" means the gross amount of all premiums and other expenses (including valuation fees and insurance premium tax) incurred by the Landlord in effecting and maintaining cover for the Premises against the items set out in paragraph 1 of schedule 4.

"Insured Risks" means (to the extent that cover for such risks is available at reasonable commercial rates) the risks of loss or damage by fire, lightning, storm, flood, explosion, earthquake, impact from vehicles, aircraft, articles dropped from aircraft, riot, civil commotion, malicious damage, bursting or overflowing of water tanks, apparatus or pipes and such other risks of a normally insurable nature against which the Landlord may, in its reasonable discretion, decide to insure from time to time.

"Interest" means interest at the Interest Rate (both before and after judgment) calculated on a daily basis from the Due Date until the date on which payment is made.

"Interest Rate" means 3% per year above the base lending rate from time to time of National Westminster Bank Plc (or such other bank as the Landlord may from time to time nominate) or (if base lending rates cease to be published) such other comparable rate of interest as the Landlord (acting reasonably) nominates.

"Landlord" means the party so named in the Lease Particulars and any person from time to time entitled to the immediate reversion to this Lease.

"Lease" means this lease (including the schedules) as supplemented or varied in writing from time to time whether by deed, licence or otherwise.

"Legal Obligations" means (under any jurisdiction whatever) all requirements of any law, treaty, statute, subordinate legislation or bye-law of any Authority at any time during the Term insofar as they relate to the Premises or their use or occupation or the business carried on by the Tenant at the Premises.

"Planning Acts" means "the consolidating Acts" as defined in the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991, the Planning and Compulsory Purchase Act 2004 and any other legislation relating to town and country planning in force from time to time.

"Premises" means the premises set out in the Lease Particulars (excluding any airspace above and subsoil below them) and the whole or any part of them as altered or added to from time to time including:

- (a) the Conduits within and exclusively serving them; and
- (b) all fixtures and fittings in them (except tenant's or trade fixtures and fittings).

"Prescribed Clauses" means the prescribed clauses under Schedule 1A of the Land Registration Rules 2003 appearing at the front of this Lease.

"Quarter Days" means 25 March, 24 June, 29 September and 25 December in every year.

"Rent Restrictions" means any restriction on the assessment and recovery of rent imposed by statute or an Authority.

"Rents" means the Yearly Rent the Insurance Rent and the other sums reserved by or payable by the Tenant under clause 2.2 this Lease.

"Review Period" means the period beginning on any Review Date or (as the case may be) on the Term Start Date and ending on the day before the next Review Date.

"Review Surveyor" means an independent chartered surveyor appointed under paragraph 3 of schedule 5 and, if to be nominated by or on behalf of the President for the time being of the

Royal Institution of Chartered Surveyors, the President shall be requested to nominate an independent chartered surveyor having recent substantial experience in the letting and valuation of premises of a similar character and quality to those of the Premises.

"Schedule of Condition" means the photographic schedule of condition showing the agreed state and condition of the Premises as at the date hereof in the form annexed to this Lease.

"Substance" means any substance (whether in the form of a solid, liquid, gas or vapour) the presence, generation, transportation, storage, treatment, use or disposal of which (whether alone or in combination with any other substance) gives rise to a risk of causing harm to human health, comfort or safety or harm to any other living organism or causing damage to the environment.

"Tenant Covenant" means as defined in section 28(1) of the 1995 Act.

"Tenant" means the party so named in the Lease Particulars and any person in whom this Lease is vested from time to time

"Term" means the Contractual Term.

"Uninsured Risks" means any of the risks expressly specified in the definition of the Insured Risks which:

- (a) is not insured because insurance is not available or is not available at reasonable commercial rates; or
- (b) is not insured or fully insured by reason of some special limitation excess or exclusion which may be imposed by the Landlord's insurer

such that the full cost of reinstatement and rebuilding (save for any normal excess) is not recoverable by the Landlord under its insurance policy(ies)

"VAT" means value added tax as provided under the VATA.

"VATA" means Value Added Tax Act 1994 and references to the VATA shall include all statutes, laws, regulations, notices, directions or similar provisions, relating to value added tax and any value added, turnover, sales, purchase or similar tax of the United Kingdom or of any other jurisdiction and references to value added tax or to VAT shall be construed accordingly.

"Yearly Rent" means until the Review Date the Initial Rent and thereafter any sum substituted for it under the provisions of schedule 5.

1.2 In this Lease, unless the context otherwise requires.

- (a) where at any time a party to this Lease comprises more than one person all obligations and liabilities of or with that party are joint and several and references to that party include references to each such person;
- (b) words denoting persons include any individual, firm, body corporate, association or partnership, government or state (whether or not having a separate legal personality);
- (c) words in the singular include the plural and vice versa and words in one gender include any other gender,
- (d) references to clauses and schedules are to clauses and schedules of this Lease and references to paragraphs are references to paragraphs of the schedule in which they appear;

- (e) the Lease Particulars form part of this Lease but the table of contents and the headings are for convenience only and will not affect the construction or interpretation of this Lease;
- (f) any obligation by the Tenant not to do or omit to do something includes an obligation not to permit or to suffer that thing to be done or omitted;
- (g) except for any references to the 1987 Order, any reference to a statute or statutory provision includes any subordinate legislation made under it and any statute or statutory provision which modifies, consolidates, re-enacts or supersedes it whether such statute or statutory provision comes into force before or after the date of this Agreement;
- (h) the word "**assignment**" includes equitable assignment and the words "**assign**" and "**assignee**" shall be construed accordingly;
- (i) references to any statute or legislation include any legislation of the European Union directly applicable in the United Kingdom;
- (j) it is a condition of any rights of entry provided for in this Lease that the person exercising such rights will:
 - (i) give reasonable prior notice to the person affected (except in case of emergency);
 - (ii) cause as little damage to the Premises or the property to which entry is gained (as the case may be) as is reasonably practicable in the exercise of such rights; and
 - (iii) make good any such damage as soon as reasonably practicable to the reasonable satisfaction of the person affected;
- (k) references to "**occupier of the Premises**" include anyone on the Premises:
 - (i) deriving title under the Tenant or any undertenant; or
 - (ii) with the express or implied authority of either the Tenant or any undertenant or anyone deriving title under the Tenant or undertenant

and where there is a reference to the consequences of the Tenant's acts, omissions or defaults, all references to the "**Tenant**" include references to any occupier of the Premises;
- (l) references to the "**Landlord**" are to be construed as extending to any Superior Landlord and to any mortgagee of the Landlord or any Superior Landlord (or the persons authorised by them) where:
 - (i) rights are granted or reserved by the Landlord to enter the Premises;
 - (ii) there are rights, easements, exceptions and reservations in favour of or exercisable by the Landlord;
 - (iii) there is an obligation to obtain the approval or consent of the Landlord;
 - (iv) there is provision for the repayment of any expenses to the Landlord; or
 - (v) there are indemnities in favour of the Landlord.
- (m) references to the "**end of the Term**" are to the end of the Term however and whenever it determines;

(n) references to a numbered plan are to the plan so numbered annexed to this Lease.

2. Demise

2.1 The Landlord demises the Premises to the Tenant for the Term:

- (a) together with the rights set out in schedule 1;
- (b) except and reserved as set out in schedule 2; and
- (c) subject to all rights, restrictions, covenants and liabilities affecting the Premises from time to time including (but without limitation) those mentioned in schedule 3 (if any)

2.2 The Tenant will pay the following rents to the Landlord:

- (a) the Yearly Rent by equal quarterly payments in advance on the Quarter Days the first (or proportionate part) of such payments for the period beginning on the Rent Start Date and ending on the day immediately preceding the next Quarter Day to be paid on or before the execution of this Lease;
- (b) the Insurance Rent on demand;
- (c) any VAT payable by the Tenant from time to time in accordance with clause 3.26, and
- (d) Interest payable by the Tenant under the terms of this Lease on demand

3. Tenant's covenants

The Tenant covenants with the Landlord throughout the Term:

3.1 Rent

To pay to the Landlord the Rents without any deduction or set off (except where lawfully provided by statute) and (if required) by standing order or credit transfer to the Landlord's bank account.

3.2 Interest

Without prejudice to any other remedy of the Landlord, to pay Interest on so much of the Rents as remain unpaid 10 Business Days after the Due Date, whether or not any such sums have been refused by the Landlord so as not to waive any breach of covenant.

3.3 Outgoings

- (a) To pay and indemnify the Landlord against the whole (or where appropriate a Due Proportion) of:
 - (i) all taxes, assessments, impositions, duties, charges, and outgoings payable at any time during and until the end of the Term by the owner or occupier of the Premises or otherwise due in respect of them (except any tax assessed on the Landlord in respect of its ownership of, rental income from, or any dealing with its reversionary interest); and
 - (ii) all charges for gas, electricity and other services supplied to the Premises (including any connection and hiring charges and meter rents).
- (b) To pay on demand to the Landlord a Due Proportion of all sums incurred by the Landlord in repairing, renewing, maintaining, lighting and cleaning all structures and

facilities which are used or available for use by the Tenant or the occupier of the Premises in common with the occupier of other property together with all associated professional fees.

3.4 *Repair*

- (a) To keep the Premises in good and substantial repair and condition and when necessary to replace and renew any Landlord's fixtures and fittings with new ones of equivalent quality and value to the reasonable satisfaction of the Landlord (damage by Insured Risks excepted save to the extent that any insurance money is irrecoverable as a result of any act or default of the Tenant or any occupier of the Premises) provided that the Tenant shall not be obliged to put the Premises into a better state of condition than as evidenced by the Schedule of Condition.
- (b) Regularly to maintain, service and clean all gas, electrical, hydraulic and other mechanical installations and equipment forming part of or in the Premises in accordance with any relevant manufacturer's or installer's maintenance manual and when necessary to have such installation and equipment repaired or replaced by qualified persons who are and at intervals which are approved by the manufacturers and/or insurers of such installation and equipment.
- (c) To clean the Premises (including all drains and gutters) regularly (and at least once a month in the case of windows) and keep them in a clean and tidy condition at all times
- (d) To replace the carpets and other floor coverings at the Premises when necessary with others of equivalent quality to those at the Premises at the date of this Lease and to replace them in the last 6 months immediately prior to the end of the Term in colours approved by the Landlord.
- (e) To keep any parts of the Premises not built upon adequately surfaced, in good condition and free from weeds and any garden or landscaped areas properly cultivated.

3.5 *Decoration*

In every fifth year of the Term and in the last 6 months immediately prior to the end of the Term to prepare and paint, decorate or otherwise treat as appropriate all parts of the Premises which are usually painted, decorated or treated (at all times in respect of the external parts of the Premises and in the last 6 months immediately prior to the end of the Term in respect of the internal parts of the Premises in such colours and with such materials as the Landlord may require).

3.6 *Alterations*

- (a) Not to erect any new building on the Premises nor to make any alterations or additions to the structure or exterior of the Premises or which affect the external appearance of the Premises nor (save as may be permitted under clause 3.6(b)) to make any other alterations or additions to the Premises.
- (b) Not without the Landlord's prior written consent (which will not be unreasonably withheld or delayed):
 - (i) to make any internal non-structural alterations or additions to the Premises except that no such consent will be required for the Tenant to install, alter or remove non-structural demountable partitioning or racking; nor
 - (ii) to make any alterations or additions to the mechanical and electrical systems in the Premises.

- (c) To supply to the Landlord such drawings and specifications as the Landlord reasonably requires to identify any proposed alterations or additions whether or not requiring the consent of the Landlord and to carry out such alterations or additions only in accordance with such drawings and specifications in a good and workmanlike manner and to the reasonable satisfaction of the Landlord.
- (d) To obtain all necessary consents and approvals for any proposed alterations or additions whether or not requiring the consent of the Landlord and to supply copies to the Landlord.
- (e) If so required by the Landlord, to execute a formal licence in respect of any proposed alterations or additions requiring the consent of the Landlord in such form as the Landlord reasonably requires.
- (f) If and to the extent so required by the Landlord, to reinstate the Premises at the end of the Term and to make good all consequential damage to the reasonable satisfaction of the Landlord.

3.7 **Signs**

- (a) Not to exhibit any flashing sign or light on the Premises.
- (b) Not to exhibit any flag, sign, advertising notices or promotional material which is visible from the exterior of the Premises without the Landlord's prior written consent (which will not be unreasonably withheld or delayed in the case of the usual trade signs and logos of the Tenant of a style size and number appropriate to the Permitted Use).
- (c) At the end of the Term to remove any sign, poster, notice, advertisement or other item displayed in accordance with this clause and to make good all damage caused to the reasonable satisfaction of the Landlord.

3.8 **Permitted Use**

Not to use the Premises otherwise than for the Permitted Use.

3.9 **Prohibited user and nuisance**

- (a) Not to use the Premises for any noisy, offensive, dangerous, illegal or immoral purpose nor for residential or sleeping purposes nor for gambling or betting nor for the sale of alcoholic liquor for consumption whether on or off the Premises.
- (b) Not to hold on the Premises any political meeting or public show or spectacle nor any sale by auction.
- (c) Nor to do anything on the Premises (or on any land over which any right granted by this Lease is exercised) which may be or become a nuisance damage or disturbance or obstruction to the Landlord or any owner or occupier of other land
- (d) Not to deposit store exhibit stack or sell any goods materials articles or other objects outside any buildings on the Premises.
- (e) At all times during the Term to ensure that the Premises are adequately secured when not in use.
- (f) Not to use the car spaces forming part of the Premises otherwise than for the parking of private motor vehicles.

3.10 **Loading and deliveries**

Not to load or unload vehicles except in the service areas or loading bays provided for such purpose, and in the course of such loading or unloading.

- (a) to comply with any regulations of the Landlord and the requirements of the local highway authority; and
- (b) not to cause any avoidable obstruction.

3.11 *Overloading and damage*

Not to overload the Premises nor damage, overload or obstruct any Conduits or any plant and machinery serving the Premises.

3.12 *Refuse and deleterious substances*

- (a) Not to burn any rubbish on the Premises and not to deposit any rubbish on the Premises other than in proper receptacles.
- (b) To ensure that rubbish or refuse receptacles on the Premises are regularly emptied and to comply with the Landlord's requirements for the disposal of rubbish or refuse.
- (c) Not to permit any Substance to be in on or under or to escape from the Premises and if the Tenant becomes aware of any such Substance in on under or escaping from the Premises to give immediate written notice of it to the Landlord and to remove or remediate it in compliance with the requirements of the Landlord or any competent authority.
- (d) Not to permit the drains to be obstructed by oil grease or other deleterious matter

3.13 *Dealings with this Lease*

- (a) Unless otherwise permitted by this Lease not to:
 - (i) hold the whole or any part of the Premises on trust for another person, or
 - (ii) part with or share possession or occupation of the whole or any part of the Premises.
- (b) The Tenant may share occupation of the Premises with a Group Company of the Tenant for so long as the Tenant and that company remain members of the same group (within the meaning of section 42 of the 1954 Act) and provided that:
 - (i) within 10 Business Days of such sharing of occupation the Tenant notifies the Landlord in writing of the name and registered office of such Group Company sharing occupation; and
 - (ii) no relationship of landlord and tenant is created between the Tenant (or any undertenant) and such Group Company.

3.14 *Assignment*

- (a) Not to assign part only of the Premises.
- (b) Not to assign the whole of the Premises without the prior written consent of the Landlord (which will not be unreasonably withheld or delayed).
- (c) Without prejudice to any other grounds on which the Landlord may lawfully withhold consent to any assignment or to any other conditions which it may lawfully impose the Landlord is entitled:

- (i) to withhold consent in any of the circumstances set out in clause 3.14(d); and/or
 - (ii) to impose all or any of the conditions set out in clause 3.14(e).
- (d) For the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may withhold its consent to an assignment of the whole of the Premises where any one or more of the following circumstances apply:
- (i) the proposed assignee is a Group Company or an associated company of the Tenant (within the meaning of section 416 of the Income and Corporation Taxes Act 1988);
 - (ii) there is an outstanding material breach of covenant by the Tenant; and/or
 - (iii) the proposed assignee is not ordinarily resident within the United Kingdom or (where the proposed assignee is a company or corporation) it is not incorporated in the United Kingdom,
 - (iv) the Tenant fails to provide to the Landlord such information and references relating to the proposed assignee as the Landlord reasonably requires to enable the Landlord to assess the financial standing of the proposed assignee..
- (e) For the purposes of section 19(1A) of the Landlord and Tenant Act 1927 any consent given by the Landlord to any proposed assignment may be subject to the following conditions:
- (i) the execution and delivery by the Tenant to the Landlord before completion of the assignment of a counterpart of a formal licence permitting such assignment in such form as the Landlord reasonably requires;
 - (ii) the execution and delivery by the Tenant to the Landlord before completion of the assignment of an Authorised Guarantee Agreement in the form of the guarantee agreement set out in schedule 7 (with such modifications as the Landlord may require acting reasonably); and
 - (iii) (if reasonably required by the Landlord) the execution and delivery by such persons as the Landlord reasonably requires to act as guarantors to the proposed assignee of a deed in the form of the Guarantor's covenants set out in schedule 6.

3.15 *Underletting*

- (a) In this clause, "**Permitted Underlease**" means an underlease which:
- (i) reserves the full open market rent for the Premises current at the grant of the underlease;
 - (ii) provides for the review of the rent on the same dates and on the same terms as contained in this Lease;
 - (iii) is not granted in consideration of any fine, premium or any inducement;
 - (iv) is granted on terms which are not inconsistent with and are no more favourable to the underlessee than those contained in this Lease (insofar as they relate to the underlet premises) and provide that any further underletting is prohibited;

- (v) comprises all the terms of the tenancy entered into between the Tenant and the undertenant; and
 - (vi) allows enforcement (by re-entry if necessary) of the undertenant's covenants by the Landlord as a third party but excludes the right of any other person not a party to the underlease from enforcing its terms pursuant to the Contracts (Rights of Third Parties) Act 1999.
- (b) Not to underlet part only of the Premises.
- (c) Not to underlet the whole of the Premises unless:
- (i) the undertenant first covenants with the Landlord in terms reasonably acceptable to the Landlord to observe all applicable terms of this Lease;
 - (ii) the underlease is a Permitted Underlease;
 - (iii) if the Landlord reasonably so requires, a guarantor or guarantors reasonably acceptable to the Landlord first guarantees or guarantee the undertenant's obligations in the form set out in schedule 6 (but omitting the provisions relating to disclaimer of the underlease and otherwise amended to extend only to the obligations of the undertenant);
- and (subject to the above) the Landlord has consented to such underletting (which consent will not be unreasonably withheld or delayed).
- (d) To enforce and not to vary or waive any of the terms of any underlease and not to agree any rent review in respect of any underlease without the consent of the Landlord (which will not be unreasonably withheld or delayed) and to give details of every such rent review to the Landlord within 28 days of its outcome.
- (e) At any time to produce to the Landlord on demand full details of any underlettings or occupations affecting the Premises and copies of any documents relating to such interests.

3.16 **Charging**

Not to charge the whole or part of the Premises.

3.17 **Registration**

Within 28 days of any assignment, underlease, charge or any other dealing affecting this Lease or any interest deriving title under it to produce to the Landlord's solicitors a certified copy of the relevant document and to pay such reasonable registration fee as the Landlord's solicitors may require.

3.18 **Encroachments**

- (a) Not to block up or obstruct (either wholly or partially) any window, opening, access way, Conduits or any other facility enjoyed by the Premises nor to give any acknowledgement that any such facility is enjoyed by the consent of any other person.
- (b) Not to permit any encroachment upon or any easement to be created over or in respect of the Premises in favour of a third party.
- (c) Immediately upon becoming aware of any such encroachment or easement being created or threatened to give notice to the Landlord and at the Landlord's expense to take all reasonable measures required by the Landlord to prevent or terminate such encroachment or easement.

3.19 ***Planning and environmental***

- (a) To comply in all respects with the Planning Acts and with all requirements of Environmental Law.
- (b) Not to make any application under the Planning Acts (whether for planning permission or otherwise) in relation to the Premises without the prior written consent of the Landlord (which will not be unreasonably withheld or delayed where the Landlord's consent or approval is also obtained under this Lease for a permitted alteration, a sign or a change in the Permitted Use).
- (c) Not to implement any planning permission if the Landlord makes reasonable and proper objections to any of the conditions subject to which it has been granted.
- (d) Where it is a condition of (or a planning obligation associate with) any planning permission that any works be carried out, to carry out such works before the end of the Term if the relevant planning permission is implemented.
- (e) Forthwith upon receipt to supply copies to the Landlord of all applications, notices, decisions and other formal communications relating to the Premises or served on the Tenant or any undertenant at the Premises and at the Landlord's expense to take such action as the Landlord may require in respect of such communication.
- (f) Not to enter into any agreement or obligation or serve any purchase notice under the Planning Acts without the prior written consent of the Landlord.
- (g) If the Tenant receives any compensation because of any restriction placed on the use of the Premises under the Planning Acts to pay to the Landlord a fair proportion of such compensation at the end of the Term otherwise than by expiration of the Term by effluxion of time.
- (h) Not without the Landlord's prior written consent (which will not be unreasonably withheld or delayed) to make any application under Environmental Law in relation to the Premises or any activity carried on there or any use of them.
- (i) Not to use any part of the Premises in any way or for any purpose which may be or become a breach of Environmental Law

3.20 ***Legal Obligations***

- (a) To observe and comply with all Legal Obligations.
- (b) Where any Legal Obligation requires the carrying out of works:
 - (i) to carry out those works in accordance with the terms of this Lease; and
 - (ii) to carry out those works with good quality materials in a good and workmanlike manner and to the reasonable satisfaction of the Landlord.
- (c) Immediately on receipt of any notice of any Legal Obligation from an Authority or of any formal notice from any third party in relation to the Premises to produce a copy of that notice to the Landlord and if so required to make such representation or objections in relation to it as the Landlord may require.
- (d) To give notice to the Landlord of any defect in the Premises which might render the Landlord liable whether under the Defective Premises Act 1972 or this Lease or otherwise immediately upon becoming aware of such defect.
- (e) To observe and perform all provisions contained or referred to in the documents listed in schedule 3.

3.21 *Rights of entry*

To permit the Landlord and anyone authorised by it to enter the Premises at all reasonable times with any machinery, tools and equipment:

- (a) to exercise any of the rights excepted and reserved out of this Lease;
- (b) to inspect the Premises;
- (c) to carry out any relevant works or take any relevant steps pursuant to the Landlord's Legal Obligations;
- (d) to take inventories or schedules;
- (e) to inspect or carry out works of repair, maintenance, construction, alteration or otherwise to any part of any adjoining or neighbouring property;
- (f) to affix to any suitable parts of the Premises notices relating to the disposal or acquisition of any reversionary interest or (but only during the last 6 months immediately prior to the end of the Term) the reletting of the Premises;
- (g) in exercise of a right or to comply with an obligation of repair, maintenance or renewal under this Lease; or
- (h) to comply with any obligation in the Superior Lease or with any obligation to any third party having legal rights over the Premises.

3.22 *Comply with notices to repair*

- (a) To commence and diligently proceed with all works necessary to remedy any breach of covenant of which the Landlord has given written notice to the Tenant within 2 months (or sooner if necessary) after receipt of notice.
- (b) If the Tenant fails to comply with a notice served under clause 3.22(a) to the Landlord's reasonable satisfaction, the Landlord may (without prejudice to the Landlord's right of re-entry contained in this Lease) enter the Premises to carry out such works, and the Tenant will pay to the Landlord on demand as a debt all costs and expenses incurred by the Landlord in carrying out such works.

3.23 *Costs*

To pay the Landlord all costs and expenses (including bailiffs' and professional fees) properly incurred by the Landlord (both during and after the end of the Term):

- (a) incidental to or in proper contemplation of the preparation and service of:
 - (i) a notice under section 146 or 147 of the Law of Property Act 1925 or pursuant to a provision in this Lease and proceedings pursuant to such notices even if forfeiture is avoided otherwise than by relief granted by the Court; or
 - (ii) a schedule of dilapidations (including any documents supporting the Landlord's claim and valuation served in accordance with a relevant pre-action protocol) during or after the termination of this Lease;
- (b) in the recovery or attempted recovery of arrears of rents due under this Lease from the Tenant or in the enforcement of any of the Tenant's covenants under this Lease;
- (c) dealing with any liquidator, administrative receiver, administrator, receiver or manager, supervisor or trustee in bankruptcy of the Tenant; and

- (d) in connection with any application for the consent of the Landlord whether or not granted (unless the consent is unlawfully refused or is granted but subject to unlawful conditions) and in the case of this clause 3.23(d) alone any such costs and expenses will be reasonable and proper in amount and will be reasonably and properly incurred.

3.24 *Indemnity*

To indemnify the Landlord against all claims and proceedings brought against and all damages, costs and liabilities suffered or incurred by the Landlord in connection with:

- (a) the breach of any covenant or obligation of the Tenant under the terms of this Lease;
- (b) the act, neglect or default of the Tenant or any occupier of the Premises.

3.25 *Yielding up*

At the end of the Term:

- (a) unless otherwise requested by the Landlord to reinstate the Premises to the reasonable satisfaction of the Landlord to their condition prior to any alteration or addition made during the Term or prior to it under any agreement to grant the Term or under any previous lease where this Lease is a renewal of it by agreement or by an order of the Court pursuant to the 1954 Act;
- (b) unless otherwise requested by the Landlord to remove all signs, Tenant's fixtures and fittings and loose items from the Premises making good any damage caused by such removal to the reasonable satisfaction of the Landlord;
- (c) to hand over any health and safety file required to be compiled under the Construction (Design and Management) Regulations 2007;
- (d) to yield up the Premises to the Landlord with vacant possession in a state and condition consistent with the performance and observance of the Tenant's covenants and obligations under this Lease; and
- (e) at the end of the Term, to apply to the Land Registry to remove any entry relating to this Lease or rights appurtenant to it from the Landlord's registered title and to deliver to the Landlord a copy of the application.

3.26 *Taxation*

- (a) Subject to prior provision of a VAT invoice addressed to the Tenant, to pay VAT on any sums payable or supplies made under this Lease on the basis that all consideration under this Lease is exclusive of VAT (if any) and that such VAT will be deemed to fall due on the date the relevant sum is payable or the supply is made (but that the Tenant shall be liable to pay such VAT at any time on or after such date irrespective of whether a demand for the same is made before or after such date).
- (b) To pay the Landlord on demand the VAT payable on all sums reimbursed to the Landlord under this Lease save to the extent that the Landlord is able to recover such sums as input tax.
- (c) Not to do or omit to do anything (other than the payment of the Rents) in relation to the Premises which would or might render the Landlord liable for any tax or fiscal charge whatsoever.

3.27 **Superior Lease covenants**

- (a) To observe and perform the covenants on the part of the tenant and the conditions contained in the Superior Lease insofar as they apply to the Premises.
- (b) Not to do anything which would constitute a breach of the tenant's covenants and conditions in the Superior Lease.
- (c) To permit the Superior Landlord and all persons authorised by the Superior Landlord to enter the Premises for the purposes specified and upon the terms contained in the Superior Lease as if the provisions contained in the Superior Lease dealing with the Landlord's access to the Premises were incorporated into this Lease.
- (d) To pay and indemnify the Landlord against all costs and expenses properly incurred by the Landlord in enforcing covenants on the part of the Superior Landlord in accordance with clause 4.2(b)

3.28 **Registration of Lease**

- (a) If this Lease is subject to registration at the Land Registry to submit an application for registration of the Tenant as proprietor of this Lease at the Land Registry as soon as reasonably practicable and deliver to the Landlord official copies of the registered title evidencing that the Tenant is the registered proprietor.
- (b) If any right appurtenant to this Lease is subject to registration at the Land Registry to submit an application for registration at the Land Registry as soon as reasonably practicable and deliver to the Landlord official copies of the registered title(s) affected.

4. **Landlord's Covenants**

The Landlord covenants with the Tenant as follows.

4.1 **Quiet enjoyment**

That the Tenant will peaceably and quietly hold and enjoy the Premises during the Term without any interruption by the Landlord or by any person lawfully claiming through, under or in trust for the Landlord.

4.2 **Superior Lease obligations**

- (a) To pay the rent reserved by, and observe and perform the covenants of the tenant and the conditions contained in, the Superior Lease (insofar as is necessary to avoid a forfeiture of it), except insofar as the covenants fall to be observed and performed by the Tenant by reason of the obligations of the Tenant in this Lease.
- (b) At the reasonable request and cost of the Tenant and subject to the Tenant providing adequate security for such cost to use reasonable endeavours to enforce the landlord's covenants contained in the Superior Lease.
- (c) To use reasonable endeavours at the request and cost of the Tenant to obtain the consent of any Superior Landlord required under the Superior Lease when.
 - (i) the Tenant has applied for consent under this Lease;
 - (ii) the Landlord gives that consent or could not lawfully refuse it; and
 - (iii) consent is required under the terms of the Superior Lease.

5. **Forfeiture**

- 5.1 **"Insolvent"** means (by reference to the relevant provisions of the Insolvency Act 1986 and the Insolvent Partnership Order 1994 (as the case may be)):
- (a) in relation to a company or other corporation which is the Tenant or a Guarantor:
 - (i) if a petition is presented or a meeting is convened for the purpose of considering a resolution for or other steps are taken for its winding up (other than in respect of a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation);
 - (ii) the making of a proposal to the company and its creditors for any composition in satisfaction of its debts or any scheme or arrangement of its affairs (company voluntary arrangement) or assignment for the benefit of its creditors;
 - (iii) the petition to court for an administration order;
 - (iv) the appointment of a receiver administrative receiver administrator or similar officer over any of its business or assets; or
 - (v) any proceedings are commenced relating to its insolvency or possible insolvency,
 - (b) in relation to an individual who is the Tenant or a Guarantor:
 - (i) the presentation of a bankruptcy petition;
 - (ii) the making of a proposal to his creditors for a composition in satisfaction of his debts or a scheme of arrangement of his affairs (individual voluntary arrangement);
 - (iii) the application to the court for an interim order; or
 - (iv) the appointment of a receiver or interim receiver;
 - (c) in relation to a partnership which is the Tenant or a Guarantor:
 - (i) the presentation of a petition for an administration order;
 - (ii) the entry into a voluntary arrangement.
- 5.2 The Landlord may terminate this Lease by re-entering the Premises (or a part of them in the name of the whole) itself or by an authorised agent at any time if:
- (a) any Yearly Rents are unpaid for 15 Business Days after the Due Date (whether formally demanded or not); or
 - (b) any other sums properly due and demanded remain unpaid for 10 Business Days after the Due Date; or
 - (c) the Tenant does not observe or perform any of the Tenant's obligations under this Lease; or
 - (d) the Tenant or any Guarantor becomes Insolvent.
- 5.3 Re-entry in exercise of the right in clause 5.2 does not affect any other right or remedy of the Landlord for breach of covenant by the Tenant occurring before the termination of this Lease (including any breach in respect of which re-entry is made).

6. **Obligations in schedules to this Lease**

The Landlord and Tenant mutually covenant to observe and perform their respective obligations and conditions in the schedules.

7. **Miscellaneous provisions**

7.1 ***Other property***

- (a) The Tenant is not entitled to and the Premises do not enjoy any right, easement or privilege which might limit or prejudice the unrestricted use of any other property for any purpose whatsoever.
- (b) No rights are granted by this Lease other than those expressly set out in schedule 1 and for the avoidance of doubt the operation of section 62 of the Law of Property Act 1925 is excluded from this Lease.
- (c) The Tenant has no benefit and no right to control the enforcement or the proposed release or modification of any covenants, obligations or any other matter relating to any other property.

7.2 ***Use***

No warranty is given by the Landlord that the Premises can lawfully be used for any purpose authorised by this Lease or otherwise.

7.3 ***Conduits and party walls***

- (a) The Landlord may from time to time change the location area or arrangements for use by the Tenant of the Conduits so long as there remain available for the benefit of the Premises rights reasonably commensurate with those granted by this Lease.
- (b) The Landlord may suspend the rights granted for the benefit of the Tenant in this Lease where necessary to enable essential repair or maintenance work to be carried out.
- (c) Any wall separating the Premises from any adjoining property is a party wall and repairable as such

7.4 ***Liability***

To the extent permitted by law the Landlord is not liable to the Tenant or any occupier of the Premises for any accident, injury, damage or loss however arising or to the Tenant for any failure to perform any of its obligations under this Lease unless and until the Tenant has notified the Landlord in writing of the facts constituting such default and the Landlord has failed to remedy the default within a reasonable time.

7.5 ***Compensation***

The Tenant is not entitled to claim any compensation from the Landlord whether on vacating the Premises or otherwise unless and to the extent that any statutory right to compensation precludes the operation of this clause.

7.6 ***Abandoned goods***

In addition to any other remedy available to the Landlord if any fixtures, furniture or other items are left in the Premises at the end of the Term and the Tenant does not remove them within 15 Business Days of being requested to do so then:

- (a) the Landlord may (without any obligation as trustee or bailee) sell such property as agent of the Tenant and hold the sale proceeds after deduction of the proper costs of removal, storage and sale on trust for the Tenant, and
- (b) the Tenant will indemnify the Landlord against any liability to a third party whose property has been so sold by the Landlord.

7.7 Notices

- (a) Any notice to a party under this Lease shall be in writing signed by or on behalf of the party giving it and shall, unless delivered to a party personally, be left at, or sent by prepaid first class post, prepaid special delivery or fax to the address of the party as set out in the Lease Particulars or as otherwise notified in writing to the other party(ies) from time to time or, in the case of the Tenant, to the Premises.
- (b) Except as referred to in clause 7.7(c), a notice is deemed to have been served:
 - (i) at the time of delivery if delivered personally;
 - (ii) 48 hours after posting in the case of an address in the United Kingdom and 96 hours after posting for any other address; or
 - (iii) 2 hours after transmission if served by fax during normal business hours of the recipient, and at the opening of the next normal Business Day if not sent during such normal business hours.

If the deemed time of service is not during normal business hours in the country of receipt, the notice is deemed served at, or, in the case of faxes, 2 hours after the opening of business on the next Business Day of that country.

- (c) The deemed service provisions set out in clause 7.7(b) do not apply to:
 - (i) a notice served by post, if there is a national or local disruption of postal services which affects the giving of the notice; and
 - (ii) a notice served by fax, if the receiving party informs the sending party that the notice has been received in a form which is unclear.
- (d) A party must not attempt to prevent or delay the service on it of a notice connected with this Lease.
- (e) If the receiving party consists of more than one person then a notice to one of them is notice to all.

7.8 Superior Landlord

- (a) Nothing in this Lease is to be construed as implying that the Superior Landlord is under any obligation not unreasonably to withhold its consent or approval in respect of any application for a consent or approval by the Tenant to the Landlord.
- (b) If the Tenant does or proposes to do any matter or thing for which the consent or approval of the Superior Landlord is required, the Tenant will bear and indemnify the Landlord against the cost of obtaining such consent or approval and all incidental professional fees and disbursements.

- (c) The Landlord may, notwithstanding any provision to the contrary elsewhere in this Lease, withhold consent or approval in any matter where the Superior Landlord's consent or approval is required, and the Landlord (having used its reasonable and proper endeavours) is unable to obtain it.

7.9 Tenant's Break Option

- (a) The Tenant may terminate this Lease on the Break Date by giving to the Landlord not less than 6 months' prior notice in writing provided that by the Break Date the Tenant has paid the Yearly Rent up to the Break Date and the Tenant gives up occupation of the Premises and determines any sub-leases on the Break Date
- (b) Subject to compliance with clause (a) this Lease will terminate on the Break Date but without prejudice to any claim in respect of any prior breach of the obligations contained in this Lease.
- (c) Time is of the essence for the purposes of this clause 7.8.

7.10 Landlord's Break Option

- (a) The Landlord may terminate this Lease on any date by giving to the Tenant not less than 12 months' prior notice in writing (the "Break Notice").
- (b) The Lease will terminate on the date set out in the Break Notice (the "Break Date") but without prejudice to any claim in respect of any prior breach of the obligations contained in this Lease.
- (c) The Break Notice shall be of no effect if at the Break Date the Landlord does not desire to demolish or reconstruct the Property or a substantial part of it or to carry out substantial works of construction at the Property.
- (d) If the Landlord serves a Break Notice, the Tenant shall take all steps as may be necessary to terminate, before the Break Date, all underleases deriving from this lease.
- (e) Time is of the essence for the purposes of this clause 7.10.

7.11 New Guarantor

If a Guarantor becomes Insolvent or dies or has a receiver appointed under the Mental Health Act 1983, the Tenant will (if the Landlord so requires):

- (a) provide a new guarantor in place of the outgoing guarantor;
- (b) procure that the new guarantor enters into a deed in the terms of the covenants contained in schedule 6;
- (c) pay to the Landlord on demand the Landlord's reasonable and proper legal costs in connection with such deed.

7.12 Landlord and Tenant (Covenants) Act 1995

- (a) The clauses of this Lease will only take effect insofar as they do not contravene the provisions of the 1995 Act
- (b) Insofar as any provisions of this Lease contravene the provisions of the 1995 Act the relevant provisions (or if applicable, the relevant parts of them) are deemed to be deleted so far as necessary to ensure such compliance.
- (c) Any such deemed deletion does not affect the remaining provisions of this Lease.

7.13 **Limits on Landlord's liability**

The obligations on the Landlord contained or implied in this Lease will not be binding on or enforceable against a person after that person has parted with the whole of its interest in the reversion.

7.14 **Exclusion of third party rights**

Unless expressly provided in this Lease, no express term of this Lease or any term implied under it is enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.

7.15 **Governing law and jurisdiction**

(a) This Lease and any dispute, claim or obligation (whether contractual or non-contractual) arising out of or in connection with it, its subject matter or formation shall be governed by English law.

(b) The parties irrevocably agree that the English courts shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) arising out of or in connection with this Lease, its subject matter or formation unless any such dispute or claim is dealt with pursuant to schedule 4 paragraph 4.2 or schedule 5 paragraph 3.

8. **Security of tenure**

8.1 Pursuant to section 38A(1) of the 1954 Act the Landlord and Tenant agree that the provisions of sections 24 to 28 (inclusive) of the 1954 Act shall be excluded in relation to the tenancy created by this Lease.

8.2 The Landlord and Tenant agree and declare that before the date of this Lease.

(a) a notice in the form set out in Schedule 1 to the 2003 Order which applies to this Lease was served by the Landlord on the Tenant on 24 August 2011 (the "Notice"); and

(b) a statutory declaration was made by the Tenant on *25 August* 2011 in the form set out in Paragraph 8 of Schedule 2 to the 2003 Order (the "Declaration").

8.3 Where the Declaration was made by a person other than the Tenant the Tenant confirms that the declarant was duly authorised by it to make the Declaration on its behalf.

8.4 The Landlord and the Tenant further agree and declare that the form of this Lease is in all material respects the same as that which was in their contemplation at the time of the service of the Notice.

9. **Agreement for Lease**

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

This Lease is executed and delivered as a deed on the date appearing at the head of the Lease Particulars.

Schedule 1

Rights granted

The right (in common with the Landlord and all others at any time entitled and to the extent of the Landlord's capacity to grant it) for the Tenant and those deriving title through or otherwise authorised by the Tenant

1. to use all Conduits which now serve the Premises or may do so during the Term for so long as such Conduits are not adopted and maintained at public expense;
2. of support and protection for the Premises as now enjoyed from any contiguous property;

Schedule 2

Exceptions and Reservations

1. The right for the Landlord and those authorised by the Landlord or otherwise entitled from time to time:
 - 1.1 to use all Conduits passing through the Premises now or at any time during the Term and to enter the Premises to inspect, repair, maintain, alter, renew, make connection with or lay any new Conduits;
 - 1.2 of entry pursuant to the terms of this Lease;
 - 1.3 to erect and maintain scaffolding for the purposes of repair and maintenance of any adjoining or neighbouring property of the Landlord against any part of the Premises.
2. Full rights of lateral and subjacent support and protection for any contiguous property afforded by the Premises from time to time.
3. Full rights of light and air and all other easements and rights now or at any time during the Term belonging to or enjoyed by any adjoining or neighbouring property of the Landlord.
4. Full right and liberty at any time after the date of this Lease to alter or erect any new buildings or structures on any adjoining or neighbouring property of the Landlord in such manner as the Landlord thinks fit notwithstanding the fact that the same may obstruct, affect or interfere with the amenity of or access to the Premises or the passage of light or air to the Premises.

Schedule 3

Matters to which the Lease is subject

All deeds and documents contained or referred to in the register of Title Number HP714611

Schedule 4

Insurance provisions

1. Landlord's covenant

The Landlord will keep the Premises insured with an insurer of repute (subject to such excesses, conditions and limitations as the insurers may require or the Landlord may negotiate) against:

1.1 damage or destruction by an Insured Risk in a sum equal to the full reinstatement cost of the Premises including:

- (a) the costs of demolition, shoring up and site clearance works;
- (b) all architects' surveyors' and other professional fees and incidental expenses in connection with reinstatement; and
- (c) VAT liability on such items to the extent applicable and to the extent that the Landlord may not be able to recover VAT;

1.2 not less than 3 year's loss of the Yearly Rent;

1.3 third party and public liability risks; and

1.4 liability under the Defective Premises Act 1972 (and any other enactment in respect of which the Landlord requires insurance).

2. Tenant's covenants

The Tenant will:

2.1 not do or omit to do anything which may render any insurance policy relating to the Premises void or voidable in whole or part;

2.2 not do or omit to do anything which may result in the increase of any premium payable under any insurance policy and if such increased premium becomes payable nonetheless pay to the Landlord on demand the amount of such increase;

2.3 comply with all requirements of the insurers in relation to the Premises notified to the Tenant and in particular (but not by way of limitation) install and maintain such fire equipment and observe such fire precautions as the insurers and the fire authority require;

2.4 notify the Landlord immediately upon becoming aware of any loss or damage relating to the Premises;

2.5 not effect any insurance which duplicates the insurance effected by the Landlord in relation to the Premises and if the Tenant does so in breach of this paragraph, it will hold any such policy and any proceeds received upon trust for the Landlord and pay such proceeds to the Landlord immediately upon receipt;

2.6 pay to the Landlord on demand any sums under an insurance policy relating to the Premises which:

- (a) the Landlord is unable to recover owing to the act, neglect or default of the Tenant any occupier of the Premises; or

- (b) relate to any excess to which the insurance cover is subject.

3. **Reinstatement**

- 3.1 If the Premises are damaged or destroyed by any of the Insured Risks, the Landlord will (unless and to the extent the insurance has been vitiated by the Tenant or any occupier of the Premises or any third party) apply the net insurance proceeds (other than any received in respect of loss of the Yearly Rent) and any money paid by the Tenant pursuant to paragraph 2.6 in repairing or reinstating the Premises with all due speed making up any shortfall between the cost of repairing and reinstating and the new insurance proceeds itself, subject to:
- (a) the Landlord obtaining any necessary planning and other permissions, consents, licences and approvals (which the Landlord will use its reasonable endeavours to obtain but the Landlord will not be obliged to institute or pursue any appeal);
 - (b) the necessary labour and materials being available (which the Landlord will use reasonable endeavours to obtain as soon as practicable); and
 - (c) the payment by the Tenant to the Landlord of any money payable under paragraph 2.6.
- 3.2 The Landlord will not be obliged to reinstate the Premises in precisely the same form as previously so long as the Tenant is provided with accommodation and facilities which are reasonably comparable to those existing before the damage or destruction.

4. **Rent abatement**

- 4.1 If the Premises are destroyed or damaged by any of the Insured Risks so as to render the Premises unfit for occupation and use, then (provided that the insurance and the recovery of any monies under it has not been prejudiced (either in whole or part) by the act, neglect or default of the Tenant or any occupier of the Premises or any third party the Yearly Rent (or a fair proportion of it according to the nature and extent of the damage) ceases to be payable until the Premises are again fit for occupation and use.
- 4.2 Any dispute concerning the amount or duration of such abatement of the Yearly Rent will be determined in accordance with the Arbitration Act 1996 by an arbitrator appointed in default of agreement between the parties by the President of the Royal Institution of Chartered Surveyors on the application of either party.

5. **Option to determine**

- 5.1 If the Premises are destroyed or damaged by an Insured Risk:
- (a) to such an extent that in the Landlord's opinion it is impracticable or uneconomical to reinstate them; or
 - (b) the Landlord has not commenced rebuilding or reinstating the Premises within 2 years of damage or destruction for any reason beyond the control of the Landlord

the Landlord may terminate this Lease with immediate effect by giving to the Tenant notice to that effect at any time, in the case of paragraph 5.1(a), within 6 months of such damage or destruction or, in the case of paragraph 5.1(b), after expiry of the period of 2 years.

- 5.2 If at the date of expiry of all periods from time to time insured for loss of the Yearly Rent all destruction or damage by an Insured Risk to the Premises have not been substantially made good and the Premises are still unfit for occupation and use, the Landlord or the Tenant may by written notice to the other given at any time within 6 months after such date and whilst the Premises are still unfit for occupation and use determine the Term with immediate effect.

5.3 Any determination of this Lease under this paragraph will be without prejudice to any claim in respect of any antecedent breach of the obligations under this Lease.

6. Retention of insurance proceeds

On the termination of this Lease under paragraph 5, or if this Lease is terminated by the operation of the doctrine of frustration, the Landlord will be entitled to retain the insurance proceeds for its exclusive benefit

7. Landlord to produce evidence of insurance

At the request of the Tenant, the Landlord shall produce to the Tenant reasonable evidence from the insurers of the terms of the insurance policy and the fact that the policy is subsisting and in effect provided the Landlord is not obliged to produce such evidence more than once in any 18 month period.

8. Uninsured Risks

The following provisions apply in the event of damage or destruction by any of the Uninsured Risks.

- (a) If the Premises or part of them, shall be damaged or destroyed by an Uninsured Risk so as to make the Premises or part of them unfit for occupation or use or inaccessible:
 - (i) The Annual Rent reserved by this lease or a fair proportion according to the nature and extent of the damage sustained will not be payable until the earlier of the date on which:
 - (A) the Premises shall again be fit for occupation or use (excluding fitting out and replacement of contents) and made accessible; or
 - (B) this Lease shall be terminated in accordance with the remainder of this clause.
- (b) Within 9 months of any damage or destruction by any of the Uninsured Risks the Landlord will give written notice to the Tenant (an "Election Notice") stating whether or not it proposes to rebuild or reinstate the Premises.
- (c) If the Election Notice states that the Landlord proposes to rebuild or reinstate the Premises then for the purposes of this Lease the damage or destruction shall be deemed to have been damage or destruction by an Insured Risk, and the provisions of paragraph 3 (obligation on Landlord to reinstate the Premises) and paragraph 5 (termination of lease if premises not reinstated) of this Schedule will apply.
- (d) If the Election Notice states that the Landlord does not propose to rebuild or reinstate the Premises or if no Election Notice is served strictly within the period of 9 months referred to in paragraph 8(b) above), then the Tenant may within one month after service of the Election Notice or the expiry of such 9 month period (as the case may be), give written notice to the Landlord to determine the term with immediate effect
- (e) Any determination of this Lease under this paragraph will be without prejudice to any claim in respect of any antecedent breach of the obligations under this Lease.

Schedule 5

Rent review provisions

1 Upwards only rent review

Until the first Review Date the Yearly Rent will be the Initial Rent and thereafter during each successive Review Period the Yearly Rent will be whichever is the greater of:

- 1.1 the Yearly Rent reserved by this Lease immediately prior to the Review Date; and
- 1.2 the Open Market Rent agreed or in default of agreement determined in accordance with this schedule.

2. Open Market Rent

The Open Market Rent will be the annual rent at which the Premises might be expected to be let in the open market on the Review Date:

- 2.1 as a whole;
- 2.2 by a willing landlord to a willing tenant;
- 2.3 with vacant possession;
- 2.4 following the expiry of any period at the beginning of the term which might be negotiated in the open market for the purpose of fitting out only, during which no rent or a concessionary rent is payable;
- 2.5 without a fine or premium,
- 2.6 for a term of 5 years commencing on the Review Date;
- 2.7 otherwise on the same terms (other than as to the amount of the Yearly Rent but including provisions for rent review at 5 yearly intervals;
- 2.8 on the assumptions that:
 - (a) the Premises are fit and available for immediate occupation and use;
 - (b) all obligations contained in this Lease on the part of the Tenant have been fully complied with;
 - (c) if the Premises or any premises of which they form part or any part of them have been damaged or destroyed they have been fully reinstated;
 - (d) the Premises may be lawfully used for the Permitted Use;
- 2.9 but disregarding any effect on rent of:
 - (a) the fact that the Tenant or any undertenant or other occupier of the Premises has been or is in occupation of the Premises;
 - (b) any goodwill attaching to the Premises by reason of any business carried on there by the Tenant or any permitted undertenant or other permitted occupier of the Premises or any predecessor in title to such business;

- (c) any improvement to the Premises completed with the consent of the Landlord (where required) during the Term or prior to the Term under an agreement for the grant of the Term by the Tenant or any undertenant or their respective predecessors in title and not in pursuance of an obligation to the Landlord or its predecessors in title and save to the extent that the Landlord has contributed to the cost of such improvement;
- (d) any work carried out by the Tenant, any undertenant or any predecessor in title which has diminished the rental value of the Premises; and
- (e) so far as may be permitted by law any Rent Restrictions.

3. Determination by the Review Surveyor

3.1 The Open Market Rent may be agreed in writing between the Landlord and the Tenant at any time but if the Landlord and the Tenant have not agreed the Open Market Rent 3 months prior to the Review Date then:

- (a) either party may require that it be determined by the Review Surveyor;
- (b) in default of agreement between the Landlord and the Tenant as to the identity of the Review Surveyor either party may apply to the President of the Royal Institution of Chartered Surveyors or his nominee for the appointment of the Review Surveyor.

3.2 The Review Surveyor will act as an arbitrator in accordance with the Arbitration Act 1996 unless prior to his appointment as an arbitrator the Landlord and the Tenant agree in writing that he should be appointed as an expert.

3.3 If the Review Surveyor acts as an expert:

- (a) he will give both parties the opportunity to make representations to him before making his determination and will have due regard to those representations (but he will not be bound to take them into account in reaching his decision);
- (b) he will be entitled to order that the costs of the determination be borne by the parties in whatever proportions he may prescribe and if no order is made they will be borne equally and the parties will otherwise bear their own costs; and
- (c) his determination will be final and binding (save as to questions of law or in case of manifest error).

3.4 In any event:

- (a) if requested by either party in writing the Review Surveyor will be bound to provide detailed reasons for his determination;
- (b) if either party fails to pay any sums in respect of the Review Surveyor's costs of the determination then the other party may make such payment and will be entitled to recover the cost from the first party on demand; and
- (c) if any appointed surveyor dies or becomes unwilling to act or incapable of acting for any reason or fails to act with reasonable expedition another surveyor will be appointed in his place in a like manner and this process may be repeated as many times as necessary

4. Interim payment

4.1 If the reviewed Yearly Rent has not been agreed or the Review Surveyor's determination has not been published before the Review Date:

- (a) the Tenant will continue to pay Yearly Rent at the rate applicable immediately prior to the Review Date; and
- (b) if the reviewed rent when agreed or determined is greater than the Yearly Rent reserved by this Lease immediately prior to the Review Date the Tenant will, as soon as the reviewed rent has been agreed or determined, pay to the Landlord an amount equal to the difference between the reviewed rent and the Yearly Rent actually paid for the period since the Review Date together with Interest (calculated at 3% below the Interest Rate for the purposes of this schedule only) on such sum

4.2 If any Rent Restrictions are in force at the Review Date:

- (a) if the Rent Restrictions prohibit or restrict the right of the Landlord to review the Yearly Rent on the Review Date in accordance with the terms of this Lease the Landlord may on each occasion that any such Rent Restriction is removed or relaxed require the rent to be reviewed by giving notice in writing to the Tenant expiring on or after the date of each such removal or relaxation; and
- (b) if the Rent Restrictions prohibit or restrict the right of the Landlord to collect any increased Yearly Rent following a rent review such increased Yearly Rent will remain due and payable as between the Landlord and the Tenant and will be paid to the Landlord following the removal or relaxation of the Rent Restrictions (to the extent then permitted) in accordance with paragraph 4.1(b) as if the removal or relaxation of the Rent Restriction were the agreement or determination of the rent review.

5. **Memorandum of reviewed rent**

As soon as possible after the reviewed rent is agreed or determined pursuant to this schedule, a memorandum recording the outcome of the review will be signed on behalf of the Landlord and the Tenant respectively

6. **Time not of the essence**

Time is not of the essence for the purposes of this schedule.

Schedule 6

Guarantor covenants

1.
 - 1.1 The Guarantor covenants with the Landlord (as principal and not merely as surety) that at all times during the Term when the Tenant is bound by the Tenant Covenants of this Lease (whether directly or indirectly) (the "**Liability Period**") the Tenant will pay the Yearly Rent and observe and perform the Tenant's obligations in accordance with this Lease and if the Tenant defaults the Guarantor will pay and make good to the Landlord on demand all losses, damages, costs and expenses incurred by the Landlord or arising as a result of the Tenant's default.
 - 1.2 The Guarantor's guarantee made pursuant to paragraph 1.1 of this schedule 6 shall at all times be a continuing security and shall cover the ultimate balance of all monies payable by the Tenant to the Landlord under this Lease irrespective of any intermediate payment or discharge in full or in part of the Guarantor's obligations to the Landlord under this Lease.
2. The Guarantor's liability under paragraph 1.1 will be unaffected by:
 - 2.1 any delay of the Landlord in enforcement of any breach;
 - 2.2 any time or indulgence given to the Tenant by the Landlord;
 - 2.3 any refusal by the Landlord to accept any payment from the Tenant or any failure to demand such payment following the breach of any obligation;
 - 2.4 any agreement with the Tenant, any licence or consent granted to the Tenant or any variation of the terms of this Lease;
 - 2.5 the Tenant ceasing to exist; or
 - 2.6 any increase or reduction in the Premises or the Yearly Rent (but not so as to render the Guarantor liable in relation to any premises surrendered in respect of the period after such surrender).
3. The Guarantor covenants with the Landlord (as principal and not merely as surety) that at all times during the Liability Period when the Tenant is bound by an Authorised Guarantee Agreement the Tenant will fulfil its obligations under that agreement and if the Tenant defaults the Guarantor will on demand do so instead and indemnify the Landlord against all consequences of that failure notwithstanding:
 - 3.1 any time or indulgence given to the Tenant by the Landlord;
 - 3.2 any variation of the terms of the Authorised Guarantee Agreement by agreement between the Landlord and the Tenant;
 - 3.3 any other act, matter or thing apart from the express release in writing of the Guarantor by the Landlord.
4. If this Lease is disclaimed following the liquidation or bankruptcy of the Tenant or is forfeited or the Tenant (being a company) is struck off or ceases to exist (the "**Event**") the Guarantor will:
 - 4.1 if required by the Landlord in writing within 6 months after the date the Landlord receives written notice of the Event accept (and execute and deliver to the Landlord the counterpart of) a new lease of the Premises for a term equal to the residue of the Term from the date of the

- Event at the then current Yearly Rent and otherwise on the same terms as the Lease and pay the legal costs of such new lease; or
- 4.2 (if the Landlord does not require the Guarantor to take a new lease of the Premises pursuant to paragraph 4.1 pay to the Landlord on demand an amount equal to the difference between any money received by the Landlord for the use and occupation of the Premises and (if higher) the Yearly Rent and any other sums which would have been payable had the Event not occurred for the period from the date of the Event until whichever is the earlier of:
- (a) the date 6 months after receipt of notice of the Event; and
 - (b) the date upon which the Premises are wholly relet provided that for the purpose of this paragraph 4.2(b) the Premises shall not be deemed to have been relet until the expiry of any rent free period granted by the Landlord to the ingoing tenant.
5. If on the commencement date of the new lease of the Premises granted pursuant to paragraph 4.1 a Review Date has occurred but the reviewed Yearly Rent has not been agreed or determined then the rent first reserved by such new lease will initially be equal to the Yearly Rent payable under this Lease immediately prior to such Review Date but the second day of the term of such new lease will be an additional Review Date.
6. Where two or more persons have guaranteed the obligations of the Tenant the release of one or more of them will not release the other(s).
7. Until the Guarantor has fully satisfied all its obligations to the Landlord under this Lease the Guarantor will not seek to exercise any right or remedy against the Tenant or its assets nor accept any security therefor nor any assets in satisfaction of such liability and such rights and remedies will rank in all respects after the obligations to the Landlord under this Lease.

Schedule 7

Form of Authorised Guarantee Agreement

This Agreement is made on 20●●

Between:

- (1) ● [Limited (company number: ●) whose registered office is at] [of] ● (the "Landlord"); and
- (2) ● [Limited (company number: ●) whose registered office is at] [of] ● (the "Tenant"); and []
- [(3) ● [Limited (company number: ●) whose registered office is at] [of] ● (the "Guarantor")]

It is agreed as follows:

1. Definitions and interpretation

1.1 In this Agreement, unless the context otherwise requires, the following definitions will apply.

"1954 Act" means the Landlord and Tenant Act 1954 (as amended).

"1995 Act" means the Landlord and Tenant (Covenants) Act 1995.

"2003 Order" means the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003.

"Agreement" means this authorised guarantee agreement.

"Assignee" means the assignee so named in the licence to assign [of even date][dated ●].

"Business Day" means a day (other than a Saturday or Sunday) on which clearing banks are open for business in the City of London.

"Lease" means the lease of the Premises dated *26 August* 2011 made between Cosalt plc (1) and Cosalt International Limited (2) for a term of 10 years expiring on *25 August* 2021 (as supplemented or varied from time to time whether by deed, licence or otherwise) together with any continuation or extension of it whether by agreement, statute or otherwise.

"New Lease" means a new lease of the Premises on the terms set out in clause 3.2.

"Premises" means the premises known as Factory Site, Mumby Road, Gosport more particularly described in and demised by the Lease.

"Relevant Period" means the period starting on the date of assignment or transfer of the Lease to the Assignee and ending on the date when the Assignee is effectively released from the tenant covenants under the Lease by virtue of the 1995 Act or such earlier date as the Landlord may agree.

"Term" means for a term of 10 years expiring on *25 August* 2021.

1.2 In this Agreement, unless the context otherwise requires:

- (a) the terms "authorised guarantee agreement" and "tenant covenants" have the same meanings as given in section 28(1) of the 1995 Act;

- (b) a reference to:
 - (i) a **"person"** includes any individual, firm, body corporate, association or partnership, government or state (whether or not having a separate legal personality); and
 - (ii) clauses and schedules are to clauses of and schedules to this Agreement and references to paragraphs are references to paragraphs of the schedule in which they appear;
- (c) words in the singular include the plural and vice versa and words in one gender include any other gender; and
- (d) the table of contents and headings are for convenience only and will not affect the interpretation of this Agreement.

2. **Authorised guarantee agreement**

In consideration of the Landlord consenting to the assignment of the Lease by the Tenant to the Assignee the Tenant covenants with the Landlord as principal debtor and (without the need for any express assignment) with all of the Landlord's successors in title:

- 2.1 that during the Relevant Period the Assignee will pay the rents and other sums payable under the Lease and observe and perform all the covenants and conditions on the part of the tenant contained in the Lease, and in the event of the Assignee's default, the Tenant will pay or observe and perform them;
- 2.2 to indemnify the Landlord on demand against all losses, claims, demands, damages, costs and expenses incurred by the Landlord or arising as a result of any breach by the Assignee during the Relevant Period of the tenant covenants of the Lease, provided that the liability of the Tenant under this clause shall be no more onerous than the liability to which it would be subject as sole or principal obligor in respect of such tenant covenants.

3. **New lease**

- 3.1 If the Lease is disclaimed by a liquidator or a trustee in bankruptcy of the Assignee or the Lease is forfeited or the Assignee is wound up or ceases to exist:

- (a) the Tenant will accept the New Lease from the Landlord [;and
- (b) the Guarantor will guarantee the performance by the Tenant of its obligations under the New Lease on the same terms as the guarantee contained in the Lease]

(if so required by the Landlord by written notice to the Tenant [and the Guarantor] within 6 months after the Landlord receives notice of that disclaimer or forfeiture or winding up or cessation of existence) and the Tenant [and the Guarantor] shall execute and deliver a counterpart of the Lease within one month after service of the Landlord's request.

- 3.2 The rights and obligations under the New Lease shall take effect from the date of the disclaimer or forfeiture or winding up or cessation of existence and the New Lease shall:

- (a) be for a term that expires on the same date as the Term;
- (b) (subject to the provisions of clause 3.3) reserve as an initial annual rent an amount equal to the rent which is reserved by the Lease on the date of the disclaimer or forfeiture or winding up or cessation of existence and which is subject to review on the same terms and dates provided by the Lease; and
- (c) be excluded from sections 24 to 28 of the 1954 Act; and

- (d) otherwise be on terms no more onerous than the Lease.
- 3.3 If on the commencement date of the New Lease a rent review date has occurred under the terms of the Lease but the reviewed rent has not been agreed or determined then the rent first reserved by the New Lease will initially be equal to the rent payable under the Lease immediately prior to such rent review date but the second day of the term of the New Lease will be an additional rent review date under the New Lease.
- 3.4
- (a) Pursuant to section 38A(1) of the 1954 Act the Landlord and Tenant agree that the provisions of sections 24 to 28 (inclusive) of the 1954 Act shall be excluded in relation to the tenancy created by the New Lease.
- (b) The Landlord and Tenant agree and declare that before the date of this Agreement:
- (i) a notice in the form set out in Schedule 1 to the 2003 Order which applies to the New Lease was served by the Landlord on the Tenant on • 20•• (the "**Notice**") ;and
- (ii) [a simple declaration was made by the Tenant on • 20•• in the form set out in Paragraph 7 of Schedule 2 to the 2003 Order] [a statutory declaration was made by the Tenant on • 20•• in the form set out in Paragraph 8 of Schedule 2 to the 2003 Order (the "**Declaration**").
- (c) [The Landlord and Guarantor agree and declare that before the date of this Agreement:
- (i) a notice in the form set out in Schedule 1 to the 2003 Order which applies to the New Lease was served by the Landlord on the Guarantor on • 20•• (the "**Guarantor's Notice**") ;and
- (ii) [a simple declaration was made by the Guarantor on • 20•• in the form set out in Paragraph 7 of Schedule 2 to the 2003 Order] [a statutory declaration was made by the Guarantor on • 20•• in the form set out in Paragraph 8 of Schedule 2 to the 2003 Order] (the "**Guarantor's Declaration**")]
- (d) Where the Declaration [and/or the Guarantor's Declaration] was made by a person other than the Tenant [and/or the Guarantor (as the case may be)] the Tenant [and/or the Guarantor (as the case may be)] confirms that the declarant was duly authorised by it to make the Declaration [and/or the Guarantor's Declaration (as the case may be)] on its behalf.
- (e) The Landlord [and] the Tenant [and the Guarantor] further agree and declare that the form of the New Lease shall be in all material respects the same as that which was in their contemplation at the time of the service of the Notice [and the Guarantor's Notice].]
- 3.5 The Tenant shall pay the Landlord's solicitors costs and disbursements (on a full indemnity basis) and any VAT on them in relation to the New Lease.
- 3.6 If the Landlord does not require the Tenant to take a new lease of the Premises, the Tenant will pay to the Landlord on demand a sum equivalent to the rents or other sums payable under the Lease for a period of 6 months or until the Landlord re-lets the Premises, whichever is the earlier.
4. **Tenant's liability**
- 4.1 The liability of the Tenant under this Agreement will not be affected by:

- (a) any neglect or forbearance of the Landlord in enforcing payment of rents or observance or performance of any of the covenants and conditions of the Lease; or
- (b) any refusal by the Landlord at any time to accept any rent or other payment due under the Lease where the Landlord believes that the acceptance of such rent or payment may prejudice its ability to re-enter the Premises; or
- (c) the surrender by the Assignee of part of the Premises (but not so as to render the Tenant liable in relation to any part of the Premises surrendered in respect of the period after such surrender); or
- (d) any variation of the terms of the Lease or any other act or omission, matter or thing (other than a release by deed given by the Landlord and subject always to the provisions of section 18 of the 1995 Act) by which but for this provision the obligations of the Tenant would have been discharged or diminished.

If the Tenant is more than one person then each of those persons shall be jointly and severally liable for their respective obligations arising by virtue of this Agreement.

5. [Guarantor

The Guarantor consents to the provisions of this Agreement and confirms that the guarantee given by it in respect of the Tenant's obligations under the Lease will continue in full force and effect and will extend to any obligations of the Tenant contained in this Agreement and shall cover the ultimate balance of all monies payable by the Tenant to the Landlord under the Lease and this Agreement irrespective of any intermediate payment or discharge in full or in part of the Guarantor's obligations to the Landlord under the Lease or this Agreement.]

6. Additional provisions

- 6.1 The Tenant shall not claim in competition with the Landlord in any insolvency proceedings or arrangement of the Assignee in respect of any payment made by the Tenant pursuant to the guarantee and indemnity in this Agreement. If it otherwise receives any money in such proceedings or arrangement, it shall hold that money on trust for the Landlord to the extent of its liability to the Landlord.
- 6.2 The Tenant warrants that it has not taken and covenants that it shall not take any security from or over the assets of the Assignee in respect of any liability of the Assignee to the Tenant. If it does take or hold any such security it shall hold it for the benefit of the Landlord.
- 6.3 The Tenant shall not be entitled to claim or participate in any other security held by the Landlord in respect of the Assignee's obligations or to stand in the Landlord's place in respect of any such security.
- 6.4 Provisions in this Agreement are to be construed independently and if any provision is void or wholly or partly unenforceable, then that provision, to the extent that it is unenforceable, will be deemed not to form part of this Agreement, but the validity and enforceability of the remainder of that provision or this Agreement will not be affected.

7. Indemnity

The Tenant shall indemnify the Landlord against all costs and claims arising from any breach of the terms of this Agreement.

8. Notices

- 8.1 Any notice to a party under this Agreement shall be in writing signed by or on behalf of the party giving it and shall, unless delivered to a party personally, be left at, or sent by prepaid first class post, prepaid special delivery or fax to the address of the party as set out at the top of page 1 or as otherwise notified in writing to the other party(ies) from time to time.

- 8.2 Except as referred to in clause 8.3, a notice is deemed to have been served:
- (a) at the time of delivery if delivered personally;
 - (b) 48 hours after posting in the case of an address in the United Kingdom and 96 hours after posting for any other address; or
 - (c) 2 hours after transmission if served by fax during normal business hours of the recipient, and at the opening of the next normal Business Day if not sent during such normal business hours.

If the deemed time of service is not during normal business hours in the country of receipt, the notice is deemed served at, or, in the case of faxes, 2 hours after the opening of business on the next Business Day of that country.

- 8.3 The deemed service provisions set out in clause 8.2 do not apply to:
- (a) a notice served by post, if there is a national or local disruption of postal services which affects the giving of the notice; and
 - (b) a notice served by fax, if the receiving party informs the sending party that the notice has been received in a form which is unclear.

8.4 A party must not attempt to prevent or delay the service on it of a notice connected with this Agreement.

8.5 If the receiving party consists of more than one person then a notice to one of them is notice to all.

9. **Governing Law and jurisdiction**

9.1 This Agreement and any dispute, claim or obligation (whether contractual or non-contractual) arising out of or in connection with it, its subject matter or formation shall be governed by English law.

9.2 The parties irrevocably agree that the English courts shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) arising out of or in connection with this Agreement, its subject matter or formation.

10. **Exclusion of third party rights**

Unless expressly provided in this Agreement, no express term of this Agreement or any term implied under it is enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.

In witness this Deed has been executed and delivered on the date appearing at the head of page 1.

[Execution clause]

Executed as a Deed)
(but not delivered until the)
date appearing at the head)
of page 1))
by **Cosalt plc**)
acting by:)

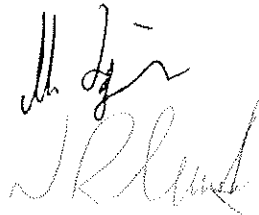
Director

Director/Secretary

Executed as a Deed)
(but not delivered until the)
date appearing at the head)
of page 1))
by **Cosalt International Limited**)
acting by:)

Director

Director/Secretary

Handwritten signatures in black ink, appearing to be 'M. J. ...' and 'J. R. ...'.