

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2021

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-40367

VACCITECH PLC

(Exact Name of Registrant as Specified in its Charter)

England and Wales
(State or other jurisdiction of
incorporation or organization)
The Schrodinger Building
Heatley Road
The Oxford Science Park
Oxford, United Kingdom
(Address of principal executive offices)

Not Applicable
(I.R.S. Employer
Identification No.)

OX4 4GE
(Zip Code)

Registrant's telephone number, including area code: +44 (0) 1865 818 808

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| American Depositary Shares* | VACC | The Nasdaq Global Market |
| Ordinary shares, nominal value £0.000025 per share** | | |

*American Depositary Shares may be evidenced by American Depositary Receipts. Each American Depositary Share represents one (1) ordinary share.

**Not for trading, but only in connection with the listing of American Depositary Shares on The Nasdaq Global Market.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of November 12, 2021, the registrant had 34,852,426 ordinary shares, nominal value £0.000025 per share, outstanding.

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We own various trademark registrations and applications, and unregistered trademarks, including our name and our corporate logo. We have an exclusive license to use and display the Vaccitech registered trademark in order to commercialize Vaccitech in the United Kingdom. All other trade names, trademarks and service marks of other companies appearing in this prospectus are the property of their respective holders. Solely for convenience, the trademarks and trade names in this prospectus may be referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend to use or display other companies' trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

From time to time, we may use our website, our Facebook page at Facebook.com/Vaccitech, our Twitter account at @Vaccitechplc and our LinkedIn account at linkedin.com/company/Vaccitech-plc/to distribute material information. Our financial and other material information is routinely posted to and accessible on the Investors section of our website, available at www.vaccitech.co.uk. Investors are encouraged to review the Investors section of our website because we may post material information on that site that is not otherwise disseminated by us. Information that is contained in and can be accessed through our website, our Facebook page, our Twitter posts and our LinkedIn posts are not incorporated into, and does not form a part of, this Quarterly Report.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

INDEX TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

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VACCITECH PLC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT NUMBER OF SHARES AND PER SHARE AMOUNTS)
(UNAUDITED)

| | September 30, 2021 | December 31, 2020 |
|---|-----------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 233,871 | \$ 43,266 |
| Accounts receivable | 42 | 518 |
| Research and development incentives receivable | 5,382 | 2,708 |
| Prepaid expenses and other current assets | 6,684 | 1,409 |
| Total current assets | 245,979 | 47,901 |
| Property and equipment, net | 1,033 | 629 |
| Right of use assets, net | 8,780 | 2,136 |
| Deferred tax assets | 60 | — |
| Other assets | 719 | — |
| Total assets | <u>\$ 256,571</u> | <u>\$ 50,666</u> |
| LIABILITIES, REDEEMABLE PREFERRED SHARES AND SHAREHOLDERS' DEFICIT | | |
| Current liabilities: | | |
| Accounts payable | \$ 1,337 | \$ 4,667 |
| Accrued expenses and other current liabilities | 4,404 | 2,537 |
| Deferred revenue | 196 | 245 |
| Current portion of lease liability | 435 | 192 |
| Total current liabilities | 6,372 | 7,641 |
| Convertible loan notes – non current | — | 44,700 |
| Lease liability – non current | 7,728 | 1,472 |
| Total liabilities | <u>\$ 14,100</u> | <u>\$ 53,813</u> |
| Commitments and contingencies (Note 11) | | |
| Series A redeemable convertible preferred shares (Series A shares); £0.10 nominal value; no shares issued and outstanding; (December 31, 2020: issued and outstanding: 22,065) | \$ — | \$ 33,765 |
| Series B redeemable convertible preferred shares (Series B shares); £0.10 nominal value; no shares issued and outstanding; (December 31, 2020: issued and outstanding: no shares issued or outstanding) | <u>\$ —</u> | <u>\$ —</u> |
| Shareholders' equity: | | |
| Ordinary shares, £0.000025 nominal value; 34,328,231 shares authorized, issued and outstanding (December 31, 2020: authorized, issued and outstanding: 7,960,458) | 1 | 0 ¹ |
| Deferred A shares, £1 nominal value; 63,443 shares authorized, issued and outstanding (December 31, 2020: no shares issued or outstanding) | 86 | — |
| Deferred B shares, £1 nominal value; 570,987 shares authorized, issued and outstanding (December 31, 2020: no shares issued or outstanding) | 8 | — |
| Deferred C shares, £0,000007 nominal value, 27,828,231 shares authorized, issued and outstanding (December 31, 2020: authorized, issued and outstanding: 7,960,458) | 0 ¹ | 0 ¹ |
| Additional paid-in capital | 344,396 | 21,660 |
| Accumulated deficit | (93,472) | (57,720) |
| Accumulated other comprehensive loss – foreign currency translation adjustments | (9,041) | (1,243) |
| Noncontrolling interest | 493 | 391 |
| Total shareholders' equity | <u>\$ 242,471</u> | <u>\$ (36,912)</u> |
| Total liabilities, redeemable convertible preferred shares and shareholders' equity | <u>\$ 256,571</u> | <u>\$ 50,666</u> |

¹ indicates amount less than thousand

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

VACCITECH PLC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(IN THOUSANDS, EXCEPT NUMBER OF SHARES AND PER SHARE AMOUNTS)
(UNAUDITED)

| | Three months ended | | Nine months ended | |
|---|--------------------|--------------------|--------------------|--------------------|
| | September 30, 2021 | September 30, 2020 | September 30, 2021 | September 30, 2020 |
| License revenue | \$ 16 | \$ 2,663 | \$ 48 | \$ 2,705 |
| Service revenue | — | 60 | 21 | 376 |
| Research grants and contracts | 3 | 528 | 200 | 1,386 |
| Total revenue | 19 | 3,251 | 269 | 4,467 |
| Operating expenses | | | | |
| Research and development | 4,371 | 3,702 | 13,490 | 11,821 |
| General and administrative | 1,184 | 977 | 15,332 | 3,059 |
| Total operating expenses | 5,555 | 4,679 | 28,822 | 14,880 |
| Loss from operations | (5,536) | (1,428) | (28,553) | (10,413) |
| Other income (expense): | | | | |
| Change in fair value of derivatives | — | 3 | 5,994 | 3 |
| Unrealized exchange gain on convertible loan notes | — | 982 | 209 | 982 |
| Loss on extinguishment of convertible loan notes | — | — | (13,789) | — |
| Interest income | — | — | 2 | — |
| Interest expense | — | (969) | (2,650) | (969) |
| Research and development incentives | 959 | 1,612 | 2,789 | 2,989 |
| Other | — | — | (3) | — |
| Total other (expense) income | 959 | 1,628 | (7,448) | 3,005 |
| Tax (expense)/benefit | 7 | — | 60 | — |
| Net (loss)/ income | (4,570) | 200 | (35,941) | (7,408) |
| Net loss/ (income) attributable to noncontrolling interest | 13 | (42) | 189 | 157 |
| Net (loss)/ income attributable to Vaccitech plc Shareholders | (4,557) | 158 | (35,752) | (7,251) |
| Weighted-average ordinary shares outstanding, basic | 34,843,154 | 7,937,384 | 22,697,462 | 7,886,488 |
| Weighted-average ordinary shares outstanding, diluted | 34,843,154 | 15,867,533 | 22,697,462 | 7,886,488 |
| Net(loss)/ income per share attributable to ordinary shareholders, basic | \$ (0.13) | \$ 0.02 | \$ (1.58) | \$ (0.92) |
| Net (loss)/ income per share attributable to ordinary shareholders, diluted | \$ (0.13) | \$ 0.01 | \$ (1.58) | \$ (0.92) |
| Net (loss)/ income | \$ (4,570) | \$ 200 | \$ (35,941) | \$ (7,408) |
| Other comprehensive (loss)/ income – foreign currency translation adjustments | (6,473) | 68 | (7,803) | (759) |
| Comprehensive (loss)/ income | (11,043) | 268 | (43,744) | (8,167) |
| Comprehensive loss/ (income) attributable to noncontrolling interest | 25 | (49) | 194 | 169 |
| Comprehensive (loss)/ income attributable to Vaccitech plc shareholders | \$ (11,018) | \$ 219 | \$ (43,550) | \$ (7,998) |

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

VACCITECH PLC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE CONVERTIBLE PREFERRED SHARES
AND SHAREHOLDERS' EQUITY (DEFICIT)
(IN THOUSANDS, EXCEPT NUMBER OF SHARES)
(UNAUDITED)

| | Nine months ended September 30, 2021 | | | | | | | | | | | | | | | | |
|---|--|-----------|--|------------|-----------------|-------------------|-------------------|---------|-------------------|------------|-------------------|-------------------|----------------------------|---------------------|--------------------------------------|-------------------------|--------------------------------------|
| | Series A Redeemable Convertible Preferred Shares | | Series B Redeemable Convertible Preferred Shares | | Ordinary Shares | | Deferred A Shares | | Deferred B Shares | | Deferred C Shares | | Additional Paid-in-capital | Accumulated Deficit | Accumulated Other Comprehensive Loss | Noncontrolling Interest | Total Shareholders' (Deficit)/Equity |
| | Shares | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares | Amount | \$ | \$ | \$ | \$ | \$ |
| Balance, January 1, 2021, as previously reported | 22,065 | \$ 33,765 | — | \$ — | 7,960,458 | \$ 0 ¹ | — | \$ — | — | \$ — | 7,960,458 | \$ 0 ¹ | \$ 19,531 | \$ (55,591) | \$ (1,243) | \$ 391 | \$ (36,912) |
| Share-based compensation – restatement (see note 1) | — | — | — | — | — | — | — | — | — | — | — | — | 2,129 | (2,129) | — | — | \$ — |
| Balance, January 1, 2021, as restated | 22,065 | \$ 33,765 | — | \$ — | 7,960,458 | \$ 0 ¹ | — | \$ — | — | \$ — | 7,960,458 | \$ 0 ¹ | \$ 21,660 | \$ (57,720) | \$ (1,243) | \$ 391 | \$ (36,912) |
| Share-based compensation | — | — | — | — | — | — | — | — | — | — | — | — | — | 797 | — | — | 797 |
| Issue of Series B shares, net of issuance costs | — | — | 28,957 | 121,837 | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Series B Shares issued on conversion of convertible notes | — | — | 12,421 | 53,721 | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Issue of Deferred A shares | — | (29) | — | (57) | — | — | 63,443 | 86 | — | — | — | — | — | — | — | — | 86 |
| Issue of ordinary shares | — | — | — | — | 263,886 | 0 ¹ | — | — | — | — | 263,886 | 0 ¹ | — | — | (1,420) | — | (1,416) |
| Foreign currency translation adjustments | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | (118) | (15,386) |
| Net loss | — | — | — | — | — | — | — | — | — | — | — | — | — | (15,268) | — | — | (15,268) |
| Balance, March 31, 2021 | 22,065 | \$ 33,736 | 41,378 | \$ 175,501 | 8,224,344 | \$ 0 ¹ | 63,443 | \$ 86 | \$ — | \$ — | 8,224,344 | \$ 0 ¹ | \$ 22,457 | \$ (72,988) | \$ (2,663) | \$ 277 | \$ (52,831) |
| Share-based compensation | — | — | — | — | — | — | — | — | — | — | — | — | 8,736 | — | — | — | 8,736 |
| Initial public offering, net of underwriting discounts | — | — | — | — | 6,500,000 | 0 ¹ | — | — | — | — | — | — | 102,765 | — | — | — | 102,765 |
| Offering Cost | — | — | — | — | — | — | — | — | — | — | — | — | (2,394) | — | — | — | (2,394) |
| Conversion of Series A shares | (22,065) | (33,736) | — | — | 6,818,085 | 0 ¹ | — | 198,585 | 3 | 6,818,085 | 0 ¹ | 33,733 | — | — | — | — | 33,736 |
| Conversion of Series B shares | — | — | (41,378) | (175,501) | 12,785,802 | 0 ¹ | — | 372,402 | 5 | 12,785,802 | 0 ¹ | 175,496 | — | — | — | — | 175,501 |
| Issue of share to non-controlling interest | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 296 | 296 |
| Foreign currency translation adjustments | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 83 | 3 | 86 |
| Net loss | — | — | — | — | — | — | — | — | — | — | — | — | — | (15,927) | — | (58) | (15,985) |
| Balance, June 30, 2021 | — | \$ — | — | \$ — | 34,328,231 | \$ 1 | 63,443 | \$ 86 | \$ 570,987 | \$ 8 | 27,828,231 | \$ 0 ¹ | \$ 340,793 | \$ (88,915) | \$ (2,580) | \$ 518 | \$ 249,911 |
| Share-based compensation | — | — | — | — | — | — | — | — | — | — | — | — | 3,374 | — | — | — | 3,374 |
| Offering cost refund | — | — | — | — | — | — | — | — | — | — | — | — | 229 | — | — | — | 229 |
| Foreign currency translation adjustments | — | — | — | — | — | — | — | — | — | — | — | — | — | — | (6,461) | (12) | (6,473) |
| Net loss | — | — | — | — | — | — | — | — | — | — | — | — | — | (4,557) | — | (13) | (4,570) |
| Balance, September 30, 2021 | — | \$ — | — | \$ — | 34,328,231 | \$ 1 | 63,443 | \$ 86 | \$ 570,987 | \$ 8 | 27,828,231 | \$ 0 ¹ | \$ 344,396 | \$ (93,472) | \$ (9,041) | \$ 493 | \$ 242,471 |

¹ Indicates amount less than thousand

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

VACCITECH PLC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE CONVERTIBLE PREFERRED SHARES
AND SHAREHOLDERS' EQUITY (DEFICIT)
(IN THOUSANDS, EXCEPT NUMBER OF SHARES)
(UNAUDITED)

| | Nine months ended September 30, 2020 | | | | | | | | | | | | | | | | |
|---|---|-----------|---|--------|-----------------|-------------------|-------------------|--------|-------------------|--------|-------------------|-------------------|-----------------------------------|------------------------|---|----------------------------|-----------------------------------|
| | Series A Redeemable Convertible Preferred Shares | | Series B Redeemable Convertible Preferred Shares | | Ordinary Shares | | Deferred A Shares | | Deferred B Shares | | Deferred C Shares | | Additional Paid-in- capital | Accumulated Deficit | Accumulated Other Comprehensive Loss | Noncontrolling Interest | Total Shareholders' Deficit |
| | Shares | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Shares | Amount | | | | | |
| Balance, January 1, 2020, as previously reported | 22,065 | \$ 33,765 | — | \$ — | 7,276,332 | \$ 0 ¹ | — | \$ — | — | \$ — | 7,276,332 | \$ 0 ¹ | \$ 15,906 | \$ (37,885) | \$ (467) | \$ 367 | \$ (22,079) |
| Share-based compensation - restatement (see note 1) | — | — | — | — | — | — | — | — | — | — | — | — | 2,129 | (2,129) | — | — | — |
| Balance, January 1, 2020, as restated | 22,065 | \$ 33,765 | — | \$ — | 7,276,332 | \$ 0 ¹ | — | \$ — | — | \$ — | 7,276,332 | \$ 0 ¹ | \$ 18,035 | \$ (40,014) | \$ (467) | \$ 367 | \$ (22,079) |
| Share-based compensation | — | — | — | — | — | — | — | — | — | — | — | — | 856 | — | — | — | 856 |
| Issue of ordinary shares | — | — | — | — | 479,568 | 0 ¹ | — | — | — | — | 479,568 | 0 ¹ | — | — | — | — | 0 ¹ |
| Exercise of stock options | — | — | — | — | 148,938 | 0 ¹ | — | — | — | — | 148,938 | 0 ¹ | — | — | — | — | 0 ¹ |
| Foreign currency translation adjustments | — | — | — | — | — | — | — | — | — | — | — | — | — | (665) | (18) | (683) | |
| Net loss | — | — | — | — | — | — | — | — | — | — | — | — | (3,821) | (130) | (3,951) | | |
| Balance, March 31, 2020 | 22,065 | \$ 33,765 | — | \$ — | 7,904,838 | \$ 0 ¹ | — | \$ — | — | \$ — | 7,904,838 | \$ 0 ¹ | \$ 18,891 | \$ (43,835) | \$ (1,132) | \$ 219 | \$ (25,857) |
| Share-based compensation | — | — | — | — | — | — | — | — | — | — | — | — | 415 | — | — | — | 415 |
| Foreign currency translation adjustments | — | — | — | — | — | — | — | — | — | — | — | — | — | (143) | (1) | (144) | |
| Net loss | — | — | — | — | — | — | — | — | — | — | — | — | (3,588) | (69) | (3,657) | | |
| Balance, June 30, 2020 | 22,065 | \$ 33,765 | — | \$ — | 7,904,838 | \$ 0 ¹ | — | \$ — | — | \$ — | 7,904,838 | \$ 0 ¹ | \$ 19,306 | \$ (47,423) | \$ (1,275) | \$ 149 | \$ (29,243) |
| Share-based compensation | — | — | — | — | — | — | — | — | — | — | — | — | 154 | — | — | — | 154 |
| Exercise of stock options | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 0 ¹ |
| Foreign currency translation adjustments | — | — | — | — | — | — | — | — | — | — | — | — | — | 61 | 7 | 68 | |
| Net income | — | — | — | — | — | — | — | — | — | — | — | — | 158 | — | 42 | 200 | |
| Balance, September 30, 2020 | 22,065 | \$ 33,765 | — | \$ — | 7,957,368 | \$ 0 ¹ | — | \$ — | — | \$ — | 7,957,368 | \$ 0 ¹ | \$ 19,460 | \$ (47,265) | \$ (1,214) | \$ 198 | \$ (28,821) |

¹ Indicates amount less than thousand

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

VACCITECH PLC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

| | Nine months ended | |
|---|--------------------|--------------------|
| | September 30, 2021 | September 30, 2020 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net loss | \$ (35,941) | \$ (7,408) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Share-based compensation | 12,907 | 1,425 |
| Depreciation and amortization | 281 | 152 |
| ROU asset and liability | (10) | 30 |
| Fair valuation gain on embedded derivatives | (5,994) | (3) |
| Unrealized foreign exchange gain on convertible loan notes | (209) | (982) |
| Non-cash interest expense on convertible loan notes | 813 | 969 |
| Deferred tax benefit | (62) | — |
| Loss on conversion of convertible loan notes | 13,789 | — |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 486 | 927 |
| Prepaid expenses and other current assets | (5,494) | (862) |
| Research and development incentives receivable | (2,815) | 621 |
| Accounts payable | (3,414) | (2,017) |
| Accrued expenses and other current liabilities | 1,846 | 1,202 |
| Deferred revenue | (48) | (186) |
| Other assets | (746) | — |
| Net cash used in operating activities | <u>\$ (24,611)</u> | <u>\$ (6,132)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of property and equipment | (722) | (98) |
| Net cash used in investing activities | <u>\$ (722)</u> | <u>\$ (98)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Issue of shares and exercise of stock options | — | — |
| Initial public offering costs | (2,165) | — |
| Transaction costs for Series B shares | (3,402) | — |
| Proceeds from issue of Series B shares | 125,239 | — |
| Proceeds from issue of shares to noncontrolling interest | 296 | — |
| Proceeds from issuance of ordinary shares, net of underwriters fees | 102,765 | — |
| Transaction costs for convertible loan notes | — | (20) |
| Proceeds from convertible loan notes | — | 24,974 |
| Net cash provided by financing activities | <u>\$ 222,733</u> | <u>\$ 24,954</u> |
| EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS | <u>(6,795)</u> | <u>(526)</u> |
| Net increase (decrease) in cash and cash equivalents | 190,605 | 18,198 |
| Cash and cash equivalents, beginning of the period | 43,266 | 11,432 |
| Cash and cash equivalents, end of the period | <u>\$ 233,871</u> | <u>\$ 29,630</u> |
| Supplemental cash flow disclosures: | | |
| Cash paid for interest | \$ 1,844 | \$ — |
| Cash paid for income taxes | \$ 150 | \$ — |
| Non-Cash investing and financing activities | | |
| Issue of ordinary shares | \$ 0 ¹ | \$ — |
| Issue of deferred A shares | \$ 86 | \$ — |
| Issue of deferred B shares | \$ 8 | \$ — |
| Issue of deferred C shares | \$ 0 ¹ | \$ — |
| Issue of Series B shares | \$ 53,721 | \$ — |
| ROU assets obtained in exchange for operating lease liabilities | \$ 6,819 | \$ — |

¹ Indicates amounts less than thousand

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**VACCITECH PLC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

1. Nature of Business and Basis of Presentation

Vaccitech plc (Vaccitech) is a public limited company incorporated pursuant to the laws of England and Wales in March 2021. Vaccitech is engaged in the discovery and development of novel immunotherapeutics and vaccines for the treatment and prevention of infectious disease and cancer. Vaccitech is headquartered in Oxford, United Kingdom. Vaccitech and its five direct and indirect subsidiaries, Vaccitech (UK) Limited, Vaccitech Australia Pty Limited, Vaccitech Oncology Limited (“VOLT”), Vaccitech USA Inc. and Vaccitech Italia S.R.L, are collectively referred to as the “Company”.

In connection with the initial public offering of American Depositary Shares (“ADSs”), in March 2021, Vaccitech completed a corporate reorganization wherein the shareholders of Vaccitech (UK) Limited (formerly Vaccitech Limited) exchanged each of their ordinary shares, Series A Shares and Series B Shares of the Company for the same quantity of ordinary shares, series A shares (“Vaccitech plc Series A Shares”) and series B shares (“Vaccitech plc Series B Shares”) in Vaccitech plc (resulting in the shareholders of the Company holding the same percentage and class of shares in Vaccitech plc (formerly Vaccitech Rx Limited) as they had in Vaccitech (UK) Limited (formerly Vaccitech Limited). The group reorganization under common control constitutes a change in reporting entity and has been given retrospective effect reflecting the net assets of Vaccitech (UK) Limited (formerly Vaccitech Limited) and its subsidiaries and Vaccitech plc at their historical carrying amounts. As a result of the reorganization these unaudited condensed consolidated financial statements have been presented for all periods as if Vaccitech plc was the holding company of the group.

The Company operates in an environment of rapid technological change and substantial competition from pharmaceutical and biotechnology companies. The Company is subject to risks common to companies in the biopharmaceutical industry in similar stage of its life cycle including, but not limited to, the need to obtain adequate additional funding, possible failure of preclinical testing or clinical trials, the need to obtain marketing approval for its vaccine product candidates, competitors developing new technological innovations, the need to successfully commercialize and gain market acceptance of any of its products that are approved, and protection of proprietary technology. There can be no assurance that the Company’s research and development will be successfully completed, that adequate protection for the Company’s intellectual property will be obtained, that any products developed will obtain required regulatory approval or that any approved products will be commercially viable. Even if the Company’s development efforts are successful, it is uncertain when, if ever, the Company will generate significant product sales. If the Company does not successfully commercialize any of its products or mitigate any of these other risks, it will be unable to generate revenue or achieve profitability.

Basis of presentation

The Company’s unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and pursuant to the rules and regulations of the Securities and Exchange Commission for interim financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. All intercompany accounts and transactions have been eliminated in consolidation.

Certain notes or other information that are normally required by GAAP have been omitted if they substantially duplicate the disclosures contained in the Company’s annual audited consolidated financial statements. Accordingly, the unaudited condensed consolidated financial statements should be read in connection with the Company’s audited financial statements and related notes as of and for the year ended December 31, 2020 contained in our prospectus dated April 30, 2021.

On May 4, 2021, the Company effected a 309-for-1 stock split of ordinary shares. Each resultant ordinary share from the stock split was redesignated as one ordinary share and one deferred C share. Accordingly, all ordinary share and per share amounts for all periods presented in the accompanying unaudited condensed consolidated financial statements and notes thereto have been retroactively adjusted, where applicable, to reflect the stock split.

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The condensed consolidated balance sheet and statement of changes in redeemable convertible preferred shares and shareholders' equity include the correction of an error related to the Company's consolidated financial statements for the period ended December 31, 2019. The error related to the omission of share-based compensation expense totaling \$2,129 thousand in the period ended December 31, 2019. The correction of this error has been recorded as an adjustment to previously reported additional paid-in-capital and accumulated deficit as of January 1, 2020 and consequently as of December 31, 2020. There is no impact on net loss or cash flows, and no material impact on financial position for the periods presented.

The accompanying unaudited condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates, among other things, the realization of assets and the satisfaction of liabilities and commitments in the ordinary course of business.

Unaudited Condensed Financial Information

The accompanying Condensed Consolidated Balance Sheet as of September 30, 2021, the Condensed Consolidated Statements of Operations and Comprehensive loss and Condensed Consolidated Statements Of Changes In Redeemable Convertible Preferred Shares and Shareholders' Equity (Deficit) for the three months and nine months ended September 30, 2021 and 2020 and the Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2021 and 2020 are unaudited. These unaudited condensed consolidated financial statements have been prepared on the same basis as the audited annual consolidated financial statements. In our opinion, the unaudited condensed consolidated financial statements include all adjustments of a normal recurring nature necessary for the fair presentation of our financial position as of September 30, 2021, our results of operations for the three and nine months ended September 30, 2021 and 2020, and our cash flows for the nine months ended September 30, 2021 and 2020. The results of operations for the three and nine months ended September 30, 2021 are not necessarily indicative of the results to be expected for the year ending December 31, 2021, or any other interim periods.

2. Summary of Significant Accounting Policies

The accounting policies of the Company are set forth in Note 2 to the consolidated financial statements as of and for the year ended December 31, 2020 except as discussed below related to newly adopted accounting pronouncements.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the unaudited condensed consolidated financial statements and the reported amounts of costs and expenses during the reporting period. The Company bases estimates and assumptions on historical experience when available and on various factors that it believes to be reasonable under the circumstances. The Company evaluates its estimates and assumptions on an ongoing basis. The Company's actual results may differ from these estimates under different assumptions or conditions.

We have experienced and expect to continue to experience disruptions as a result of the COVID-19 pandemic that could severely impact the Company's clinical and pre-clinical development timelines for the Company's clinical and pre-clinical programs. Estimates and assumptions about future events and their effects cannot be determined with certainty and therefore require the exercise of judgment. As of the date of issuance of these unaudited condensed consolidated financial statements, the Company is not aware of any specific event or circumstance that would require the Company to update its estimates, assumptions and judgments or revise the carrying value of its assets or liabilities. These estimates may change as new events occur and additional information is obtained and are recognized in the unaudited condensed consolidated financial statements as soon as they become known. Actual results could differ from those estimates and any such differences may be material to the Company's financial statements.

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Recently issued accounting pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that the Company adopts as of the specified effective date. The Company qualifies as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012 and has elected not to “opt out” of the extended transition related to complying with new or revised accounting standards, which means that when a standard is issued or revised and it has different application dates for public and nonpublic companies, the Company can adopt the new or revised standard at the time nonpublic companies adopt the new or revised standard and can do so until such time that the Company either (i) irrevocably elects to “opt out” of such extended transition period or (ii) no longer qualifies as an emerging growth company.

The Company adopted ASU No. 2018-15, Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract (“ASU 2018-15”) on January 1, 2021. The new standard did not have an impact on the Company’s financial position and results of operations.

3. Net Loss Per Share

Because the Company has reported a net loss attributable to ordinary shareholders for the periods presented, basic and diluted net loss per share attributable to ordinary shareholders are the same for the periods presented, except for the period ended September 30, 2020 in which the Company reported net income attributable to ordinary shareholders.

The following table sets forth the computation of basic and diluted net loss per share for the three months and nine months ended September 30, 2021 and 2020 (in thousands, except number of shares):

| | <u>Three months ended September 30,</u> | | <u>Nine months ended September 30,</u> | |
|---|---|-------------------|--|-------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Numerator: | | | | |
| Net (loss)/income | \$ (4,570) | \$ 200 | \$ (35,941) | \$ (7,408) |
| Net (loss)/income attributable to noncontrolling interest | (13) | 42 | (189) | (157) |
| Net (loss)/income attributable to Vaccitech shareholders | <u>\$ (4,557)</u> | <u>\$ 158</u> | <u>\$ (35,752)</u> | <u>\$ (7,251)</u> |
| Denominator: | | | | |
| Weighted-average ordinary shares outstanding, basic | <u>34,843,154</u> | <u>7,937,384</u> | <u>22,697,462</u> | <u>7,886,488</u> |
| Effect of dilutive securities | | | | |
| Stock Options | — | 1,112,064 | — | — |
| Series A Shares | — | 6,818,085 | — | — |
| Weighted-average ordinary shares outstanding, diluted | <u>34,843,154</u> | <u>15,867,533</u> | <u>22,697,462</u> | <u>7,886,488</u> |
| Net (loss)/ income per share attributable to ordinary shareholders, basic | <u>\$ (0.13)</u> | <u>\$ 0.02</u> | <u>\$ (1.58)</u> | <u>\$ (0.92)</u> |
| Net (loss)/ income per share attributable to ordinary shareholders, diluted | <u>\$ (0.13)</u> | <u>\$ 0.01</u> | <u>\$ (1.58)</u> | <u>\$ (0.92)</u> |

The weighted-average ordinary shares outstanding for the three months and nine months ended September 30, 2021 includes 514,923 shares issuable on vesting of the restricted stock units with a performance condition linked to the IPO resolution date (see note 11).

Potential ordinary shares issuable for stock options that are excluded from the computation of diluted weighted-average shares outstanding because including them would have had an anti-dilutive effect are as follows:

| | <u>Nine months ended September 30,</u> | |
|-----------------|--|-------------|
| | <u>2021</u> | <u>2020</u> |
| Stock options | 3,356,648 | 1,113,327 |
| Series A shares | — | 6,818,085 |

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4. Prepaid and other current assets (in thousands)

| | <u>September 30, 2021</u> | <u>December 31, 2020</u> |
|--------------------------------|---------------------------|--------------------------|
| Prepayments and accrued income | \$ 5,639 | \$ 1,075 |
| Value Added Tax receivable | 508 | 305 |
| Current tax receivable | 55 | — |
| Others | 482 | 29 |
| Total | <u>\$ 6,684</u> | <u>\$ 1,409</u> |

5. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following (in thousands):

| | <u>September 30, 2021</u> | <u>December 31, 2020</u> |
|---|---------------------------|--------------------------|
| Accrued manufacturing and clinical expenses | \$ 1,887 | \$ 462 |
| Accrued board of director compensation | 120 | 4 |
| Accrued bonus | 1,007 | 750 |
| Accrued payroll and employee benefits | 407 | 250 |
| Accrued professional fees | 629 | 806 |
| Accrued other | 354 | 265 |
| Total | <u>\$ 4,404</u> | <u>\$ 2,537</u> |

6. Ordinary Shares

On May 4, 2021, the Company closed its initial public offering (“IPO”) of 6,500,000 ADS representing 6,500,000 ordinary shares having a nominal value of £0.000025 per share, at a public offering price of \$17.00 per share, for aggregate net proceeds of \$102,765 thousand after deducting underwriting commissions of \$7,735 thousand and incurred offering costs of \$2,165 thousand.

All ordinary shares rank pari passu as a single class. The following is a summary of the rights and privileges of the holders of ordinary shares as of September 30, 2021:

Liquidation preference: in the event of the liquidation, dissolution or winding up of the Company, the assets of the Company available for distribution to holders of the ordinary shares shall be distributed amongst all holders of the ordinary shares in proportion to the number of shares held irrespective of the amount paid or credited as paid on any share.

Dividends: holders of the ordinary shares are entitled to dividend, as may be recommended from time to time by the Board and declared by the ordinary shareholders out of legally available funds.

Voting Rights: each holder of ordinary shares is entitled to one vote for each share on all matters to be voted on by ordinary shareholders.

Preemption rights: pursuant to section 561 of the Companies Act 2006, shareholders are granted preemptive rights when new shares are issued for cash. However, it is possible for our Articles, or shareholders at a general meeting representing at least 75% of our ordinary shares present (in person or by proxy) and eligible to vote at that general meeting, to disapply these preemptive rights. Such a disapplication of preemption rights may be for a maximum period of up to five years from the date of the shareholder special resolution. In either case, this disapplication would need to be renewed by our shareholders upon its expiration (i.e., at least every five years) to remain effective.

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On April 21, 2021, our shareholders approved the disapplication of preemptive rights for a period of five years from the date of approval by way of a special resolution of our shareholders. This included the disapplication of preemption rights in relation to the allotment of our ordinary shares in connection with the IPO. This disapplication will need to be renewed upon expiration (i.e., at least every five years) to remain effective, but may be sought more frequently for additional five-year terms (or any shorter period).

7. Series A and Series B shares

On March 15, 2021, the Company issued 28,957 Series B preferred shares ("Series B Shares") amounting to \$125,239 thousand and incurred transaction costs of \$3,402 thousand.

On March 31, 2021, Vaccitech plc subdivided each of the Series A shares and Series B shares (including the Series B shares issued on conversion of the convertible loan notes) into one share of the same class and one deferred A share with a nominal value of £1.00 per share.

On May 4, 2021 prior to the closing of the Company's initial public offering and pursuant to the terms of its articles of association, all of the Series A Shares and Series B Shares were converted into 19,603,887 ordinary shares, 570,987 deferred B shares and 19,603,887 deferred C shares.

8. Convertible loan notes

The Company recognized interest expense of \$2,650 thousand and a change in fair value of \$5,994 thousand in relation to the conversion and redemption features embedded in the convertible loan notes in the condensed consolidated statements of operations and comprehensive loss for the period ended September 30, 2021. For the period ended September 30, 2020, interest expense was \$969 thousand and change in fair value in relation to the conversion and redemption features embedded in the convertible loan notes was \$3 thousand.

The Series B funding on March 15, 2021 constituted a qualified equity financing in accordance with the terms of the convertible loan notes. As a result, the convertible loan notes were converted on March 15, 2021 into 12,421 Series B Shares with the conversion price being 0.8 times the Series B Shares issue price.

The conversion was accounted for as an extinguishment of the convertible loan notes. As a result, the 12,421 Series B preferred shares issued on conversion was recognized at the settlement-date fair value of the Series B shares (\$53,721 thousands) and a loss of \$13,789 thousand for the nine month period was recognized in earnings for the difference between (1) the fair value of those shares and (2) the sum of the carrying amounts of the convertible loan notes (\$25,557 thousand) and the bifurcated conversion and redemption feature liability (\$14,375 thousand).

9. Deferred Shares

All deferred shares rank pari passu as a single class. The deferred shares do not have rights to dividends or to participate in profits on a return of assets on liquidation, the deferred shares confer on the holders thereof an entitlement to receive out of the assets of the Company available for distribution amongst the shareholders (subject to the rights of any new class of shares with preferred rights) the amount credited as paid up on the deferred shares held by them respectively after (but only after) payment shall have been made to the holders of the ordinary shares of the amounts paid up or credited as paid up on such shares and the sum of £1,000 thousand (\$1,373 thousand) in respect of each ordinary share held by them respectively. The deferred shares shall confer on the holders thereof no further right to participate in the assets of the Company.

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10. Fair value

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses, and other liabilities. As of September 30, 2021, and December 31, 2020, the carrying amount of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses, and other liabilities approximated their respective fair value due to the short-term nature and maturity of these instruments.

As of December 31, 2020, the Company had an embedded derivative liability of \$20,109 thousand related to the conversion features, the cash redemption feature on maturity and the cash redemption feature upon an exit event that settles in noncash consideration embedded in convertible loan notes. The fair value of the embedded derivatives is a Level 3 valuation with the significant unobservable inputs being the probability of exercise of conversion and cash redemption features. Significant judgment is employed in determining the appropriateness of certain of these inputs. The changes in the fair value of the embedded derivatives was as follows (in thousands):

| | <u>Nine months ended September 30,</u> | |
|---|--|------------------|
| | <u>2021</u> | <u>2020</u> |
| Beginning balance | \$ 20,109 | \$ 12,977 |
| Change in fair value recognized in net loss | (5,994) | (3) |
| Settlement via conversion | (14,375) | — |
| Foreign exchange translation | 260 | 96 |
| Ending balance | <u>\$ —</u> | <u>\$ 13,070</u> |

11. Share-Based Compensation

On April 8, 2021, the Board of the Company adopted the Vaccitech plc Share Award Plan 2021 ("the Plan") and the Vaccitech plc Non-Employee Sub-Plan which is a sub-plan of the Plan. Under the terms of the Plan, the Board is permitted to grant awards to employees as restricted share units, options, share appreciation rights, restricted shares. The aggregate number of shares initially available for issuance under the Plan and the Vaccitech plc Non-Employee Sub-Plan cannot exceed 3,675,680 ordinary shares (the "Initial Limit"). Beginning calendar year 2022, the total number of ordinary shares available for issuance under the Plan shall be increased on January 1 of each year in an amount equal to the lesser of (i) 4% of the Company's issued and outstanding ordinary shares (which 4% limit shall be measured as of January 1 of such year) and (ii) such number of ordinary shares as determined by the Board in its discretion (the "Annual Increase"). The awards generally vest based on the grantee's continued service with the Company during a specified period following grant as determined by the Board and generally expire ten years from the grant date. Option awards generally vest over one to four years, but vesting conditions can vary at the discretion of the Company's Board. As of September 30, 2021, 2,131,214 ordinary shares are available for future grants.

On April 30, 2021, the Company granted 1,513,566 options under the Plan to employees and directors with a grant date fair value \$11.33 per option and a weighted average exercise price of \$17.00 per option. On September 30, 2021, the Company granted 30,900 options under the Plan with a grant date fair value of \$12.83 and a weighted average exercise price of \$14.96 per option.

For the nine months ended September 30, 2021, the Company granted 1,909,086 options with a weighted average grant date fair value of \$ 10.94 per option and a weighted average exercise price of \$13.72 of which 364,620 options were issued under the Enterprise Management Incentive Share Option Scheme which has been discontinued on adoption of the Plan. For the nine months ended September 30, 2020, the Company granted 302,820 options to employees and directors under the Enterprise Management Incentive Share Option Scheme with a weighted average grant date fair value of \$4.98 and a weighted average exercise price of \$0.00036 per share.

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The fair value of each stock option issued to employees was estimated at the date of grant using Black-Scholes with the following weighted-average assumptions:

| | <u>Nine months ended September 30,</u> | |
|-------------------------|--|---------|
| | 2021 | 2020 |
| Expected volatility | 110.8 % | 110.8 % |
| Expected term (years) | 6.31 | 6.03 |
| Risk-free interest rate | 1.06 % | 1.7 % |
| Expected dividend yield | — | — |

On April 22, 2021, the exercise price of 267,903 options was changed from \$0.0004 (£0.0003) to \$4.84 (£3.49) in order to enable employees to benefit from tax advantages under the Enterprise Management Incentive Scheme. This modification did not result in an incremental compensation cost and the Company continues to recognize compensation cost on these options equal to the grant date fair value of the original award.

At September 30, 2021 3,356,648 options with a weighted average exercise price of \$7.98 were outstanding of which 741,219 with a weighted average exercise price of \$0.38 were exercisable. At September 30, 2021, there was \$16,061 thousand unrecognized compensation cost related to stock options, which is expected to be recognized over a weighted average period of 2.37 years.

During the six months ended June 30, 2021, 514,923 restricted stock units with a performance condition linked to the IPO resolution date vested on occurrence of the IPO resulting in \$5,760 thousand recognized as compensation cost.

Share-based compensation expense is classified in the unaudited condensed consolidated statement of operations and comprehensive loss as follows (in thousands):

| | <u>Three months ended September 30,</u> | | <u>Nine months ended September 30,</u> | |
|----------------------------|---|---------------|--|-----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Research and development | \$ 496 | \$ 98 | \$ 1,457 | \$ 425 |
| General and administrative | 2,878 | 56 | 11,450 | 1,000 |
| Total | \$ 3,374 | \$ 154 | \$ 12,907 | \$ 1,425 |

12. Contract Assets and Liabilities

The Company discloses Accounts receivable separately in the Condensed Consolidated Balance Sheet at the net amount expected to be collected. Contract assets primarily relate to the Company's conditional right to consideration for work completed but not billed at the reporting date. As of September 30, 2021, the Company did not have any contract assets.

Contract liabilities primarily relate to payments received from customers in advance of performance under the contract and are disclosed as deferred revenue separately in the Condensed Consolidated Balance Sheet. The Company's contract liabilities arise when payment is received upfront for various multi-period extended license and service arrangements.

Changes in the contract liabilities during the period are as follows:

| | <u>September 30,</u> |
|--|----------------------|
| | <u>2021</u> |
| Balance at December 31, 2020 | \$ 245 |
| Revenue recognized related to contract liability balance | (48) |
| Foreign exchange translation | (1) |
| Balance at September 30, 2021 | <u>\$ 196</u> |

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13. Commitments and Contingencies

In-License Agreements

The Company is party to a number of licensing agreements most of which are with related parties. These agreements serve to provide the Company with the right to develop and exploit the counterparties' intellectual property for certain medical indications. As part of execution of these arrangements, the Company paid certain upfront fees, which have been expensed as incurred because the developing technology has not yet reached technical feasibility, the lack of alternative use, and the lack of proof of potential value. The agreements cover a variety of fields, including influenza, cancer, HPV, HBV and MERS. The Company's obligations for future payments under these arrangements are dependent on its ability to develop promising drug candidates, the potential market for these candidates and potential competing products, and the payment mechanisms in place in countries where the Company retains the right to sell. Each agreement provides for specific milestone payments, typically triggered by achievement of certain testing phases in human candidates, and future royalties ranging from 1 to 5% for direct sales of a covered product to 3 to 7% of net payments received for allowable sublicenses of technology developed by the Company. The obligation to make these payments is contingent upon the Company's ability to develop candidates for submission for phased testing and approvals, and for the development of markets for the products developed by the Company. The Company has not made any material payments under these license agreements during the periods ended September 30, 2021 and September 30, 2020.

Leases

The Company leases certain laboratory and office space under operating leases, which are described below.

The Oxford Science Park, Oxford

The Company leases an office and laboratory space from a related party in Oxford, England under an operating lease with a contractual term expiring in 2028. The lease does not contain renewal terms. Variable payments include amounts due to the lessor for additional services and cost reimbursements.

The Harwell Science and Innovation Campus, Oxfordshire

On September 3, 2021, the Company entered into a lease agreement for the lease of approximately 31,000 square feet in Harwell, Oxfordshire which expires in September 2031. The Company intends to use the property as its corporate headquarters. As the Company's leases typically do not provide an implicit rate, the Company uses an estimate of its incremental borrowing rate based on the information available at the lease commencement date, being the rate incurred to borrow on a collateralized basis over a similar term at an amount equal to the lease payments in a similar economic environment. The Company has provided the lessor with a refundable security deposit of \$719 thousand (£534 thousand) which is included in Other assets.

The Company recorded a right-of-use asset and a lease liability on the effective date of the lease term. The Company's right-of-use asset and lease liability are as follows (in thousands):

| | September 30, 2021 | December 31, 2020 |
|-----------------------------|-----------------------|----------------------|
| Right-of-use asset | \$ 8,780 | \$ 2,136 |
| Lease liability, current | 435 | 192 |
| Lease liability, noncurrent | 7,728 | 1,472 |

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Other information

| | <u>Nine months ended September 30,</u> | |
|--|--|-------------|
| | <u>2021</u> | <u>2020</u> |
| Cash paid for amounts included in the measurement of lease liabilities | \$ 251 | \$ 244 |

During the nine months ended September 30, 2021, the Company recorded \$372 thousand (nine months ended September 30, 2020: \$253 thousand) in operating lease costs (including short-term lease expense and variable lease costs).

Future annual minimum lease payments under operating leases as of September 30, 2021 were as follows (in thousands):

| | |
|------------------------------|-----------------|
| Remainder of 2021 | \$ 141 |
| 2022 | 615 |
| 2023 | 798 |
| 2024 | 1,515 |
| 2025 | 1,515 |
| Thereafter | 7,378 |
| Total minimum lease payments | \$ 11,962 |
| Less: imputed interest | 3,799 |
| Total lease liability | <u>\$ 8,163</u> |

Other contingencies

The Company is a party in various contractual disputes, litigation, and potential claims arising in the ordinary course of business. The Company does not believe that the resolution of these matters will have a material adverse effect on its financial position or results of operations.

14. Related Party Transactions

During the three months and nine months ended September 30, 2021, the Company paid \$110 thousand and \$236 thousand respectively (three months and nine months ended September 30, 2020: \$80 thousand and \$250 thousand respectively) to its shareholder, Oxford Sciences Enterprises plc (formerly, Oxford Sciences Innovation plc), mostly related to the lease of a laboratory and office space in Oxford. At September 30, 2021, the Company owed \$0 thousand (December 31, 2020: \$0) to Oxford Sciences Enterprises plc.

During the nine months ended September 30, 2021, the interest on convertible loans issued to Oxford Sciences Enterprises plc and the University of Oxford, shareholders of the Company was \$429 thousand (nine months ended September 30, 2020: \$368 thousand). At September 30, 2021 these convertible loan notes including the embedded derivative was \$0 (December 31, 2020: \$7,356 thousand).

On March 15, 2021 Oxford Sciences Enterprises plc subscribed to 3,468 Series B Shares in an amount of \$14,999 thousand. The Company also recognized a loss of \$2,125 thousand on the conversion of the convertible loan notes into 2,008 Series B Shares. On May 4, 2021 prior to the closing of the Company's initial public offering and pursuant to the terms of its articles of association, the Series B Shares were converted into 1,692,084 ordinary shares.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes appearing elsewhere in this Quarterly Report on Form 10-Q and our audited financial statements and related notes for the year ended December 31, 2020 included in our final prospectus for our initial public offering filed pursuant to Rule 424(b) under the Securities Act of 1933, as amended, with the Securities and Exchange Commission, on April 30, 2021. Some of the information contained in this discussion and analysis or set forth elsewhere in this report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks, uncertainties and assumptions. Factors that might cause future results to differ materially from those projected in the forward-looking statements include, but are not limited to, those set forth in our final prospectus for our initial public offering filed pursuant to Rule 424(b), as supplemented by our subsequent filings with the SEC.

Overview

We are a clinical-stage biopharmaceutical company engaged in the discovery and development of novel immunotherapeutics and vaccines for the treatment and prevention of infectious diseases and cancer. We use our proprietary platform to develop product candidates that stimulate powerful, targeted immune responses against pathogens and tumor cells. We design our product candidates to stimulate immune responses that are robust, highly specific, and are differentiated by the magnitude of the T cell populations induced, which exhibit critical functionality and durability. We are focused on applying our platform capabilities and the expertise of our team to address significant unmet medical needs in two settings—the therapeutic setting, for the treatment of chronic infectious diseases and cancer, and the prophylactic setting, for the prevention of infectious diseases, based on our platform's ability to respond rapidly to epidemic and pandemic threats.

We have a broad pipeline of both clinical and preclinical stage therapeutic and prophylactic programs. Our current therapeutic programs include VTP-300 for the treatment of chronic hepatitis B infection, or CHB, VTP-200 for the treatment of human papilloma virus infection, or HPV, VTP-850 for the treatment of prostate cancer and VTP-600 for the treatment of non-small cell lung cancer, or NSCLC. Our current prophylactic programs include VTP-400 for the prevention of herpes zoster, or shingles, and VTP-500 for the prevention of Middle East respiratory syndrome, or MERS. In addition, we co-invented a COVID-19 vaccine candidate with the University of Oxford, which we assigned to Oxford University Innovation, or OUI, to facilitate the license of those rights by OUI to AstraZeneca UK Limited, or AstraZeneca. The product candidate, which we refer to as AZD1222, is now authorized for use under the name Vaxzevria in a number of countries. As of August 12, 2021, AstraZeneca has announced that AZD1222 has been granted emergency use authorization in the United Kingdom, India and Japan, among other countries. AstraZeneca has exclusive worldwide rights to develop and commercialize AZD1222.

On May 4, 2021, we completed our initial public offering, or IPO, pursuant to which we issued and sold 6,500,000 ADSs at a public offering price of \$17.00 per ADS, resulting in net proceeds of \$102.8 million, after deducting underwriting discounts and commissions and offering expenses. Prior to our IPO, we funded our operations primarily from private placements of our ordinary and preferred shares, private placements of loan notes convertible into ordinary shares, as well as from grants and licensing agreements, research tax credit payments, investments from non-controlling interest a \$2.4 million upfront payment from OUI in July 2020 in connection with the Amendment, Assignment and Revenue Share Agreement, or the OUI License Agreement Amendment, related to the licensing of the COVID-19 vaccine candidate now known as AZD1222, or Vaxzevria. We do not expect to generate revenue from any of our own product candidates until we obtain regulatory authorization for one or more of such product candidates, if at all, and commercialize our products, or we enter into out-licensing agreements with third parties. We may receive some revenue pursuant to the OUI License Agreement Amendment with OUI with respect to the AstraZeneca COVID-19 vaccine candidate AZD1222 in certain circumstances if it receives marketing approval from regulatory authorities and is sold commercially. Substantially all of our net losses have resulted from costs incurred in connection with our research and development activities and from general and administrative costs associated with our operations.

We have incurred net losses each year since inception. For the three and nine months ended September 30, 2021, we incurred net losses of \$4.6 million and \$35.9 million, respectively. For the three and nine months ended September 30, 2020, we generated a net income of \$0.2 million and incurred a net loss of \$7.4 million, respectively. As of September 30, 2021, we had an accumulated deficit of \$93.5 million and we do not expect positive cash flows from operations in the foreseeable future. We expect to continue to incur net operating losses for at least the next several years as we advance our product candidates through clinical development, seek regulatory approval, prepare for approval, and in some cases proceed to commercialization of our product candidates, as well as continue our research and development efforts and invest to establish a commercial manufacturing facility, as and when appropriate.

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At this time, we cannot reasonably estimate, or know the nature, timing and estimated costs of all of the efforts that will be necessary to complete the development of any of our product candidates that we develop through our programs. We are also unable to predict when, if ever, material net cash inflows will commence from sales of product candidates we develop, if at all. This is due to the numerous risks and uncertainties associated with developing product candidates to approval and commercialization, including the uncertainty of:

- successful completion of preclinical studies and clinical trials;
- sufficiency of our financial and other resources to complete the necessary preclinical studies and clinical trials;
- acceptance of investigational new drug applications, or INDs, for our planned clinical trials or future clinical trials;
- successful enrollment and completion of clinical trials;
- data from our clinical program supporting approvable and commercially acceptable risk/benefit profiles for our product candidates in the intended populations;
- receipt and maintenance of necessary regulatory and marketing approvals from applicable regulatory authorities, in the light of the commercial environment then existent;
- scale-up of our manufacturing processes and formulation of our product candidates for later stages of development and commercial production;
- establishing either our own manufacturing capabilities or satisfactory agreements with third-party manufacturers for clinical supply for later stages of development and commercial manufacturing;
- entry into collaborations where appropriate to further the development of our product candidates;
- obtaining and maintaining intellectual property and trade secret protection or regulatory exclusivity for our product candidates as well as qualifying for, maintaining, enforcing and defending such intellectual property rights and claims;
- successfully launching or assisting with the launch of commercial sales of our product candidates following approval;
- acceptance of each product's benefits and uses by patients, the medical community and third-party payors following approval;
- the prevalence and severity of any adverse events experienced with our product candidates in development;
- establishing and maintaining a continued acceptable safety profile of the product candidates following approval;
- obtaining and maintaining healthcare coverage and adequate reimbursement from third-party payors if necessary or desirable; and
- effectively competing with other therapies.

A change in the outcome of any of these variables with respect to the development of a product candidate could mean a significant change in the costs and/or timing associated with the development of that product candidate or could prevent continuation of that program being in the company's interests. For example, if the FDA or another regulatory authority were to require us to conduct clinical trials beyond those that we anticipate will be required for the completion of clinical development of a product candidate, or if we experience significant delays in our clinical trials due to patient enrollment or other reasons, we might be required to expend significant additional financial resources and time on the completion of clinical development. In some circumstances, such as the emergence of a significantly more effective therapy from a competitor, it may be appropriate to discontinue a product candidate program. Including the net proceeds from our IPO, we expect that our cash balance as of September 30, 2021 will enable us to fund our operating expenses and capital requirements into 2024.

Recent Developments

On September 3, 2021, we announced the publication of new preclinical data indicating that Vaccitech Oncology Limited's ChAdOx1/MVA prime-boost immunotherapeutic has potential as a novel cancer treatment. This research from the University of Oxford and the Ludwig Institute for Cancer Research shows that the cancer immunotherapeutic generates effective anti-tumor immune responses and, in combination with immunotherapy, decreases tumor size and increases the survival rates in mouse models. The technology is comprised of the ChAdOx vector, which underpins the Oxford-AstraZeneca COVID vaccine. The prime-boost viral vector product is licensed to Vaccitech Oncology Limited (VOLT), a strategic initiative between the Ludwig Institute for Cancer Research and Vaccitech plc. In October 2021, we opened a first-in-human clinical trial of the immunotherapeutic (VTP-600) in patients with non-small cell lung cancer.

On September 7, 2021 we announced that we entered into a lease within the Zeus development at Harwell Science and Innovation Campus, Harwell, United Kingdom. We plan to relocate our headquarters to the site from Oxford by mid-2022.

In October 2021 we completed recruitment for cohorts 1-5 for our Phase 1 (HBV001) clinical trial for VTP-300. We have already presented interim data from cohorts 1 and 2, and further results are expected to be available in the fourth quarter of 2021 and the first quarter of 2022.

On November 4, 2021, VTP-500 results from the Saudi Arabia Phase 1 study were published in The Lancet Microbe. The Phase 1 data showed that VTP-500 was generally well tolerated in patients, and we plan to continue further development of the product candidate.

Impact of the COVID-19 Pandemic

The spread of COVID-19, which we refer to as the COVID-19 pandemic, and the policies and regulations implemented by governments in response to the COVID-19 pandemic have had a significant impact, both directly and indirectly, on the global economy and our business and operations, including continuing disruption to our clinical trial activities. Of note, the initiation of our Phase 1 clinical trial for VTP-500, which is being conducted at the University of Oxford, was paused due to COVID-19. In addition, the COVID-19 pandemic has had a negative affect on the operations of our third-party manufacturers and the supply chain for our product candidates and clinical trial materials, due to limitations on travel imposed or recommended by federal, state/provincial or municipal governments, employers and others.

Our study protocols have been amended so that participants who have previously received Vaxzevria (or any other adenovirus-based vaccine) wait for a minimum of 3 months between their last adenovirus vaccine and injection with our immunotherapeutic product candidates to prevent prior vector immunity affecting the study.

In the VTP-200 program the initiation of investigational sites for the Phase 1/2a clinical trial (HPV001) across all countries has been impacted by COVID-19. The UK is particularly affected as resources to support set up of trials not related to COVID-19 have been low across sites. Other pandemic related issues affecting recruitment include the mass vaccination programs and the adverse publicity early in the second quarter of 2021 specifically around Vaxzevria. Participant recruitment continues to be delayed with last patient first visit anticipated in the first quarter of 2022, and the interim analysis is expected to be available in the third quarter of 2022.

For our Phase 1 (HBV001) clinical trial for VTP-300, recruitment of patients with Chronic Hepatitis B (CHB) in the UK has been challenging, due to COVID-19 lockdowns. We completed recruitment for cohorts 1-5 in October 2021 and results of the study are expected to be available in the first quarter of 2022. For our Phase 1b/2a (HBV002) clinical trial for VTP-300, CHB patient recruitment continues with delays in Taiwan due to the ongoing COVID-19 lockdown in the country. Patient recruitment has also been delayed in South Korea due to the roll out of Vaxzevria vaccine and vaccine hesitancy. Patient recruitment is estimated to be completed in the first quarter of 2022, with interim data also expected toward the beginning of the first quarter of 2022.

If the disruption due to the COVID-19 pandemic continues, our planned future preclinical and clinical development for our other product candidates could also be delayed due to government orders and site policies as a result of the pandemic. The pandemic and government measures taken in response have also had a significant impact, both direct and indirect, on businesses and commerce, as worker shortages have occurred; supply chains have been disrupted; facilities and production have been suspended; and demand for certain goods and services, such as medical services and supplies, has spiked, while demand for other goods and services, such as travel, has fallen. In response to the spread of COVID-19, we have mandated that our non-laboratory based employees, such as clinical, manufacturing, finance, administrative, quality, regulatory and program managers split their time between working from home and the office, being sure to maintain social distancing and adhere to COVID-19 working guidelines when on the office premises. In addition, we continue to limit the number of staff in any given research and development laboratory at any time to maintain social distancing. Our increased reliance on personnel working from home may negatively impact productivity, increase the potential risks of data privacy or security breaches, or disrupt, delay, or otherwise adversely impact our business.

We are still assessing our business plans and the impact the COVID-19 pandemic may have on our ability to advance the development of our product candidates as a result of adverse impacts on the research sites, service providers, vendors, or suppliers on whom we rely, or to raise financing to support the development of our ongoing product candidate development. No assurances can be given that this analysis will enable us to avoid part or all of any impact from the COVID-19 pandemic, including downturns in business sentiment generally or in our sector in particular. The Delta variant increased, and other variants may increase, COVID-19 case counts significantly, which may further impact our ability to conduct our business. The impact of government regulations, vaccine adoption rates (including boosters), the effectiveness of vaccines, and the continuing economic effects of the pandemic and containment measures may also further adversely impact our business. We cannot currently predict the scope and severity of any potential business shutdowns or disruptions, but if we or any of the third parties on whom we rely or with whom we conduct business were to experience shutdowns or other business disruptions, our ability to conduct our business in the manner and on the timelines presently planned could be materially and adversely impacted.

Components of Our Operating Results

Revenue

To date, we have not generated any revenue from product sales and do not expect to do so in the near future, if at all. Our revenue to date has been derived from a research grant from BARDA, a research collaboration and license agreement with Enara Bio and the OUI License Agreement Amendment with OUI relating to AZD1222.

In April 2020, we entered into the OUI License Agreement Amendment with OUI in respect of our rights to use the ChAdOx1 technology in COVID-19 vaccines to facilitate the license of those rights by OUI to AstraZeneca. Under this agreement, we are entitled to receive from OUI a share of payments, including royalties and milestones, received by OUI from AstraZeneca in respect of this vaccine. As a direct result of the OUI License Agreement Amendment, we received a payment of \$2.4 million, of which we have recognized \$2.4 million as revenue during the year ended December 31, 2020.

We determined that we have no further performance obligations under the terms of the OUI License Agreement Amendment, which comprised the transfer of intellectual property rights only. Accordingly, we plan to recognize these and any future amounts as revenue when received.

Operating Expenses

Our operating expenses since inception have consisted of research and development costs and general administrative costs.

Research and Development Expenses

Since our inception, we have focused significant resources on our research and development activities, including establishing and building on our adenovirus platform, further enhancing our in-licensed ChAdOx1, ChAdOx2 and MVA vectors, developing a new next-generation adenoviral vector, conducting preclinical studies, developing various manufacturing processes, and advancing clinical development of our programs including Phase 2 clinical trials for VTP-100, which we subsequently discontinued development of, as well as initiating the clinical trials for VTP-200 and VTP-300, and readying VTP-600 and VTP-850 for clinical trials. Research and

development activities account for the major portion of our operating expenses. Research and development costs are expensed as incurred. These costs include:

- salaries, benefits and other related costs, including share-based compensation, for personnel engaged in research and development functions;
- expenses incurred in connection with the development of our programs including preclinical studies and clinical trials of our product candidates, under agreements with third parties, such as consultants, contractors, academic institutions and CROs;
- the cost of manufacturing drug products for use in preclinical development and clinical trials, including under agreements with third parties, such as CMOs, consultants and contractors;
- laboratory costs;
- leased facility costs, equipment depreciation and other expenses, which include direct and allocated expenses; and
- intellectual property costs incurred in connection with filing and prosecuting patent applications as well as third-party license fees.

General and Administrative Expenses

Our general and administrative expenses consist primarily of personnel costs in our executive, finance, business development and other administrative functions. Other general and administrative expenses include consulting fees and professional service fees for auditing, tax and legal services, rent expenses related to our offices, depreciation, foreign exchange gains and losses on our cash balances and other central non-research costs. We expect our general and administrative expenses to continue to increase in the future as we expand our operating activities and potentially prepare for manufacturing and/or commercialization of our current and future product candidates. These costs would normally increase as our headcount rises to allow full support for our operations as a public company, including increased expenses related to legal, accounting, regulatory and tax-related services associated with maintaining compliance with requirements of the Nasdaq Global Market and the Securities and Exchange Commission, directors' and officers' liability insurance premiums and investor relations activities.

Other Income (Expense)

Change in Fair Value of Derivatives

We recognized a change in fair value in relation to the conversion and redemption features embedded in the convertible loan notes in the condensed consolidated statements of operations and comprehensive loss for the nine months ended September 30, 2021. We had an embedded derivative liability related to the conversion features, the cash redemption feature on maturity and the cash redemption feature upon an exit event that settles in noncash consideration embedded in convertible loan notes. The fair value of the embedded derivatives is a Level 3 valuation with the significant unobservable inputs being the probability of exercise of conversion and cash redemption features. Significant judgment is employed in determining the appropriateness of certain of these inputs.

Loss on Extinguishment of Convertible Loan Notes

On March 15, 2021, we issued 28,957 Series B preferred shares, or Series B Shares, amounting to \$125.2 million. Each Series B Share is convertible into 309 ordinary shares and nine deferred shares at the holders' option at any time. The Series B funding constituted a qualified equity financing in accordance with the terms of the convertible loan notes. As a result, the convertible loan notes were converted on March 15, 2021 into 12,421 Series B Shares with the conversion price being 0.8 times the Series B Shares issue price.

The conversion was accounted for as an extinguishment of the convertible loan notes. As a result, the 12,421 Series B preferred shares issued on conversion was recognized at the settlement-date fair value of the Series B shares and a loss was recognized in earnings for the difference between (1) the fair value of those shares and (2) the sum of the carrying amounts of the convertible loan notes and the bifurcated conversion and redemption feature liability.

Interest Expense

Interest expense results primarily from our convertible loan notes, which carry a market rate of interest. These notes were issued between July and November 2020 and converted on March 15, 2021 into 12,421 Series B Shares with the conversion price being 0.8 times the Series B Shares issue price.

Research and Development Incentives

Research and development incentives contain payments we received from the United Kingdom and Australian governments related to corporation tax relief on research and development projects incentive programs in the United Kingdom and Australia. We account for such relief received as other income.

Critical Accounting Policies and Use of Estimates

This discussion and analysis of financial condition and results of operations is based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or US GAAP. The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its estimates, including those related to accruals for external manufacturing of clinical trial material as well as clinical study conduct, fair value of assets and liabilities, and the fair value of ordinary shares and share-based compensation. Management bases its estimates on historical experience and on various other market-specific and relevant assumptions that management believes to be reasonable under the circumstances. Actual results could differ from those estimates.

While our significant accounting policies are more fully described in Note 2 to our annual consolidated financial statements for the year ended December 31, 2020 included in our prospectus on Form S-1 dated April 30, 2021, we believe that revenue recognition, accrued research and development expenses, stock based compensation and fair value of stock options and embedded derivatives are most critical to the process of making significant judgments and estimates in the preparation of our financial statements and understanding and evaluating our reported financial results.

Results of Operations

Comparison of the Three Months Ended September 30, 2021 and September 30, 2020

The following table sets forth the significant components of our results of operations (in thousands):

| | Three months ended September 30, 2021 | Three months ended September 30, 2020 | Change |
|--|--|--|---------|
| Revenue from Licenses, Grants & Services | \$ 19 | \$ 3,251 | (3,232) |
| Operating expenses: | | | |
| Research & development | 4,371 | 3,702 | 669 |
| General and administrative | 1,184 | 977 | 207 |
| Total operating expenses | 5,555 | 4,679 | 876 |
| Loss from operations | (5,536) | (1,428) | (4,108) |
| Other income (expense) | | | |
| Change in fair value of derivatives | — | 3 | (3) |
| Unrealized exchange gain on convertible loan notes | — | 982 | (982) |
| Interest expense | — | (969) | (969) |
| Research and development incentives | 959 | 1,612 | (653) |
| Total other (expense) income | 959 | 1,628 | (669) |
| Tax (expense)/benefit | 7 | — | 7 |
| Net (loss)/income | \$ (4,570) | \$ 200 | (4,770) |

Revenue

For the three months ended September 30, 2021, our revenue consisted of license revenue from a research, collaboration and license agreement with Enara Bio. For the three months ended September 30, 2020, our revenue primarily consisted of \$2.4 million from the OUI License Agreement Amendment with respect to the AstraZeneca COVID-19 vaccine candidate AZD1222, \$0.5 million of reimbursement of research and development expenses from BARDA and \$0.1 million of service revenue from a research, collaboration and license agreement with Enara Bio.

Research and Development Expenses

The following table summarizes our research and development expenses for the three months ended September 30, 2021 and September 30, 2020:

| | Three months ended September 30, 2021 | Three months ended September 30, 2020 | Change |
|--|--|--|------------|
| Direct research and development expenses by program: | | | |
| VTP-200 HPV | 787 | 739 | (48) |
| VTP-300 HBV | 1,552 | 716 | 836 |
| VTP-600 NSCLC | 43 | 218 | (175) |
| VTP-800/850 Prostate cancer | 634 | 25 | 609 |
| Other and earlier stage programs | (124) | 997 | (1,121) |
| Internal research and development expenses: | | | |
| Personnel-related (including share-based compensation) | 1,376 | 665 | 711 |
| Facility related | 96 | 54 | 42 |
| Other internal costs | 7 | 287 | (280) |
| Total research and development expense | \$ 4,371 | \$ 3,702 | 669 |

Our research and development expenses for the three months ended September 30, 2021 and 2020 were \$4.4 million and \$3.7 million, respectively. Personnel-related expenses were \$1.4 million and \$0.7 million, respectively, as a result of the relative increase in our headcount across both the UK and US. Direct expenses for outside services and consultants and laboratory materials were \$2.9 million for the three months ended September 30, 2021 and \$2.7 million for the three months ended September 30, 2020 and mainly comprised of costs for clinical trials, manufacturing of clinical trial materials, as well as costs for external preclinical services and sample testing. The Other and earlier stage programs for the three months ended September 30, 2021 include a refund of \$0.3 million received in respect of the closure of the MVA-based influenza prophylactic, VTP-100, which did not meet defined primary clinical endpoints in 2020.

General and Administrative Expenses

General and administrative expenses for the three months ended September 30, 2021 were \$1.2 million, which were mainly attributable to personnel expenses of \$4.4 million, including the share-based payment charge of \$2.9 million, insurance costs of \$1.8 million and legal and professional fees of \$0.8 million, netted by unrealized foreign exchange gain on cash revaluation of \$5.8 million. For the three months ended September 30, 2020, general and administrative expenses were \$1.0 million, including personnel expenses of \$0.7 million, and professional fees and consulting fees of \$0.3 million.

Research and Development Incentives

For the three months ended September 30, 2021 and 2020, we accrued research and development incentives of \$1.0 million and \$1.6 million, respectively. Such research and development incentives relate to corporation tax relief on research and development projects incentive programs in the United Kingdom. We account for such relief received as other income.

Comparison of the Nine Months Ended September 30, 2021 and September 30, 2020

The following table sets forth the significant components of our results of operations (in thousands):

| | Nine months ended September 30, 2021 | Nine months ended September 30, 2020 | Change |
|--|--|--|----------|
| Revenue from Licenses, Grants & Services | \$ 269 | \$ 4,467 | (4,198) |
| Operating expenses: | | | |
| Research & development | 13,490 | 11,821 | 1,669 |
| General and administrative | 15,332 | 3,059 | 12,273 |
| Total operating expenses | 28,822 | 14,880 | 13,942 |
| Loss from operations | (28,553) | (10,413) | (18,140) |
| Other income (expense) | | | |
| Change in fair value of derivatives | 5,994 | 3 | 5,991 |
| Unrealized exchange gain on convertible loan notes | 209 | 982 | (773) |
| Loss on extinguishment of convertible loan notes | (13,789) | — | (13,789) |
| Interest income | 2 | — | 2 |
| Interest expense | (2,650) | (969) | (1,681) |
| Research and development incentives | 2,789 | 2,989 | (200) |
| Others | (3) | — | (3) |
| Total other (expenses) income | (7,448) | 3,005 | (10,453) |
| Tax benefit | 60 | — | 60 |
| Net loss | \$ (35,941) | \$ (7,408) | (28,533) |

Revenue

For the nine months ended September 30, 2021, our revenue primarily consisted of \$0.2 million of reimbursement of research and development expenses from BARDA and \$0.05 million of license revenue from a research, collaboration and license agreement with Enara Bio. For the nine months ended September 30, 2020, our revenue primarily consisted of \$2.4 million from the OUI License Agreement Amendment with respect to the AstraZeneca COVID-19 vaccine candidate AZD1222, \$1.4 million of reimbursement of research and development expenses from BARDA and \$0.4 million of service revenue from a research, collaboration and license agreement with Enara Bio.

Research and Development Expenses

The following table summarizes our research and development expenses for the nine months ended September 30, 2021 and September 30, 2020:

| | Nine months ended September 30, 2021 | Nine months ended September 30, 2020 | Change |
|--|--|--|---------|
| Direct research and development expenses by program: | | | |
| VTP-200 HPV | 2,192 | 2,360 | (168) |
| VTP-300 HBV | 4,630 | 2,537 | 2,093 |
| VTP-600 NSCLC | 628 | 1,109 | (481) |
| VTP-800/850 Prostate cancer | 1,342 | 25 | 1,317 |
| Other and earlier stage programs | 609 | 2,669 | (2,060) |
| Internal research and development expenses: | | | |
| Personnel-related (including share-based compensation) | 3,821 | 2,314 | 1,507 |
| Facility related | 182 | 165 | 17 |
| Other internal costs | 86 | 642 | (556) |
| Total research and development expense | \$ 13,490 | \$ 11,821 | 1,669 |

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Our research and development expenses for the nine months ended September 30, 2021 and 2020 were \$13.5 million and \$11.8 million, respectively. Personnel-related expenses were \$3.8 million and \$2.3 million, respectively, as result of the relative increase in our headcount across both the UK and US. Direct expenses for outside services and consultants and laboratory materials were \$9.4 million for the nine months ended September 30, 2021 and \$8.7 million for the nine months ended September 30, 2020 and mainly comprised of costs for clinical trials, manufacturing of clinical trial materials, as well as costs for external preclinical services and sample testing. The Other and earlier stage programs for the nine months ended September 30, 2021 includes a refund of \$0.3 million received in respect of the closure of the MVA-based influenza prophylactic, VTP-100, which did not meet defined primary clinical endpoints in 2020.

General and Administrative Expenses

General and administrative expenses for the nine months ended September 30, 2021 were \$15.3 million, which were mainly attributable to personnel expenses of \$15.5 million, including the share-based payment charge of \$11.6 million, insurance costs of \$3.0 million and legal and professional fees of \$2.2 million, netted by unrealized foreign exchange gain on cash balances of \$6.2 million. The share-based payment charge includes a one-off expense relating to the RSUs that vested upon the successful completion of our IPO. For the nine months ended September 30, 2020, general and administrative expenses were \$3.1 million, including personnel expenses of \$3.3 million, and professional fees and consulting fees of \$0.7 million, netted by unrealized foreign exchange gains on our cash balances of \$0.4 million.

Change in fair value of derivatives

For the nine months ended September 30, 2021, and 2020, we recognized a change in fair value of \$6.0 million and \$0.003 million, respectively, in relation to the conversion and redemption features embedded in the convertible loan notes.

Loss on extinguishment of convertible loan notes

For the nine months ended September 30, 2021, we recognized a loss of \$13.8 million related to conversion of convertible loan notes into 12,421 Series B preferred shares. The loss is a difference between (1) the fair value of those shares (\$53.7 million) and (2) the sum of the carrying amounts of the convertible loan notes (\$25.6 million) and the bifurcated conversion and redemption feature liability (\$14.4 million).

Interest Expense

For the nine months ended September 30, 2021, and 2020, interest expense was \$2.7 million and \$1.0 million respectively, which primarily relate to our convertible loan notes, which carry a market rate of interest.

Research and Development Incentives

For the nine months ended September 30, 2021 and 2020, we accrued research and development incentives of \$2.8 million and \$3.0 million, respectively. Such research and development incentives relate to corporation tax relief on research and development projects incentive programs in the United Kingdom. We account for such relief received as other income.

Liquidity and Capital Resources

Sources of Liquidity

Since our inception, we have funded our operations primarily through private and public placements of our ordinary and preferred shares as well as from grants and research incentives, various agreements with public funding agencies, and most recently from an upfront payment from OUI in connection with the OUI License Agreement Amendment and the issuance of convertible loan notes. Through September 30, 2021, we had received gross proceeds of approximately \$324.8 million from the issuance of our ordinary and preferred shares and convertible loan notes. As of September 30, 2021, we had cash and cash equivalents of \$233.9 million. Key financing and corporate milestones include the following:

- In March 2016, we raised gross proceeds of approximately \$14.0 million from the issuance of our seed round of ordinary shares.

- Between November 2017 and December 2018, we raised gross proceeds of \$33.9 million from the issuance of our Series A Shares.
- Between July 2020 and November 2020, we raised gross proceeds of \$41.2 million from the issuance of convertible loan notes.
- In March 2021, we raised gross proceeds of \$125.2 million from the issuance of our Series B shares.
- In May 2021, we raised gross proceeds of \$110.5 million from the initial public offering of our ordinary shares on NASDAQ.

We do not expect positive cash flows from operations in the foreseeable future, if at all. Historically, we have incurred operating losses as a result of ongoing efforts to develop our heterologous ChAdOx1-MVA prime-boost immunotherapy platform and our product candidates, including conducting ongoing research and development, preclinical studies, clinical trials, providing general and administrative support for these operations and developing our intellectual property portfolio. We expect to continue to incur net operating losses for at least the next few years as we progress clinical development, seek regulatory approval, prepare for and, if approved, proceed to manufacture and commercialization of our most advanced product candidates. Operating profits may arrive earlier if programs are licensed or sold to third parties before final approval, but this cannot be guaranteed.

Cash Flows

The following table sets forth a summary of the primary sources and uses of cash (in thousands) for each period presented:

| | Nine months ended September 30, 2021 | Nine months ended September 30, 2020 |
|---|--|--|
| Net cash used in operating activities | \$ (24,611) | \$ (6,132) |
| Net cash used in investing activities | (722) | (98) |
| Net cash provided by financing activities | 222,733 | 24,954 |
| Effect of exchange rates on cash and cash equivalents | (6,795) | (526) |
| Net increase (decrease) in cash and cash equivalents | <u>\$ 190,605</u> | <u>18,198</u> |

Cash Used in Operating Activities

During the nine months ended September 30, 2021, net cash used in operating activities was \$24.6 million, primarily resulting from our net loss of \$35.9 million, adjusted by fair value gain on embedded derivatives of \$6.0 million, loss on conversion of convertible loan notes of \$13.8 million, share-based compensation of \$12.9 million, non-cash interest expense of \$0.8 million, depreciation and amortization of \$0.3 million, foreign exchange gain on convertible loan notes of \$0.2 million and changes in our operating assets and liabilities, net of \$10.2 million. During the nine months ended September 30, 2020, net cash used in operating activities was \$6.1 million, primarily resulting from our net loss of \$7.4 million, adjusted by share-based compensation of \$1.4 million, and changes in our operating assets and liabilities, net of \$0.3 million.

Net Cash Used in Investing Activities

During the nine months ended September 30, 2021 and 2020, cash used in investing activities was \$0.7 million and \$0.1 million, respectively, which resulted from capital expenditures in connection with new labs, improvements to expand our laboratory space and purchases of property and equipment.

Net Cash Provided by Financing Activities

During the nine months ended September 30, 2021, cash provided by financing activities was \$222.7 million consisting of \$121.8 million of net proceeds from the issuance of Series B shares, \$102.8 million of net proceeds from our initial public offering, offering costs of \$2.2 million and \$0.3 million of proceeds from issuance of shares to noncontrolling interest. During the nine months ended September 30, 2020, cash provided by financing activities was \$25.0 million consisting of net proceeds from the issuance of convertible loan notes.

Effect of exchange rates on cash and cash equivalents

During the nine months ended September 30, 2021 and 2020, the effect of foreign exchange on cash and cash equivalents was \$6.8 million and \$0.5 million respectively, primarily as a result of fluctuations between the U.S dollar and pound sterling exchange rates.

Future Funding Requirements

To date, we have devoted substantially all of our resources to organizing and staffing our company, business planning, raising capital, undertaking preclinical studies and conducting clinical trials of our product candidates. As a result, we are not yet profitable and have incurred losses in each period since our inception in 2016. As of September 30, 2021, we had an accumulated deficit of \$93.5 million. We expect to continue to incur significant losses for the foreseeable future. We anticipate that our expenses will increase substantially as we:

- pursue the clinical and preclinical development of our current product candidates;
- use our technologies to advance additional product candidates into preclinical and clinical development;
- seek marketing authorizations for product candidates that successfully complete clinical trials, if any;
- attract, hire and retain additional clinical, regulatory, quality control and other scientific personnel;
- establish our manufacturing capabilities through third parties or by ourselves and scale-up manufacturing to provide adequate supply for clinical trials and commercialization, including any manufacturing finishing and logistics personnel;
- expand our operational, financial and management systems and increase personnel appropriately, including personnel to support our manufacturing and commercialization efforts and our operations as a public company;
- maintain, expand, enforce, and protect our intellectual property portfolio as appropriate;
- establish sales, marketing, medical affairs and distribution teams and infrastructure to commercialize any products for which we may obtain marketing approval and intend to commercialize on our own or jointly;
- acquire or in-license other companies, product candidates and technologies; and
- incur additional legal, accounting and other expenses in operating our business, including office expansion and the additional costs associated with operating as a public company.

Even if we succeed in commercializing one or more of our product candidates, we will continue to incur substantial research and development and other expenditure to develop and market additional product candidates. We may encounter unforeseen expenses, difficulties, complications, delays and other factors that may adversely affect our business. The size of our future net losses will depend on the rate of future growth of our expenses combined with our ability to generate revenue. Our prior losses and expected future losses have had and will continue to have an adverse effect on our shareholders' equity and working capital unless and until eliminated by revenue growth.

We may require substantial additional financing in the future to meet any such unanticipated factors and a failure to obtain this necessary capital could force us to delay, limit, reduce or terminate our product development programs, commercialization efforts or other operations.

Since our foundation, we have invested a significant portion of our efforts and financial resources in research and development activities for our ChAdOx1, ChAdOx2 and MVA technologies and our product candidates derived from these technologies. Preclinical studies and especially clinical trials and additional research and development activities will require substantial funds to complete. We believe that we will continue to expend substantial resources for the foreseeable future in connection with the development of our current product candidates and programs as well as any future product candidates we may elect to pursue, as well as the gradual gaining of control over our required manufacturing capabilities and other corporate functions. These expenditures will

include costs associated with conducting preclinical studies and clinical trials, obtaining regulatory approvals, and potentially in-house manufacturing and supply, as well as marketing and selling any products approved for sale. In addition, other unanticipated costs may arise as outlined above. Because the outcome of any preclinical study or clinical trial is uncertain and the rate of change of third-party costs is also unpredictable, we cannot reasonably estimate now the actual amounts which will be necessary to complete the development and commercialization of our current or future product candidates successfully.

Our future capital requirements may depend on many factors, including:

- the scope, progress, results and costs of researching and developing our current and future product candidates and programs, and of conducting preclinical studies and clinical trials;
- the number and development requirements of other product candidates that we may pursue, and of other indications for our current product candidates that we may pursue;
- the stability, scale and yield of future manufacturing processes as we scale-up production and formulation of our product candidates either internally or externally for later stages of development and commercialization;
- the timing of, success achieved and the costs involved in obtaining regulatory and marketing approvals and developing our ability to establish license or sale transactions and/or sales and marketing capabilities, if any, for our current and future product candidates if clinical trials and approval processes are successful;
- the success of our collaborations with CanSino, CRUK and the Ludwig Institute and any future collaboration partners;
- the success of OUI's licensed product candidate with AstraZeneca;
- our ability to establish and maintain collaborations, strategic licensing or other arrangements and the financial terms of such agreements;
- the cost to the company of commercialization activities for our current and future product candidates that we may take on, whether alone or with a collaborator;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent and other intellectual property claims, including litigation costs and the outcome of such litigation;
- the timing, receipt and amount of sales of, or royalties or other income from, our future products, if any; and
- the emergence and success or otherwise of competing oncology and infectious disease therapies and other market developments.

A change in the outcome of any of these or other variables with respect to the development of any of our current and future product candidates could significantly change the costs and timing associated with the development of that product candidate, in either direction. Furthermore, our operating plans may change in the future owing to research outcomes or other opportunities, and we may need additional funds to meet operational needs and capital requirements associated with such altered operating plans.

Based on our research and development plans, we expect that the net proceeds from our IPO, together with our existing cash and cash equivalents, will enable us to fund our operating expenses and capital expenditure requirements into 2024. These estimates are based on assumptions that may prove to be wrong, and we could use our available capital resources more quickly than we expect.

Emerging Growth Company Status

We are an emerging growth company under the Jumpstart Our Business Startups Act of 2012, as amended, or the JOBS Act. As an emerging growth company, we may delay the adoption of certain accounting standards until those standards would otherwise apply to private companies.

We will remain an emerging growth company until the earliest of (1) the last day of the fiscal year (a) following the fifth anniversary of the date of the closing of our IPO, (b) in which we have total annual gross revenue of at least \$1.07 billion, or (c) in which we are deemed to be a “large accelerated filer” as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our ADSs held by non-affiliates exceeded \$700.0 million as of the prior September 30th, and (2) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the prior three-year period.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements as defined in the rules and regulations of the SEC.

Recent Accounting Pronouncements

A description of recently issued accounting pronouncement that may potentially impact our financial position and results of operations is disclosed in Note 2 to our condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

Foreign Currency and Currency Translation

We are subject to the risk of fluctuations in foreign currency exchange rates, specifically with respect to the euro, pound sterling and Australian dollar. Our reporting currency is the U.S. dollar, our functional currency is the pound sterling and the functional currency of our wholly owned foreign subsidiary, Vaccitech Australia Pty, is the Australian dollar. Our cash and cash equivalents as of September 30, 2021 consisted primarily of cash balances held by Vaccitech (UK) Limited in U.S. dollars.

Assets and liabilities are translated into U.S. dollars at the exchange rate in effect on the balance sheet date. Revenue and expenses are translated at the average exchange rate in effect during the period. Translation adjustments are included in the consolidated Balance Sheet as a component of accumulated other comprehensive loss. Adjustments that arise from exchange rate changes on transactions denominated in a currency other than the local currency are included in operating expenses, net in the consolidated Statements of Operations and Comprehensive Loss as incurred.

Interest Rate Sensitivity

We are not currently exposed significantly to market risk related to changes in interest rates, as we have no significant interest-bearing liabilities. We had cash and cash equivalents of \$233.9 million as of September 30, 2021, which were primarily held as account balances with banks in the United Kingdom, United States and Australia. A hypothetical 10% relative change in interest rates during any of the periods presented would not have had a material impact on our financial statements.

Item 4. Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended, or the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this report were not effective for the reasons set forth below.

In connection with the reviews and audits of our consolidated financial statements for each of the periods ended December 31, 2019 and 2020, September 30, 2020, and March 31, 2020 and 2021, our management and independent registered public accounting firm identified material weaknesses in our internal control over financial reporting. The material weaknesses related to: (i) our lack of a sufficient number of personnel with an appropriate level of knowledge and experience in the application of U.S. generally accepted accounting principles, or U.S. GAAP, commensurate with our financial reporting requirements; (ii) our IT general control environment has not been sufficiently designed to include appropriate user access rights and (iii) policies and procedures with respect to the review, supervision and monitoring of our accounting and reporting functions were either not designed and in place or not operating effectively. As a result, a number of adjustments to our consolidated financial statements for each of the years ended December 31, 2019 and 2020 were identified and made during the course of the audit process. In addition, our condensed consolidated

financial statements for the three months ended March 31, 2021 include the correction of an error related to the year ended December 31, 2019.

We are continuing to implement measures designed to improve our internal control over financial reporting to remediate the material weaknesses, including having hired a Chief Financial Officer and Head of Financial Reporting. The additional personnel will oversee the implementation of improved processes and internal controls, build our financial management and reporting infrastructure and further develop and document our accounting policies and financial reporting procedures, including review and supervision. We have also taken measures to address the IT general control environment and expect to implement a new enterprise resource planning system before the year ended December 31, 2021.

Changes in Internal Control over Financial Reporting

Other than the changes intended to remediate the material weaknesses noted above, no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the three months ended September 30, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may become subject to various legal proceedings and claims that arise in the ordinary course of our business activities. Although the results of litigation and claims cannot be predicted with certainty, as of September 30, 2021, we do not believe we are party to any claim or litigation the outcome of which, if determined adversely to us, would individually or in the aggregate be reasonably expected to have a material adverse effect on our business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Item 1A Risk Factors.

There have been no material changes from the risk factors previously disclosed in the Company's most recent Quarterly Report on Form 10-Q as filed with the SEC on August 12, 2021.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report contains express or implied forward-looking statements that involve substantial risks and uncertainties. In some cases, you can identify forward-looking statements by the words "may," "might," "will," "could," "would," "should," "expect," "intend," "plan," "objective," "anticipate," "believe," "estimate," "predict," "potential," "continue," "ongoing," or the negative of these terms, or other comparable terminology intended to identify statements about the future. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. The forward-looking statements and opinions contained in this quarterly report are based upon information available to our management as of the date of this quarterly report and, while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. Forward-looking statements contained in this quarterly report include, but are not limited to, statements about:

- the success, cost and timing of our product development activities and clinical trials;
- the timing, scope or likelihood of regulatory filings and approvals, including timing of Investigational New Drug Application and Biological License Application filings for our current and future product candidates, and final U.S. Food and Drug Administration, European Medicines Agency, United Kingdom Medicines and Healthcare products Regulatory Agency or other foreign regulatory authority approval of our current and future product candidates;
- our ability to develop and advance our current and future product candidates and programs into, and successfully complete, clinical trials;

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- our ability to establish future or maintain current collaborations or strategic relationships or obtain additional funding;
- the rate and degree of market acceptance and clinical utility of our current and future product candidates;
- the ability and willingness of our third-party collaborators to continue research and development activities relating to our product candidates;
- our and our collaborators' ability to obtain, maintain, defend and enforce our intellectual property protection for our product candidates, and the scope of such protection;
- our manufacturing, commercialization and marketing capabilities and strategy;
- future agreements with third parties in connection with the commercialization of our product candidates and any other approved products;
- regulatory developments in the United States and foreign countries;
- competitive companies, technologies and our industry and the success of competing therapies that are or may become available;
- our ability to attract and retain key scientific or management personnel;
- our ability to obtain funding for our operations, including funding necessary to complete further development and commercialization of our product candidates;
- the accuracy of our estimates of our annual total addressable markets, future revenue, expenses, capital requirements and needs for additional financing;
- our expectations about market trends;
- our ability to overcome the challenges posed by the COVID-19 pandemic to the conduct of our business; and
- our expectations regarding the period during which we qualify as an emerging growth company under the Jumpstart Our Business Startups Act of 2012, as amended.

If our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. You should read this quarterly report and the documents that we reference in this quarterly report with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements in this quarterly report by these cautionary statements.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Set forth below is information regarding shares of equity securities sold, and options granted, by us during the three months ended September 30, 2021 that were not registered under the Securities Act.

Recent Sales of Unregistered Equity Securities

During the period between July 1, 2021 and September 30, 2021, we issued to certain of our employees and advisors, options to purchase an aggregate of 30,900 ordinary shares at an average exercise price of \$14.96 per share. We deemed these issuances to be exempt from registration under the Securities Act either in reliance on Rule 701 of the Securities Act as sales and offers under compensatory benefit.

Use of Proceeds from Initial Public Offering

On May 4, 2021, we completed our initial public offering (“IPO”) of 6,500,000 ADSs at a price of \$17.00 per ADS for an aggregate offering price of approximately \$110.5 million. Morgan Stanley & Co., Jefferies LLC, Barclays Capital Inc., William Blair & Company, L.L.C. and H.C. Wainwright & Co., LLC served as the underwriters of the IPO. The offer and sale of all of the ADSs in the offering were registered under the Securities Act pursuant to a registration statement on Form S-1 (File No. 333-255158), which became effective on April 29, 2021.

We received aggregate net proceeds from the offering of approximately \$99.9 million, after deducting underwriting discounts and commissions, as well as other offering expenses. No offering expenses were paid directly or indirectly to any of our directors or officers (or their associates) or persons owning ten percent or more of any class of our equity securities or to any other affiliates.

There has been no material change in our planned use of the net proceeds from the IPO as described in the final prospectus filed with the SEC pursuant to Rule 424(b) under the Securities Act.

Item 3. Defaults Upon Senior Securities.

Not Applicable.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

| Exhibit Number | Description |
|-----------------------|--|
| 3.1 | Articles of Association of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-40367) filed on May 10, 2021). |
| 10.1* | Lease Agreement dated September 3, 2021 by and among The Harwell Science and Innovation Campus General Partner Limited, The Harwell Science and Innovation Campus Nominee Limited, The Harwell Science and Innovation Campus Limited Partnership and Vaccitech (UK) Limited. |
| 31.1* | Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2* | Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1** | Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS | XBRL Instance Document |
| 101.SCH | XBRL Taxonomy Extension Schema Document |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document |
| 104 | Cover Page Data File (the cover page XBRL tags are embedded within the iXBRL document). |

* Filed herewith.

** This certification will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent specifically incorporated by reference into such filing.

DATED 3rd September 2021

LEASE

relating to

Units 6, 7, 8, 9 and 10
Zeus Building
Harwell Science and Innovation Campus
Harwell
Didcot
Oxfordshire
OX11 0RL

(1) THE HARWELL SCIENCE AND INNOVATION CAMPUS LIMITED PARTNERSHIP A LIMITED PARTNERSHIP ACTING BY ITS GENERAL PARTNER THE HARWELL SCIENCE AND INNOVATION CAMPUS GENERAL PARTNER LIMITED AND THE HARWELL SCIENCE AND INNOVATION CAMPUS NOMINEE LIMITED IN ITS CAPACITY AS NOMINEE FOR THE HARWELL SCIENCE AND INNOVATION CAMPUS LIMITED PARTNERSHIP

(2) VACCITECH (UK) LIMITED

(3) THE HARWELL SCIENCE AND INNOVATION CAMPUS LIMITED PARTNERSHIP A LIMITED PARTNERSHIP ACTING BY ITS GENERAL PARTNER THE HARWELL SCIENCE AND INNOVATION CAMPUS GENERAL PARTNER LIMITED AND THE HARWELL SCIENCE AND INNOVATION CAMPUS NOMINEE LIMITED IN ITS CAPACITY AS NOMINEE FOR THE HARWELL SCIENCE AND INNOVATION CAMPUS LIMITED PARTNERSHIP



Kingsley Napley LLP
20 Bonhill Street
London
EC2A 4DN
Tel: +44 (0)20 7814 1200
Ref: IXS/59261-90

LAND REGISTRY PRESCRIBED CLAUSES

LR1. Date of lease

3rd September

LR2. Title number(s)

LR2.1 Landlord's title number(s)
ON347485

LR2.2 Other title numbers
ON359613

LR3. Parties to this lease

Landlord

THE HARWELL SCIENCE AND INNOVATION CAMPUS GENERAL PARTNER LIMITED (company registration number: 6456598) and **THE HARWELL SCIENCE AND INNOVATION CAMPUS NOMINEE LIMITED** (company registration number: 6539339) both of 10th Floor, 5 Churchill Place, London E14 5HU acting as the General Partner and Nominee respectively for **THE HARWELL SCIENCE AND INNOVATION CAMPUS LIMITED PARTNERSHIP** (company registration number: LP013124) of 10th Floor, 5 Churchill Place, London E14 5HU

Tenant

VACCITECH (UK) LIMITED (company registration number 09973585) whose registered office is at The Schrodinger Building, 2nd Floor, Heatley Road, Oxford Science Park, Oxford, Oxfordshire OX4 4GE

Management Company

THE HARWELL SCIENCE AND INNOVATION CAMPUS GENERAL PARTNER LIMITED (company registration number: 6456598) and **THE HARWELL SCIENCE AND INNOVATION CAMPUS NOMINEE LIMITED** (company registration number: 6539339) both of 10th Floor, 5 Churchill Place, London E14 5HU acting as the General Partner and Nominee respectively for **THE HARWELL SCIENCE AND INNOVATION CAMPUS LIMITED PARTNERSHIP** (company registration number: LP013124) of 10th Floor, 5 Churchill Place, London E14 5HU

Other parties

None

| | |
|---|--|
| LR4. Property | In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail See the definition of "Property" in clause 1.1 of this lease |
| LR5. Prescribed statements etc. | LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003 None LR5.2 This lease is made under, or by reference to, provisions of None |
| LR6. Term for which the Property is leased. | The term as specified in this lease at clause 1.1 in the definition of "Contractual Term" |
| LR7. Premium | None |
| LR8. Prohibitions or restrictions on disposing of this lease | This lease contains a provision that prohibits or restricts dispositions |
| LR9. Rights of acquisition etc. | LR9.1 Tenants contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land Cause 44 of this lease and the Schedule LR9.2 Tenant's covenant to (or offer to) surrender this lease None LR9.3 Landlord's contractual rights to acquire this lease None |
| LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property | None |

LR11. Easements

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

The easements as specified in clause 4 of this lease

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

The easements as specified in clause 5 of this lease

LR12. Estate rentcharge burdening the Property

None

LR13. Application for standard form of restriction.

None

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

Not applicable

PARTIES

- (1) **THE HARWELL SCIENCE AND INNOVATION CAMPUS GENERAL PARTNER LIMITED** (company registration number: 6456598) and **THE HARWELL SCIENCE AND INNOVATION CAMPUS NOMINEE LIMITED** (company registration number: 6539339) both of 10th Floor, 5 Churchill Place, London E14 5HU acting as the General Partner and Nominee respectively for **THE HARWELL SCIENCE AND INNOVATION CAMPUS LIMITED PARTNERSHIP** (company registration number: LP013124) of 10th Floor, 5 Churchill Place, London E14 5HU as aforesaid (the **Landlord**),
- (2) **VACCITECH (UK) LIMITED** (company registration number 09973585) whose registered office is at The Schrodinger Building, 2nd Floor, Heatley Road, Oxford Science Park, Oxford, Oxfordshire OX4 4GE (the **Tenant**); and
- (3) **THE HARWELL SCIENCE AND INNOVATION CAMPUS GENERAL PARTNER LIMITED** (company registration number 6456598) and **THE HARWELL SCIENCE AND INNOVATION CAMPUS NOMINEE LIMITED** (company registration number: 3539339) both of 10th Floor, 5 Churchill Place, London E14 5HU acting as the General Partner and Nominee respectively for **THE HARWELL SCIENCE AND INNOVATION CAMPUS LIMITED PARTNERSHIP** (company registration number: LP013124) of 10th Floor, 5 Churchill Place, London E14 5HU as aforesaid (the **Management Company**).

BACKGROUND

By virtue of the Superior Leases the Landlord has long leases of the Building and has agreed to grant the Tenant an underlease of the Property on the terms contained in this agreement.

AGREED TERMS

1. INTERPRETATION

- 1.1 The definitions and rules of interpretation set out in this clause apply to this lease.

1987 Order: the Town and Country Planning (Use Classes) Order 1987.

2020 Regulations: the Town and Country Planning (Use Classes) Amendment (England) Regulations 2020.

Account Date: 31st March in every year or such other date as the Landlord may from time to time determine and notify to the Tenant in writing.

Act of Insolvency:

- (a) the making of any voluntary arrangement or any other compromise or arrangement for the benefit of any creditors of the Tenant or any guarantor;
- (b) the making of an administration order in relation to the Tenant or any guarantor;
- (c) the appointment of an administrator in relation to the Tenant or any guarantor;
- (d) the appointment of a receiver or manager or an administrative receiver in relation to any property or income of the Tenant or any guarantor;
- (e) the commencement of a voluntary winding-up in respect of the Tenant or any guarantor, except a winding-up for the purpose of amalgamation or reconstruction of a solvent company in respect of which a statutory declaration of solvency has been filed with the Registrar of Companies;
- (f) the making of a winding-up order in respect of the Tenant or any guarantor;
- (g) the striking-off of the Tenant or any guarantor from the Register of Companies;
- (h) the Tenant or any guarantor otherwise ceasing to exist (but excluding where the Tenant or any guarantor dies);
- (i) the making of a bankruptcy order against the Tenant or any guarantor; or
- (j) the Tenant has a mortgagee or other chargee which takes possession or exercises any power of sale.

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

to the modifications referred to in the Limited Liability Partnerships Regulations 2001 (SI 2001/1090) (as amended).

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

Agreement for Lease: the agreement for lease in respect of the Property dated 3rd September 2021 and made between (1) the Landlord and (2) the Tenant.

Annual Rent: rent at an initial rate of £889,948 per annum and then as revised pursuant to this lease.

Building: the land and buildings known as Zeus on the Estate and shown edged purple on Plan 1 including:

- (a) all additions and alterations that may be made to it;
- (b) all Common Parts;
- (c) any Service Media that serve the Building and other premises where these are not owned by a utility company; and
- (d) any areas used and enjoyed with it;

Provided That both the extent and the boundaries of the Building may be increased from time to time including (without limitation) the intention to add an additional car park to serve the above-mentioned buildings.

Building Services: means the services listed in clause 9.1.

Building Service Charge: a fair and due proportion applicable to the Property as determined by the Landlord's Surveyor (acting reasonably) of all Building Service Costs properly incurred by the Landlord in the provision of the Building Services.

Building Service Charge Year: is the annual accounting period relating to the Building Services beginning on 1 April 2021 and each subsequent year during the term or such other period as the Landlord may from time to time determine.

Building Service Costs: the costs listed in clause 9.2.

Common Parts: the Building other than the Property and North Block.

Common Roads: the roads and footpaths within those parts of the Estate which are intended for the common use and benefit of occupiers of the Estate as varied from time to time by the Landlord and/or the Superior Landlord as appropriate in the interests of good estate management.

Contractual Term: a term of ten years from and including the Term Commencement Date to and including 2nd September 2031.

CDM Regulations: the Construction (Design and Management) Regulations 2015 as amended or as shall be superseded from time to time.

Default Interest Rate: three percentage points above the Interest Rate.

Energy Assessor: an individual who is a member of an accreditation scheme approved by the Secretary of State in accordance with regulation 22 of the Energy Performance of Buildings (England and Wales) Regulations 2012 (SI 2012/3118) or regulation 30 of the Building Regulations 2010 (SI 2010/2214).

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

Environment: means the natural and man-made environment, including all or any of the following media, namely air (including air within buildings and air within other natural man-made structures above or below ground), water (including water under or within land or drains or sewers) and land and any living organisms (including man) or systems supported by those media.

Estate: the estate forming part of the Harwell Science and Innovation Campus Harwell Oxfordshire from time to time the current extent of which is shown edged blue on Plan 2.

Estate Common Parts: the Common Roads and Service Media, the accesses, landscaped areas, car parks, estate management offices and other areas or amenities on the Estate or outside the Estate but serving or otherwise benefiting the Estate as a whole which are from time to time provided or designated for the common amenity or benefit of the owners or occupiers of the Estate.

Estate Rules and Regulations: means the document containing the rules and regulations stipulated by the Landlord and the Management Company relating to the Property and the Estate headed "Estate Rules and Regulations 2020" as (the Landlord or the Management Company, as appropriate, acting reasonably) may vary or reissue from time to time.

Estate Services: means the services listed in clause 10.1.

Estate Service Charge: a fair and due proportion applicable to the Property as determined by the Management Company or its surveyor (acting reasonably) of all Estate Service vice Costs properly incurred by the Management Company in the provision of the Estate Services

Estate Service Charge Year: is the annual accounting period relating to the Estate Services beginning on 1 April 2021 and each subsequent year during the term or such other period as the Management Company may from time to time determine.

Estate Service Costs: the costs listed in clause 10.2.

Group Undertaking: a group undertaking of the Landlord as that expression is defined in Section 1161 of the Companies Act 2006

Harm: means harm to the Environment, and in the case of man includes offence caused to any of his senses or harm to his property.

Hazardous Substances: means any material, substance or organism which, alone or in combination with others, is capable of causing Harm.

Insurance Premium: a fair proportion of the aggregate in each year of the gross cost of the premium before any discount or commission for the insurance of:

- (a) the Estate Common Parts for their full reinstatement cost (taking inflation of building costs into account) against loss or damage by or in consequence of the Insured Risks, including costs of demolition, site clearance, site protection and shoring-up, professionals' and statutory fees and incidental expenses, the cost of any work which may be required under any law and VAT in respect of all those costs, fees and expenses; and

(b) public liability in relation to the Estate Common Parts;

together with any insurance premium tax payable on the above.

Insurance Rent: the aggregate in each year of a fair proportion of the gross cost of the premium before any discount or commission for the insurance of:

- (a) the Building, other than any plate glass (if any), for its full reinstatement cost (taking inflation of building costs into account) against loss or damage by or in consequence of the Insured Risks, including costs of demolition, site clearance, site protection and shoring-up, professionals' and statutory fees and incidental expenses, the cost of any work which may be required under any law and VAT in respect of all those costs, fees and expenses; and
- (b) loss of Annual Rent from the Property for three (3) years; together with any insurance premium tax payable on the above.

Insured Risks: means fire, explosion, lightning, earthquake, storm, subsidence ground slip heave, flood, bursting and overflowing of water tanks, apparatus or pipes, impact by aircraft and articles dropped from them, impact by vehicles, riot, civil commotion, terrorism and any other risks against which the Landlord or Management Company (as applicable) reasonably decides to insure against from time to time and in respect of the Building or Estate Common Parts (as applicable) any other risks against which the Landlord reasonably decides to insure against from time to time and Insured Risk means any one of the Insured Risks.

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

Internal Area: the gross internal area in square feet as calculated in accordance with the principles of the RICS Code of Measuring Practice 6th edition.

Landlord's Neighbouring Property: each and every part of the adjoining and neighbouring property in which the Landlord or a Group Undertaking and/or the Superior Landlord has an interest and to the extent possible any neighbouring or adjoining property in which the Landlord or a Group Undertaking and/or the Superior Landlord acquires an interest during the term.

Lettable Unit: any part of the Building (including any floor or part of a floor) other than the Property that is capable of being let and occupied on terms similar to those of this lease.

LTA 1954: the Landlord and Tenant Act 1954.

North Block: The part of the Building that comprises Units 1, 2, 3, 4 and 5, as shown edged orange on Plan 1, but excluding any Service Media in, on, under or over those units (whether in existence at the date of this lease or installed in the future) that are used by any part of the Property.

Option: the option to renew granted by the Landlord under clause 44 of this lease in accordance with the terms set out in the Schedule to this lease.

Permitted Part, one or more individual units comprising the whole of Unit 6, 7, 8, 9 and/or 10.

Permitted Use: offices and laboratories within Use Class E of the 1987 Order as amended by the 2020 Regulations at the date hereof and ancillary office uses, or where the 2020 Regulations are repealed or quashed or otherwise no longer apply then Permitted Use shall mean offices and laboratories within class B1 of the 1987 Order (as at 31 August 2020) and ancillary offices uses Provided That in either case such use falls within the Permitted Use as defined in the Superior Leases.

Plan 1: the plan attached to this lease at Appendix 1.

Plan 2: the plan attached to this lease at Appendix 2.

Planning Acts: The Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991 and the Planning and Compulsory Purchase Act 2004.

Property: Units 6, 7, 8, 9 and 10 of the Building, as shown edged red on Plan 1:

- (a) including any mezzanine floor installed by either the Landlord or the Tenant before or after the date of this lease, but excluding any Service Media in, on, under or over those units (whether in existence at the date of this lease or installed in the future) that are used by those units in common with any other part of the Estate; but
- (b) excluding the structure of the roof connecting the Property and North Block. **Quarter Days:** 1 January, 1 April, 1 July and 1 October and Quarter Day means any one of them.

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

Regulatory Authority: any body exercising regulatory power or authority and shall include such authority given in or by order of a court.

Remedial Works: any works which are lawfully required by a relevant Regulatory Authority or by the Landlord acting reasonably to be carried out to remove, remedy, clean-up, abate, contain or ameliorate the effects of any Hazardous Substances.

Rent Commencement Date: 18 October 2021.

Rent Payment Dates: the Quarter Days in each year.

Rent Review Specification: the specification annexed to this Lease at Appendix 4.

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

Review Date: 3rd September 2026

Rights: the rights granted to the Tenant in clause 4.

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

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

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

Superior Leases: the leases by virtue of which the Landlord holds the Building dated:

- (a) 14th February 2019 and made between The United Kingdom Atomic Energy Authority (1) and the Landlord (2) as registered at HM Land Registry with title number ON347485 any documents made supplemental to it; and
- (o) 29 September 2020 and made between The United Kingdom Atomic Energy Authority (1) and the Landlord (2) and which is being registered at HM Land Registry with title number ON359613 and any documents made supplemental to it.

Superior Lease Service Charge: the service charge due under the Superior Leases and payable pursuant to clause 11.

Term Commencement Date: 2021.

Third Party Rights: all rights, covenants and restrictions affecting the Property including the matters referred to in the property register and charges register of title number ON347485 and the Superior Leases so far as they shall relate to the Property and remain subsisting.

VAT: value added tax chargeable under the Value Added Tax Act 1994 or any similar replacement or additional tax.

- 1.2 The expressions "**Category A Works**", "**Mezzanine Floors**" and "**Mezzanine Specification**" shall have the meanings given to them in the Agreement for Lease.
- 1.3 A reference to the Superior Leases is a reference to the superior leases and any deed, licence, consent, approval or other instrument supplemental to them and also any leasehold reversion (whether immediate or not) to such leases. A reference to this lease, except a reference to the date of this lease or to the grant of the lease, is a reference to this deed and any deed, licence, consent, approval or other instrument supplemental to it.

- 1.4 A reference to the Superior Landlord includes a reference to the person entitled to the immediate reversion to the Superior Leases. A reference to the Landlord includes a reference to the person entitled to the immediate reversion to this lease. A reference to the Tenant includes a reference to its successors in title and assigns. A reference to a guarantor is to any guarantor of the tenant covenants of this lease including a guarantor who has entered into an authorised guarantee agreement.
- 1.5 Where the Tenant is two or more persons, the obligations expressed to be made by or with the Tenant are deemed to be made by or with the Tenant jointly and severally and the liability of the Tenant shall be joint and several.
- 1.6 In relation to any payment, unless otherwise expressly stated a reference to a fair proportion is to a fair and reasonable proportion of the total amount payable, determined conclusively (except as to questions of law) by the Landlord or the Management Company (as applicable) or their respective surveyors acting reasonably.
- 1.7 The expressions landlord covenant and tenant covenant each has the meaning given to it by the Landlord and Tenant (Covenants) Act 1995.
- 1.8 Unless the context otherwise requires, references to the Estate, Building, the Common Parts, the Estate Common Parts and the Property are to the whole and any part of them or it.
- 1.9 A reference to the term is to the Contractual Term.
- 1.10 A reference to the end of the term is to the end of the term however it ends.
- 1.11 References to the consent of the Landlord are to the consent of the Landlord given in accordance with clause 50.4 and references to the approval of the Landlord are to the approval of the Landlord given in accordance with clause 50.5. References to any consent or approval required from the Landlord shall be construed as also including a requirement to obtain the consent or approval of the Superior Landlord where such consent or approval is required under the terms of the Superior Leases except that nothing in this lease shall be construed as imposing on the Superior Landlord any obligation (or indicating that such an obligation is imposed on the Superior Landlord by the terms of the Superior Leases) not unreasonably to refuse any such consent.

- 1.12 A working day is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in England and Wales.
- 1.13 Unless otherwise specified, a reference to a particular law is a reference to it as it is in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate laws for the time being in force made under it and all orders, notices, codes of practice and guidance made under it.
- 1.14 A reference to laws in general is to all local, national and directly applicable supranational laws in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate laws for the time being in force made under them and all orders, notices, codes of practice and guidance made under them
- 1.15 Any obligation in this lease on the Tenant not to do something includes an obligation not to agree to or suffer that thing to be done and an obligation to use reasonable endeavours to prevent that thing being done by another person
- 1.16 Where the Landlord or the Tenant or the Management Company covenant to do something they shall be deemed to fulfil that obligation if they procure that it is done.
- 1.17 Unless the context otherwise requires where the words include(s) or including are used in this lease, they are deemed to have the words "without limitation" following them.
- 1.18 A person includes a corporate or unincorporated body.
- 1.19 References to writing or written do not include faxes or email.
- 1.20 Except where a contrary intention appears, a reference to a clause is a reference to a clause of this lease.
- 1.21 Clause headings do not affect the interpretation of this lease
- 1.22 The Management Company enters into this lease as a management company within the meaning of section 12 of the Landlord and Tenant (Covenants) Act 1995.
- 1.23 The Management Company (as may be appropriate) includes its successors in title to the Common Roads and to the signage and Service Media on the Estate Common Parts.

2. GRANT

- 2.1 The Landlord with full title guarantee lets the Property to the Tenant for the Contractual Term.

2.2 The grant is made together with the Rights, excepting and reserving to the Landlord the Reservations, and subject to the Third Party Rights.

2.3 The grant is made with the Tenant paying the following as rent to the Landlord:

2.3.1 the Annual Rent;

2.3.2 all interest payable by the Tenant to the Landlord under this lease;

2.3.3 the Building Service Charge;

2.3.4 the Insurance Rent;

2.3.5 the Superior Lease Service Charge;

2.3.6 all other sums due from the Tenant to the Landlord under this lease; and

2.3.7 all VAT chargeable on the other rents set out in this clause 2.3.

3. **TENANT COVENANTS**

The Tenant covenants:

3.1 with the Landlord to observe and perform all the tenants covenants in this lease; and

3.2 with the Management Company to observe and perform all the covenants on the part of the Tenant in this lease in favour of the Management Company;

in each case during the term or (if earlier) until the Tenant is released from the tenant covenants of this lease by virtue of the Landlord and Tenant (Covenants) Act 1995.

4. **RIGHTS GRANTED TO THE TENANT**

4.1 Except as mentioned in clause 4.2, neither the grant of this lease nor anything in it confers any right over the Landlord's Neighbouring Property or any other neighbouring property nor is to be taken to show that the Tenant may have any right over the Landlord's Neighbouring Property or any other neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this lease

4.2 The Landlord grants to the Tenant and all those authorised by the Tenant:-

4.2.1 the right to pass and re-pass to and from the Property and the parking spaces referred to in clause 4.2.3 at all times with or without vehicles over the Common Roads within the Estate (to the extent that the Landlord is entitled to grant such right and subject to any Third Party Rights);

- 4.2.2 the right to use the Common Parts for access to and egress from the Property;
- 4.2.3 the right to park 19 private motor cars or motorbikes belonging to the Tenant, its employees and visitors in the spaces shown coloured blue on Plan 1 or such alternative spaces on the Estate as the Landlord may designate from time to time in the Landlord's absolute discretion in accordance with the principles of good estate management;
- 4.2.4 the right to park 25 private motor cars or motorbikes belonging to the Tenant, its employees and visitors in such parking spaces on the Estate as the Landlord may designate from time to time in the Landlord's absolute discretion in accordance with the principles of good estate management, Provided That they are no further than 500 metres from the Property;
- 4.2.5 the right to install electric charging points within the parking spaces referred to in clause 4.2.3 with the prior consent of the Landlord, such consent not to be unreasonably withheld or delayed, Provided That the electricity consumed, when included with the consumption of electricity at the Property, shall not exceed the figures set out in clause 35.4 of this lease;
- 4.2.6 the right on a first come first served basis to park private motor cars or motorbikes belonging to the Tenant, its employees and visitors in the undesignated common car parks on the Estate as the Landlord may allocate from time to time in the Landlord's absolute discretion in accordance with the principles of good estate management;
- 4.2.7 the right to use such cycle parking facilities on the Common Parts as the Landlord may designate from time to time in the Landlord's absolute discretion in accordance with the principles of good estate management;
- 4.2.8 the non-exclusive right to use such of the accessible and electric vehicle car parking spaces shown indicatively coloured yellow and coloured green respectively on Plan 1 as may be allocated for such use by the Landlord in the Landlord's absolute discretion;
- 4.2.9 the right at all times to use the waste receptacles provided by the Landlord to be located on such area of the external Common Parts as the Landlord shall allocate and provide for that purpose from time to time for the purpose of conventional waste disposal only but not for any specialist or recycling waste the disposal arrangements for which shall be the responsibility of the Tenant;

- 4.2.10 the right to the free and uninterrupted passage and running of services through the Service Media in or under the Building and other parts of the Estate that serve (but do not form part of the Property) which are in existence at the date of this lease or are installed or constructed during the term;
- 4.2.11 the right to support and protection from the Common Parts to the extent that the Common Parts provide support and protection to the Property at the date of this lease;
- 4.2.12 the right to attach any item to the Common Parts adjoining the Property so far as is reasonably necessary to carry out any works to the Property required or permitted by this lease;
- 4.2.13 the right to enter the Common Parts so far as is reasonably necessary to:
 - 4.2.13.1 carry out works to the Property required or permitted by this lease or
 - 4.2.13.2 erect, install, use, retain, operate, inspect, maintain, repair and (if permitted by the Landlord) renew any alterations or additions beyond the boundaries of the Property to which the Landlord shall have granted prior written consent and only in accordance with the terms of that consent;

(in each case) after having given reasonable notice (which need not be in writing) to the Landlord and Provided That where reasonably required by the Landlord to exercise that right only if accompanied by the Landlord's representative;
- 4.2.14 the right to install and retain Service Media beyond the boundaries of the Property in so far as may be required to serve any alterations or additions that have been installed and/or retained beyond the boundaries of the Property to which the Landlord shall have granted prior written consent and only in accordance with the terms of that consent;
- 4.3 The Rights are granted in common with the Landlord, the Management Company, the Superior Landlord and any other person authorised by the Landlord or the Superior Landlord.
- 4.4 The Rights may be exercised by the Tenant and by anyone else who is or who becomes entitled to exercise them and by anyone authorised by the Tenant and anyone so entering shall cause as little damage and inconvenience to the Landlord as possible and make good any damage

caused to the Estate as soon as reasonably practicable and to the reasonable satisfaction of the Landlord and/or the Management Company.

5. RIGHTS EXCEPTED AND RESERVED

- 5.1 The following rights are excepted and reserved from this lease to the Landlord, the Management Company and any superior landlord from time to time for the benefit of the Building, Estate and the Landlord's Neighbouring Property:
- 5.1.1 rights of light, air, support and protection as those rights are capable of being enjoyed at any time during the term;
 - 5.1.2 the right to use and connect into and re-route any Service Media at, but not forming part of, the Property and the right to install and construct Service Media at the Property to serve any part of the Building or Estate;
 - 5.1.3 the right to attach any scaffolding or other structure to any boundary of the Property;
 - 5.1.4 at any time during the term, the full and free right for the Landlord and/or the Superior Landlord to develop the Estate and any neighbouring or adjoining property in which the Landlord acquires an interest during the term as the Landlord may think fit;
 - 5.1.5 the right to re-route the Common Roads and any means of access to or egress from the Property or to change the areas over which any of the Rights are exercised;
 - 5.1.6 the right to re-route and replace any Service Media over which the Rights mentioned in clause 4.2.10 may be exercised;
 - 5.1.7 the rights reserved to the Superior Landlord under the Superior Leases; and
 - 5.1.8 the right to enter the Property:
 - 5.1.8.1 to repair, maintain, install, construct, re-route or replace any Service Media or structure relating to any of the Reservations;
 - 5.1.8.2 inspect and record the condition of the Property or other parts of the Building and to carry out works to any other Lettable Unit or any part of the Estate;
 - 5.1.8.3 for any other purpose mentioned in or properly connected with this lease, the Superior Leases, the Reservations, any Third Party Right and/or the interests

of the Landlord and any superior reversionary interest in any Landlord's Neighbouring Property;

notwithstanding that the exercise of any of the Reservations or the works carried out pursuant to them result in a reduction in the flow of light or air to the Property or loss of amenity for the Property Provided That they do not materially adversely affect the use and enjoyment of the Property for the Permitted Use

5.2 The Reservations may be exercised by the Landlord, the Management Company, the Superior Landlord and by anyone else who is or becomes entitled to exercise them and by anyone authorised by the Landlord.

5.3 The Tenant shall allow all those entitled to exercise any right to enter the Property, to do so with their workers, contractors, agents and professional advisors, and to enter the Property at any reasonable time (during usual business hours other than in the case of an emergency) and, except in the case of an emergency, after having given reasonable notice (which need not be in writing) to the Tenant.

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

5.4.1 physical damage to the Property; or

5.4.2 any loss, damage or injury arising by reason of the negligence of the Landlord or the party exercising the Reservations;

5.4.3 any loss, damage, injury, nuisance or inconvenience in relation, to which the law prevents the Landlord from excluding liability.

6. **THIRD PARTY RIGHTS**

6.1 Tenant shall comply with all obligations on the Landlord, the Management Company and the Superior Landlord relating to the Third Party Rights (in each case insofar as those obligations relate to the Property or the exercise of the Rights over the Estate as authorised in this lease

and subsist and are capable of taking effect) and shall not do anything (even if otherwise permitted by this lease) that may interfere with any Third Party Right.

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

7. THE ANNUAL RENT

- 7.1 The Tenant shall pay the Annual Rent and any VAT in respect of it by four equal instalments in advance on or before the Rent Payment Dates. The payments shall be made by electronic transfer.
- 7.2 The first instalment of the Annual Rent and any VAT in respect of it shall be made on the Rent Commencement Date and shall be the proportion, calculated on a daily basis in respect of the period beginning on the Rent Commencement Date until the day before the next Rent Payment Date.
- 7.3 Notwithstanding the provisions of this lease, the Tenant shall be given an initial rent free period of 3 months from the Term Commencement Date followed by a further rent free period equivalent to 18 months' rent free based on the commencing Annual Rent of £889,948 amortised over a period of 24 months from and including the Rent Commencement Date, so that the amounts of Annual Rent to be paid during the period of 24 months from the Term Commencement Date shall be as follows:

| Payment due date | Period from and including payment due date to and including | Amount of Annual Rent to be paid (exclusive of VAT) |
|--------------------------------|--|--|
| 3 rd September 2021 | 17 October 2021 | Nil |
| 18 October 2021 | 31 December 2021 | £45,716.51 |
| 1 January 2022 | 31 March 2022 | £55,556.49 |
| 1 April 2022 | 30 June 2022 | £55,556.49 |
| 1 July 2022 | 30 September 2022 | £55,556.49 |
| 1 October 2022 | 31 December 2022 | £55,556.49 |
| 1 January 2023 | 31 March 2023 | £55,556.49 |
| 1 April 2023 | 30 June 2023 | £55,556.49 |
| 1 July 2023 | 30 September 2023 | £55,556.49 |
| 1 October 2023 | 17 October 2023 | £10,365.29 |

8. **REVIEW OF THE ANNUAL RENT**

- 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 Annual Rent shall be reviewed on the Review Date to equal:
- 8.2.1 the Annual Rent payable immediately before the Review Date (or which would then be payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it and disregarding any amortised rent free period during the term) or, if greater;
- 8.2.2 the open market rent agreed or determined pursuant to this clause 8.
- 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 annual rent (exclusive of any VAT) at which the Property could reasonably be expected to be let:
- 8.4.1 in the open market;
- 8.4.2 at the Review Date;
- 8.4.3 on the assumptions listed in clause 8.5; and
- 8.4.4 disregarding the matters listed in clause 8.6.
- 8.5 The assumptions are:
- 8.5.1 the Property is available to let in the open market:
- 8.5.1.1 by a willing lessor to a willing tenant;
- 8.5.1.2 as a whole;
- 8.5.1.3 with vacant possession;
- 8.5.1.4 without a fine or a premium;
- 8.5.1.5 for a term of ten years commencing on the Review Date;
- 8.5.1.6 with a rent review date on the fifth anniversary of the Review Date; and
- 8.5.1.7 otherwise on the terms of this lease, other than:

- 8.5.1.7.1 as to the amount of the Annual Rent and the Review Date (but including the provisions for review of the Annual Rent in accordance with clause 5.1.6); and
- 8.5.1.7.2 clause 44 and the Schedule to this lease;
- 8.5.2 the willing tenant has had the benefit of any rent-free or other concession or contribution which would be offered in the open market at the Review Date in relation to fitting out works at the Property;
- 8.5.3 the Property may lawfully be used by the willing tenant (or any potential undertenant or assignee of the willing tenant) for any purpose permitted by this lease;
- 8.5.4 the Landlord and the Tenant have fully complied with their obligations in this lease;
- 8.5.5 if the Property or any other part of the Building or any Service Media serving the Property, has been destroyed or damaged, it has been fully restored;
- 8.5.6 no work has been carried out on the Property that has diminished the rental value of the Property other than work carried out in compliance with clause 36;
- 8.5.7 any fixtures, fittings, machinery or equipment supplied to the Property by the Landlord that have been removed by or at the request of the Tenant, or any undertenant or their respective predecessors in title (otherwise than to comply with any law) remain at the Property;
- 8.5.8 the willing tenant and its potential assignees and undertenants shall not be disadvantaged by any actual or potential exercise of an option to tax under Part 1 of Schedule 10 to the VATA 1994 in relation to the Property; and
- 8.5.9 the Mezzanine Floors (including staircases leading to them) and the Category A Works to the Mezzanine Floors were installed by the willing landlord at its cost at the date of this lease in accordance with the Rent Review Specification and the Mezzanine Specification;
- 8.5.10 all of the other works listed in Appendix G to the Agreement for Lease were provided and carried out by the willing landlord at its cost at the date of this lease;
- 8.5.11 the Internal Area of the Property is:

| Unit (at the Property) | Floor | Internal Area (Sq Ft) |
|------------------------|--------|-----------------------|
| 6 | Ground | 1611 |
| 6 | First | 1611 |
| 7 | Ground | 3156 |
| 7 | First | 3156 |
| 8 | Ground | 3160 |
| 8 | First | 3160 |
| 9 | Ground | 3157 |
| 9 | First | 3157 |
| 9 | Second | 917 |
| 10 | Ground | 3165 |
| 10 | First | 3165 |
| 10 | Second | 1789 |

8.6 The matters to be disregarded are:

- 8.6.1 any effect on rent of the fact that the Tenant or any authorised undertenant has been in occupation of the Property;
- 8.6.2 any goodwill attached to the Property by reason of any business carried out there by the Tenant or by any authorised undertenant or by any of their predecessors in title;
- 8.6.3 any effect on rent attributable to any physical improvement to the Property carried out before or after the date of this lease, by and 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);
- 8.6.4 any effect on rent of any obligation on the Tenant to fit out the Property or to reinstate the Property to the condition or design it was in before any alterations or improvements were carried out;
- 8.6.5 any statutory restriction on rents or the right to recover them; and

- 8.6.6 any depreciatory effect on the Annual Rent of clauses 8.4 to 8.6.
- 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 Review Date.
- 8.8 The Surveyor shall act as an expert and not as arbitrator. The Surveyor shall determine the open market rent. 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, properly incurred by the Surveyor shall be payable by the Landlord and the Tenant in the proportions that the Surveyor directs (or if the Surveyor makes no direction, then equally). If either party does not pay its part of the Surveyor's fees and expenses within ten working days after demand by the Surveyor, the other party may pay that part and the amount it pays shall be a debt of the non-paying party due and payable within ten working days of demand to the paying party. The Landlord and the Tenant shall otherwise each bear their own costs in connection with the rent review

- 8.12 If the revised Annual Rent has not been agreed by the Landlord and the Tenant or determined by the Surveyor on or before the Review Date, the Annual Rent payable from and including that Review Date shall continue at the rate payable immediately before that Review Date. No later than five (5) working days after the revised Annual Rent is agreed or the Surveyor's determination is notified to the Landlord and the Tenant, the Tenant shall pay:
- 8.12.1 the shortfall (if any) between the amount that it has paid for the period from and including the Review Date until the Rent Payment Date following the date of agreement or notification of the revised Annual Rent and the amount that would have been payable had the revised Annual Rent been agreed or determined on or before that Review Date; and
 - 8.12.2 interest at the Interest Rate on that shortfall calculated on a daily basis by reference to the Rent Payment Dates on which parts of the shortfall would have been payable if the revised Annual Rent had been agreed or determined on or before 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 Annual Rent.
- 8.15 As soon as practicable after the amount of the revised Annual Rent has been agreed or determined, a memorandum recording the amount shall be signed by or on behalf of the Landlord and the Tenant and endorsed on or attached to this lease and its counterpart. The Landlord and the Tenant shall each bear their own costs in connection with the memorandum.

9. BUILDING SERVICE CHARGE

- 9.1 The Building Services are:
- 9.1.1 cleaning, maintaining, decorating and repairing the Common Parts, including external and structural parts and all Service Media forming part of the Common Parts;
 - 9.1.2 lighting the Common Parts and cleaning, maintaining, repairing and replacing lighting machinery and equipment on the Common Parts;
 - 9.1.3 cleaning, maintaining, repairing and replacing refuse bins on the Common Parts;

- 9.1.4 cleaning, maintaining, repairing and replacing signage for the Common Parts;
 - 9.1.5 cleaning, maintaining, repairing, operating and replacing any security machinery and equipment (including closed circuit television) on the Common Parts;
 - 9.1.6 cleaning, maintaining, repairing, operating and replacing fire prevention, detection and fire fighting machinery and equipment and fire alarms on the Common Parts;
 - 9.1.7 cleaning, maintaining, repairing and replacing any signboard showing the names and logos of the tenants and other occupiers (if provided by the Landlord);
 - 9.1.8 maintaining the landscaped and grassed areas of the Common Parts;
 - 9.1.9 cleaning maintaining repairing lighting and replacing the car park within the Common Parts; and
 - 9.1.10 any other service or amenity that the Landlord may in its reasonable discretion (acting in accordance with the principles of good estate management) provide for the benefit of the tenants and occupiers of the Building.
- 9.2 The Building Service Costs are the total of:
- 9.2.1 the whole of the costs of:
 - 9.2.1.1 providing the Building Services;
 - 9.2.1.2 the supply and removal of electricity, gas, water, sewage and other utilities to and from the Common Parts;
 - 9.2.1.3 complying with the recommendations and requirements of the insurers of the Building (insofar as those recommendations and requirements relate to the Common Parts);
 - 9.2.1.4 complying with all laws relating to the Common Parts, their use and any works carried out at them, and relating to the use of all Service Media, machinery and equipment at or serving the Common Parts and to any materials kept at or disposed of from the Common Parts;
 - 9.2.1.5 complying with the Third Party Rights insofar as they relate to the Common Parts;

- 9.2.1.6 taking any steps (including proceedings) that the Landlord considers necessary to prevent or remove any encroachment over the Common Parts or to prevent the acquisition of any right over the Common Parts or to remove any obstruction to the flow of light or air to the Common Parts;
- 9.2.1.7 pursuing or enforcing any claim and taking or defending any proceedings against any third party or parties employed in the construction refurbishment and/or repair of the Building or for the remedy of a defect or otherwise or in connection with the Building Services;
- 9.2.1.8 the provision for future anticipated expenditure in respect of any of the Building Services as the Landlord shall consider appropriate (acting reasonably);
- 9.2.2 the costs, fees and disbursements (on a full indemnity basis) of:
 - 9.2.2.1 managing agents employed by the Landlord for the carrying out and provision of the Building Services or, where managing agents are not employed, a management fee for the same (not exceeding 10% of the total Building Service Costs); and
 - 9.2.2.2 accountants employed by the Landlord to prepare and audit the Building Service Charge accounts;
- 9.2.3 all costs incurred in relation to those persons directly employed by the Landlord or the managing agent to deliver or administer delivery of the Building Services (whether employee full or part time and whether based at the Building or not) as follows:
 - 9.2.3.1 salaries (and all appropriate benefits);
 - 9.2.3.2 employer's costs (including national insurance contributions and tax; costs of compliance with statutory requirements; and pension, welfare, and insurance contributions); and
 - 9.2.3.3 training, uniforms and all equipment, supplies and accommodation needed for the proper performance of their duties,
- 9.2.4 all rates, taxes, impositions and outgoings payable in respect of the Common Parts, their use and any works carried out on them (other than any taxes payable by the Landlord in

connection with any dealing with or disposition of its reversionary interest in the Building); and

- 9.2.5 any VAT payable by the Landlord in respect of any of the items mentioned above except to the extent that the Landlord obtains credit for such VAT under the Value Added Tax Act 1994.
- 9.3 Subject to the Tenant paying the Building Service Charge, to the Management Company or the Landlord if so directed by the Management Company, the Landlord shall use its reasonable endeavours to provide the Building Services described in clauses 9.1.1 to 9 1.9 (inclusive). The Landlord may, but shall not be obliged to, provide any of the other Building Services.
- 9.4 The Landlord shall not be obliged to carry out any works where the need for those works has arisen by reason of any damage or destruction by a risk against which the Landlord is not obliged to insure.
- 9.5 The Landlord shall not be liable for:
- 9.5.1 any interruption in, or disruption to, the provision of any of the Building Services for any reason that is outside the reasonable control of the Landlord; or
- 9.5.2 any injury, loss or damage suffered by the Tenant as a result of any absence or insufficiency of any of the Building Services or of any breakdown or defect in any Service Media, except where due to the negligence of the Landlord or its agents.
- 9.6 Before, or as soon as practicable after the start of each Building Service Charge Year, the Landlord shall prepare and send the Tenant an estimate of the Building Service Charge for the Building Service Charge Year ("the Estimated Building Service Charge").
- 9.7 The Tenant shall pay the Estimated Building Service Charge for each Building Service Charge Year in four equal instalments on each of the Rent Payment Dates The first payment in respect of the Building Service Charge Year current at the date of this lease will be made on the date of this lease and will be a due proportion in respect of the period from and including the Term Commencement Date to and excluding the Rent Payment Date next following the date of this lease.

- 9.8 If the Landlord or the Landlord's surveyor does not notify an estimate of the Building Service Charge for any Building Service Charge Year the Estimated Building Service Charge for the preceding Building Service Charge Year shall apply. The Landlord or the Landlord's surveyor may at any time revise the Estimated Building Service Charge. Any revision of the Estimated Building Service Charge after the start of a Building Service Charge Year shall adjust the payments on the following Rent Payment Dates equally.
- 9.9 As soon as reasonably practicable after the end of each Building Service Charge Year, the Landlord shall serve on the Tenant a certificate of the Building Service Charge certified by the Landlord's surveyor for that Building Service Charge Year.
- 9.10 If any cost is omitted from the calculation of the Building Service Charge in any Building Service Charge Year, the Landlord shall be entitled to include it in the estimate and certificate of the relevant Building Service Charge in any of the following Building Service Charge Years. Otherwise and except in the case of manifest error, the Building Service Charge Certificate shall be conclusive as to all matters of fact to which it refers.
- 9.11 Without prejudice to the provisions of clause 12.5.6, where the Landlord provides any Building Service by reason of the damage to or destruction of the Common Parts by an Insured Risk or (save where clause 12.10.4 applies) an Uninsured Risk, the costs of that Building Service shall not be included in the Building Service Charge.
- 9.12 The difference between the Building Service Charge and the Estimated Building Service Charge for any Building Service Charge Year (or part) shall be paid by the Tenant to the Landlord within 14 days of the service of the certificate, or allowed against the next Estimated Building Service Charge payment or after the expiry of the Term refunded to the Tenant after the end of the relevant Building Service Charge Year having carried out the Building Service Charge reconciliation.
- 9.13 The Building Service Charge shall not include:
- 9.13.1 any costs relating to the initial construction of the Building or works solely designed to allow for the extension of the Building;

- 9.13.2 any fees and expenses attributable to the review of rents payable by the tenants and other occupiers of the Building or attributable to the letting of any part of the Building or any disposition or dealing with the Landlord's interest in the Building or any part thereof;
- 9.13.3 any costs (including without limitation solicitors surveyors and agents fees and managing agents fees) incurred by or on behalf of the Landlord in the collection of rents or other monies for any occupiers of the Building and/or any proceedings against any occupier of the Building; or
- 9.13.4 any costs incurred by the Landlord in carrying out any works precautions or other matters as may be required by the Environment Agency or any other relevant statutory body or local authority to remove or remedy or contain any contamination or other environmental hazard arising as a result of prior use and occupation of the Building or part of it by other persons and which is not caused by the Tenant.

10. ESTATE SERVICE CHARGE

10.1 The Estate Services are:

- 10.1.1 cleaning maintaining repairing and replacing the Estate Common Parts including all Service Media forming part of the Estate Common Parts all boundaries of the Estate including fences access barriers gates and necessary patrol tracks;
- 10.1.2 lighting the Estate Common Parts and cleaning maintaining repairing and replacing lighting machinery and equipment on the Estate Common Parts;
- 10.1.3 cleaning maintaining repairing and replacing refuse bins on the Estate Common Parts;
- 10.1.4 cleaning maintaining repairing operating and replacing fire prevention, detection and fire fighting machinery and equipment on the Estate Common Parts;
- 10.1.5 the clearance and gritting of roads and paths on the Estate as reasonably determined by the Management Company;
- 10.1.6 the provision and maintenance of signage on the Estate including road traffic directional signs;

- 10.1.7 the provision and maintenance (including replanting or planting) of the landscaped areas forming part of the Estate the grounds and any trees and shrubs therein (and vermin control thereon) and any architectural or ornamental features;
 - 10.1.8 the provision of a security service and equipment for the Estate including reception at the main gate; and
 - 10.1.9 the supply of any other service or amenity that the Management Company may acting in accordance with the principles of good estate management provide for the benefit of the tenants and occupiers of the Estate
- 10.2 The Estate Service Costs are the total of:
- 10.2.1 the whole of the costs of:
 - 10.2.1.1 providing the Estate Services;
 - 10.2.1.2 the supply and removal of electricity, gas, water, sewage and other utilities to and from the Estate Common Parts;
 - 10.2.1.3 complying with the recommendations and requirements of the insurers of the Building (insofar as those recommendations and requirements relate to the Estate Common Parts);
 - 10.2.1.4 complying with all laws relating to the Estate Common Parts, their use and any works carried out at them, and relating to the use of all Service Media, machinery and equipment at or serving the Estate Common Parts and to any materials kept at or disposed of from the Estate Common Parts,
 - 10.2.1.5 contributions to sustainable travel and green travel plans that the Management Company is either obliged to contribute towards or where it would be to the benefit of the occupiers of the Estate to do so (acting in the interests of good estate management);
 - 10.2.1.6 complying with the Third Party Rights insofar as they relate to the Estate Common Parts;
 - 10.2.1.7 taking any steps (including proceedings) that the Management Company considers necessary to prevent or remove any encroachment over the Estate

Common Parts or to prevent the acquisition of any right over the Estate Common Parts (or the Estate as a whole) or to remove any obstruction to the flow of light or air to the Estate Common Parts (or the Estate as a whole);

- 10.2.1.8 pursuing or enforcing any claim and taking or defending any proceedings against any third party or parties employed in the construction refurbishment and/or repair of the Estate Common Parts or for the remedy of a defect or otherwise or in connection with the Estate Services; and
- 10.2.1.9 the provision for future anticipated expenditure in respect of any of the Estate Services as the Management Company shall consider appropriate (acting reasonably);
- 10.2.2 the costs, fees and disbursements (on a full indemnity basis) of:
 - 10.2.2.1 managing agents employed by the Management Company for the carrying out and provision of the Estate Services or, where managing agents are not employed, a management fee for the same not exceeding 10% of the total Estate Service Costs; and
 - 10.2.2.2 accountants employed by the Management Company to prepare and audit the Estate Service Charge accounts;
- 10.2.3 all costs incurred in relation to those persons directly employed by the Management Company or the managing agent to deliver or administer delivery of the Estate Services (whether employed full or part time and whether based at the Estate or not) as follows:
 - 10.2.3.1 salaries (and all appropriate benefits);
 - 10.2.3.2 employer's costs (including national insurance contributions and tax; costs of compliance with statutory requirements; and pension, welfare, and insurance contributions); and
 - 10.2.3.3 training, uniforms and all equipment, supplies and accommodation needed for the proper performance of their duties,
- 10.2.4 all rates, taxes, impositions and outgoings payable in respect of the Estate Common Parts, their use and any works carried out on them (other than any taxes payable by the

Management Company in connection with any dealing with or disposition of its reversionary interest in the Estate); and

- 10.2.5 any VAT payable by the Management Company in respect of any of the items mentioned above except to the extent that the Management Company obtains credit for such VAT under the Value Added Tax Act 1994.
- 10.3 Any item charged by way of Service Charge (as defined in the Superior Leases) under clause 11 is excluded from the Estate Service Charge to the intent that there shall be no double counting.
- 10.4 Subject to the Tenant paying the Estate Service Charge, to the Management Company or the Landlord if so directed by the Management Company, the Management Company shall use its reasonable endeavours to:
 - 10.4.1 clean maintain repair replace and light the Common Roads;
 - 10.4.2 keep clean and in repair the Management Company's signage (if any) upon the Estate; and
 - 10.4.3 clean maintain repair and renew all Service Media forming part of the Estate Common Parts.
- 10.5 The Management Company may, but shall not be obliged to, provide any of the other Estate Services.
- 10.6 The Management Company shall not be obliged to carry out any works where the need for those works has arisen by reason of any damage or destruction by a risk against which the Management Company is not obliged to insure.
- 10.7 The Management Company shall not be liable for.
 - 10.7.1 any interruption in, or disruption to, the provision of any of the Estate Services for any reason that is outside the reasonable control of the Management Company; or
 - 10.7.2 any injury, loss or damage suffered by the Tenant as a result of any absence or insufficiency of any of the Estate Services or of any breakdown or defect in any Service Media, except where due to the negligence of the Management Company.

- 10.8 Before, or as soon as practicable after the start of each Estate Service Charge Year, the Management Company shall prepare and send the Tenant an estimate of the Estate Service Charge for the Estate Service Charge Year ("the Estimated Estate Service Charge").
- 10.9 The Tenant shall pay the Estimated Estate Service Charge to the Management Company (or the Landlord if so directed by the Management Company) for each Estate Service Charge Year in four equal instalments on each of the Rent Payment Dates. The first payment in respect of the Estate Service Charge Year current at the date of this lease will be made on the date of this lease and will be a due proportion in respect of the period from and including the Term Commencement Date to and excluding the Rent Payment Date next following the date of this lease.
- 10.10 If the Management Company or the Management Company's surveyor does not notify an estimate of the Estate Service Charge for any Estate Service Charge Year the Estimated Estate Service Charge for the preceding Estate Service Charge Year shall apply. The Management Company or the Management Company's surveyor may at any time revise the Estimated Estate Service Charge Any revision of the Estimated Estate Service Charge after the start of an Estate Service Charge Year shall adjust the payments on the following Rent Payment Dates equally.
- 10.11 As soon as reasonably practicable after the end of each Estate Service Charge Year, the Management Company shall serve on the Tenant a certificate of the Estate Service Charge certified by the Management Company's surveyor for that Estate Service Charge Year.
- 10.12 If any cost is omitted from the calculation of the Estate Service Charge in any Estate Service Charge Year, the Management Company shall be entitled to include it in the estimate and certificate of the relevant Estate Service Charge in any of the following Estate Service Charge Years. Otherwise and except in the case of manifest error, the Estate Service Charge Certificate shall be conclusive as to all matters of fact to which it refers.
- 10.13 Without prejudice to the provisions of clause 13.4.5, where the Management Company provides any Estate Service by reason of the damage to or destruction of the Estate Common

Parts by an Insured Risk, the costs of that Estate Service shall not be included in the Estate Service Charge.

- 10.14 The difference between, the Estate Service Charge and the Estimated Estate Service Charge for any Estate Service Charge Year (or part) shall be paid by the Tenant to the Management Company within 14 days of the service of the certificate, or allowed against the next Estimated Estate Service Charge payment or after the expiry of the term refunded to the Tenant after the end of the relevant Estate Service Charge Year having carried out the Estate Service Charge reconciliation.
- 10.15 The Management Company may from time to time direct the Tenant to pay to the Landlord and the Landlord to collect the Estate Service Charge on behalf of the Management Company. In the event the Management Company so elects the Tenant shall pay the Estate Service Charge in the manner prescribed in clause 10.9 to the Landlord, and the Landlord shall within 5 working days of receipt forward such sums to the Management Company.
- 10.16 The Estate Service Charge shall not include.
 - 10.16.1 any costs relating to the initial construction of the Estate or works solely designed to allow for the extension of the Estate;
 - 10.16.2 any fees and expenses attributable to the review of rents payable by the tenants and other occupiers of the Estate or attributable to the letting of any part of the Estate or any disposition or dealing with the Landlord's interest in the Estate or any part thereof;
 - 10.16.3 all costs (including without limitation solicitors surveyors and agents fees and managing agents fees) incurred by or on behalf of the Landlord in the collection of rents or other monies for any occupiers of the Estate and/or any proceedings against any occupier of the Estate; or
 - 10.16.4 any costs incurred by the Landlord in carrying out any works precautions or other matters as may be required by the Environment Agency or any other relevant statutory body or local authority to remove or remedy or contain any contamination or other environmental hazard in, under or at any part of the Estate that is capable of being let and occupied on

terms similar to those of this lease, arising as a result or prior use and occupation of the Estate or part of it by other persons.

10.17 The Tenant separately covenants with the Landlord to comply with its obligations under this clause 10.

11. SUPERIOR LEASE SERVICE CHARGE PROVISIONS

To the extent the Superior Landlord carries out any of the Services (as defined in the Superior Leases) under the Superior Leases and charges Service Charge (as defined in the Superior Leases) the Tenant will pay the Landlord on demand any such estimated Service Charge (or a fair proportion thereof) and any balancing sum in accordance with the Superior Leases and the Landlord will promptly supply the Tenant with copies of any demands, Estimates and Certificates (as both those terms are defined in the Superior Leases) provided by the Superior Landlord.

12. PROPERTY INSURANCE

12.1 Subject to clause 12.2, the Landlord shall keep the Building insured against loss or damage by the Insured Risks for the sum which the Landlord considers to be its full reinstatement cost (taking inflation of building costs into account). The Landlord shall not be obliged to insure any fixtures and fittings or other works installed by the Tenant (other than any Mezzanine Floors and the Category A Works to the Mezzanine Floors that have been installed by or with the consent of the Landlord).

12.2 The Landlord's obligation to insure is subject to:

12.2.1 any exclusions, limitations, excesses and conditions that may be imposed by the insurers; and

12.2.2 insurance being available in the London insurance market on reasonable terms acceptable to the Landlord.

12.3 In relation to any insurance effected by the Landlord under this clause, the Landlord shall use reasonable endeavours to procure that the Landlord's insurer:

12.3.1 waives its rights of subrogation against the Tenant and any lawful sub-tenants or occupiers of the Property;

12.3.2 permits the interest of the Tenant to be noted on the policy of insurance either specifically or by way of a general noting of tenants' interests under the conditions of the insurance policy

Provided That this obligation will not require the Landlord to change its policy where the insurer is not prepared to do so on reasonable terms or on competitive rates.

12.4 The Tenant shall pay to the Landlord on demand:

12.4.1 the Insurance Rent;

12.4.2 any amount that is deducted or disallowed by the insurers pursuant to any excess provision in the insurance policy; and

12.4.3 any costs that the Landlord incurs in obtaining a valuation of the Property for insurance purposes, provided not more than once per annum.

12.5 The Tenant shall:

12.5.1 immediately inform the Landlord and the Superior Landlord if any matter occurs that any insurer or underwriter may treat as material in deciding whether or on what terms to insure or to continue to insure the Building and shall give the Landlord and the Superior Landlord notice of that matter;

12.5.2 not do or omit anything as a result of which any policy of insurance of the Building, any Landlord's Neighbouring Property or any neighbouring property may become void or voidable or otherwise prejudiced, or the payment of any policy money may be withheld, nor (unless the Tenant has previously notified the Landlord and has paid any increased or additional premium) anything as a result of which any increased or additional insurance premium may become payable;

12.5.3 comply at all times with the requirements and reasonable recommendations of the insurers which have been notified to the Tenant in writing relating to the Building and the Estate Common Parts;

12.5.4 give the Landlord immediate notice upon being made aware of the occurrence of any damage or loss relating to the Property arising from an Insured Risk or of any other event that might affect any insurance policy relating to the Property;

- 12.5.5 not effect any insurance of the Property (except any plate glass at the Property), but if it becomes entitled to the benefit of any insurance proceeds in respect of the Property (other than in respect of plate glass) pay those proceeds or cause them to be paid to the Landlord; and
- 12.5.6 pay the Landlord an amount equal to any insurance money that the insurers of the Building refuse to pay by reason of any act or omission of the Tenant, its workers, contractors or agents or any person at the Property, Building or the Estate Common Parts with the actual or implied authority of any of them.
- 12.6 The Landlord shall, subject to obtaining all necessary planning and other consents (which it shall use its reasonable endeavours to obtain), use all insurance money received (other than for loss of rent) to repair the damage for which the money has been received or (as the case may be) in rebuilding the Property. The Landlord shall not be obliged to:
- 12.6.1 provide accommodation identical in layout or design so long as accommodation reasonably equivalent to that previously at the Property is provided;
- 12.6.2 repair or rebuild if the Tenant has failed to pay any monies due under clause 12.5.6 until those monies are paid; or
- 12.6.3 repair or rebuild the Property after a notice has been served pursuant to clause 12.8 or clause 12.9; or
- 12.6.4 rebuild or reinstate tenant's fitting-out works or any other alterations or additions to the Property (other than any Mezzanine Floors and Category A Works to the Mezzanine Floors that have been installed by or with the consent of the Landlord).
- 12.7 If the Property is damaged or destroyed by an Insured Risk so as to be unfit for occupation and use then, unless the policy of insurance of the Property has been vitiated in whole or in part in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property with the actual or implied authority of any of them, payment of the Annual Rent, or a fair proportion of it according to the nature and extent of the damage, shall be suspended until the date that the Property has been

reinstated and made fit for occupation and use (as the case may be), or until the end of three years from the date of damage or destruction, if sooner.

12.8 If, following damage to or destruction of the Building, the Landlord considers that it is impossible or impractical to reinstate the Building, the Landlord may terminate this lease by giving notice to the Tenant. On giving notice this lease shall determine but this shall be without prejudice to any right or remedy of the Landlord in respect of any breach of the tenant covenants of this lease. Any proceeds of the insurance (other than any insurance for plate glass) shall belong to the Landlord.

12.9 Unless the policy of insurance of the Property has been vitiated in whole or in part in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property with the actual or implied authority of any of them, the Tenant may terminate this lease by giving notice to the Landlord if, following damage or destruction of the Property by an Insured Risk, the Property has not been reinstated so as to be fit for occupation and use or the Common Parts have not been reinstated so as to make the Property accessible or useable within three years after the date of damage or destruction. On giving this notice this lease shall determine but this shall be without prejudice to any right or remedy of either party in respect of any breach of the other's covenants of this lease. Any proceeds of the insurance (other than any insurance for plate glass) shall belong to the Landlord.

12.10

12.10.1 In this clause 12.10 the following words shall have the following meanings:

12.10.1.1 **"Uninsured Damage"** means that the Building has been destroyed or damaged by an Uninsured Risk so as to render the Property inaccessible and/or unfit for beneficial occupation and use; and

12.10.1.2 **"Uninsured Risk"**: means any risks, or some aspect of any of them, which would be covered by the risks specifically identified in the definition of "Insured Risks" but which are excluded from being covered for the time being by reason of unavailability or withdrawal of cover by the Landlord on the grounds that

cover cannot be placed on the London Insurance Market with a reputable insurer at reasonably commercial rates and on reasonably commercial conditions or because insurance cover is not available at all.

12.10.2 An Insured Risk does not become an Uninsured Risk for the purposes of this clause 12.10 by reason only of:

- 12.10.2.1 normal exclusion provisions in relation to a level of excess liability; or
- 12.10.2.2 rejection by the insurer of liability, or some part of it, due to the act, default or omission of the Tenant or its undertenant, employee licensee or contractor.

12.10.3 If there is Uninsured Damage then:

- 12.10.3.1 within 12 months of the damage or destruction in question the Landlord shall give written notice to the Tenant ("**Election Notice**") stating whether or not it proposes to rebuild or reinstate the Property;
- 12.10.3.2 if the Election Notice states that the Landlord does propose to rebuild or reinstate the Property then for all the purposes of this lease the Uninsured Damage shall be deemed to have been damage by Insured Risks in respect of which the full insurance monies are recoverable by the Landlord under the insurance policies and the Landlord's obligation to reinstate shall be as set out in clause 12.6, save that the Landlord will not be obliged to rebuild or reinstate tenant's fitting out works or any other alterations or additions to the Property other than any Mezzanine Floors and Category A Works to the Mezzanine Floors that have been installed by or with the consent of the Landlord;
- 12.10.3.3 if the Election Notice states that the Landlord does not propose to rebuild or reinstate the Property or if no Election Notice is served strictly within the period of 12 months referred to in clause 12.10.3.1 then this lease will determine with immediate effect but without prejudice to any antecedent claim by either party against the other for antecedent breach of any covenants on the part of the Tenant contained herein; and

- 12.10.3.4 if this lease is determined under clause 12.10.3.3 the Tenant shall be permitted a reasonable time (not exceeding one month) to remove from the Property any fixtures, fittings or equipment belonging to it and shall not be required, to reinstate any alterations or additions made by it nor to yield up the Property in the state of repair and decoration which would (but for the Uninsured Damage) be required by this lease.
- 12.10.4 The Landlord shall only be entitled to include within the Building Service Costs any costs which the Landlord incurs (acting properly) in reinstating any damage or destruction to the Building caused by an Uninsured Risk if:
- 12.10.4.1 the Insured Risk shall have become an Uninsured Risk owing to the act or default of the Tenant or any person deriving title under the Tenant or their respective agents, employees, licensees or contractors; or
- 12.10.4.2 such damage or destruction does not make the Building or the Property or a substantial part of them unfit for occupation or use or inaccessible.
- 12.10.5 If there is Uninsured Damage then payment of the Annual Rent shall be suspended on, and from the date on which the Uninsured Damage occurred (unless this lease determines sooner pursuant to clause 12.10.3.3 (in which case and for the avoidance of doubt the Tenant's obligation to pay the Annual Rent shall automatically determine))
- 12.10.6 If the Annual Rent has been suspended pursuant to clause 12.10.5, payment of the Annual Rent shall then be suspended until the Uninsured Damage has been reinstated so as to make the Premises fit for occupation and use and accessible.
- 12.10.7 If there is Uninsured Damage the Tenant shall not be liable to repair the Property pursuant to the obligation contained in clause 30.

13. ESTATE COMMON PARTS INSURANCE

- 13.1 Subject to clause 13.2, the Management Company shall keep the Estate Common Parts insured against loss or damage by the Insured Risks for the sum which the Management Company considers to be its full reinstatement cost (taking inflation of building costs into account).

- 13.2 The Management Company's obligation to insure is subject to:
- 13.2.1 any exclusions, limitations, excesses and conditions that may be imposed by the insurers; and
 - 13.2.2 insurance being available in the London insurance market on reasonable terms acceptable to the Management Company.
- 13.3 The Tenant shall pay to the Management Company on demand:
- 13.3.1 the Insurance Premium;
 - 13.3.2 any amount that is deducted or disallowed by the insurers pursuant to any excess provision in the insurance policy; and
 - 13.3.3 any costs that the Management Company incurs in obtaining a valuation of the Estate Common Parts for insurance purposes, provided not more than once per annum.
- 13.4 The Tenant shall:
- 13.4.1 immediately inform the Management Company and the Superior Landlord if any matter occurs that any insurer or underwriter may treat as material in deciding whether or on what terms to insure or to continue to insure the Estate Common Parts and shall give the Management Company and the Superior Landlord notice of that matter;
 - 13.4.2 not do or omit anything as a result of which any policy of insurance of the Estate Common Parts may become void or voidable or otherwise prejudiced, or the payment of any policy money may be withheld, nor (unless the Tenant has previously notified the Management Company and has paid any increased or additional premium) anything as a result of which any increased or additional insurance premium may become payable;
 - 13.4.3 comply at all times with the requirements and reasonable recommendations of the insurers which have been notified to the Tenant in writing relating to the Estate Common Parts;
 - 13.4.4 give the Management Company immediate notice upon being made aware of the occurrence of any damage or loss relating to the Estate Common Parts arising from an Insured Risk or of any other event that might affect any insurance policy relating to the Estate Common Parts; and

13.4.5 pay the Management Company an amount equal to any insurance money that the insurers of the Estate Common Parts refuse to pay by reason of any act or omission of the Tenant, its workers, contractors or agents or any person at the Estate Common Parts with the actual or implied authority of any of them.

13.5 The Tenant separately covenants with the Landlord to comply with its obligations under this clause 13.

14. RATES AND TAXES

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

14.1.1 any taxes payable by the Landlord in connection with any dealing with or disposition of the reversion to this lease; or

14.1.2 any taxes, other than VAT and insurance premium tax, payable by the Landlord by reason of the receipt of any of the rents due under this lease.

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

14.3 The Tenant shall not make any proposal to alter the rateable value of the Property or that value as it appears on any draft rating list, without the approval of the Landlord and the Superior Landlord.

14.4 If, after the end of the term, either the Landlord or the Superior Landlord loses rating relief (or any similar relief or exemption) because it has been allowed to the Tenant, then the Tenant shall pay the Landlord or the Superior Landlord, as appropriate, an amount equal to the relief or exemption that has been lost.

15. COMMON ITEMS

15.1 The Tenant shall comply with all reasonable regulations the Landlord may make and notify to the Tenant in writing from time to time in connection with the use of any of those Service Media forming part of the Estate, structures or other items.

- 15.2 Except to the extent that such costs are included within the Estate Service Costs or the Building Service Costs, the Tenant must pay to the Landlord on demand a fair proportion of all costs payable by the Landlord for the maintenance, repair, lighting, cleaning and renewal of all Service Media, structures and other items not on or in the Building or Estate but used or capable of being used by the Building or the Estate in common with other land.

16. UTILITIES

- 16.1 The Tenant shall pay all costs in connection with the supply and removal of electricity, gas, water, sewage, telecommunications, data and other services and utilities to or from the Property including standing charges (but excluding any installation or connection costs incurred prior to the date of this lease).
- 16.2 If any of those costs are payable in relation to the Property together with other property, the Tenant shall pay a fair and reasonable proportion of all those costs.
- 16.3 The Tenant shall comply with all statutory requirements relating to the use of those services and utilities.

17. VAT

- 17.1 All sums payable by the Tenant are exclusive of any VAT that may be chargeable. The Tenant shall pay VAT in respect of all taxable supplies made to it in connection with this lease on the due date for making any payment or, if earlier, the date on which that supply is made for VAT purposes and for which a valid VAT invoice shall be provided.
- 17.2 Every obligation on the Tenant, under or in connection with this lease, to pay the Landlord or Management Company or any other person any sum by way of a refund or indemnity, shall include an obligation to pay an amount equal to any VAT incurred on that sum by the Landlord or the Management Company or other person and for which a valid VAT invoice shall be provided, except to the extent that the Landlord or the Management Company or other person obtains credit for such VAT under the Value Added Tax Act 1994
- 17.3 The Tenant shall not seek to disapply the Landlord's option to tax the Property or buildings thereon at any point during the term.

18. DEFAULT INTEREST AND INTEREST

- 18.1 If any Annual Rent or any other money payable by the Tenant under this lease has not been paid within seven days of the due date, whether in the case of the Annual Rent it has been formally demanded or not, the Tenant shall pay the Landlord or (in the case of the Estate Service Charge) the Management Company interest at the Default Interest Rate (both before and after any judgment) on that amount for the period beginning on the due date to and including the date of payment.
- 18.2 If the Landlord (acting reasonably) does not demand or accept any Annual Rent or other money due or tendered under this lease because the Landlord reasonably believes that the Tenant is in breach of any of the tenant covenants of this lease, then the Tenant shall, when that amount is accepted by the Landlord, also pay interest at the Interest Rate on that amount for the period beginning on the date the amount (or each part of it) became due until the date it is accepted by the Landlord.

19. COSTS

The Tenant shall pay the proper costs and expenses of the Landlord including any solicitors' or other professionals' costs and expenses (incurred both during and after the end of the term) reasonably and properly incurred in connection with or in the proper contemplation of:

- 19.1.1 the enforcement of the tenant covenants of this lease;
- 19.1.2 serving any notice in connection with this lease under section 146 or 147 of the Law of Property Act 1925 or taking any proceedings under either of those sections, notwithstanding that forfeiture is avoided otherwise than by relief granted by the court;
- 19.1.3 serving any notice in connection with this lease under section 17 of the Landlord and Tenant (Covenants) Act 1995;
- 19.1.4 the proper preparation and service of a schedule of dilapidations in connection with this lease served during or within 4 months of the end of the Contractual Term; and
- 19.1.5 any consent or approval applied for under this lease, whether or not it is granted (save for in a situation where the Landlord unreasonably withholds or delays its consent, having been required by the terms of this lease not to do so).

20. **COMPENSATION ON VACATING**

Any right of the Tenant or anyone deriving title under the Tenant to claim compensation from the Landlord on leaving the Property under the Landlord and Tenant Act 1927 or the LTA 1954 is excluded, except to the extent that the legislation prevents that right being excluded.

21. **NO DEDUCTION, COUNTERCLAIM OR SET-OFF**

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

22. **REGISTRATION OF THIS LEASE**

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

22.2 The Tenant shall not

22.2.1 apply to HM Land Registry to designate this lease as an exempt information document;

22.2.2 object to an application by the Landlord to HM Land Registry to designate this lease as an exempt information document; or

22.2.3 where the Landlord wishes to designate this lease as an exempt information document the Tenant shall not apply to register the Lease without simultaneously submitting the Landlord's application to designate the lease as an exempt information document Provided That the Landlord supplies the Tenant with the Landlord's completed application and HM Land Registry fee within 10 working days of completion.

22.3 In the event that the Tenant fails to apply to register this lease at HM Land Registry within 2 months from the date of this lease the Landlord shall be entitled to submit the requisite Land Registry application as agent for an on behalf of Tenant.

22.4 So as to enable the Landlord to proceed to register this lease at HM Land Registry in accordance with clause 22.3 above:

22.4.1 the Tenant will on demand provide the Landlord with the SDLT5 in respect of the Tenant's SDLT1 Return (if any) submitted by the Tenant;

22.4.2 where the Tenant has not submitted an SDLT Return in respect of this lease the Landlord shall be entitled to submit SDLT1 as agent for and on behalf of Tenant and to pay any SDLT which may be assessed on the lease.

22.5 The Tenant will on demand pay the Landlord as additional rent an amount equal to any SDLT, Land Registry fees, interest or penalty paid or incurred by the Landlord to enable it to procure registration of this lease at HM Land Registry together with the Landlord's proper legal fees incurred in connection with the preparation and submission of the SDLT1 return and preparation and submission of the Land Registry application and dealing with any requisitions raised by HM Land Registry in respect of such application.

23. ASSIGNMENTS

23.1 The Tenant shall not assign the whole of this lease without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.

23.2 The Tenant shall not assign part only of this lease

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

23.3.1 if reasonably required by the Landlord a condition that the assignor enters into an authorised guarantee agreement which if requested by the Landlord:

23.3.1.1 is in respect of all the tenant covenants of this lease;

23.3.1.2 is in respect of the period beginning with the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995;

23.3.1.3 imposes principal debtor liability on the assignor;

- 23.3.1.4 requires (in the event of a disclaimer of liability under this lease) the assignor to enter into a new tenancy for a term equal to the unexpired residue of the Contractual Term; and
- 23.3.1.5 is otherwise in a form reasonably required by the Landlord;
- 23.3.2 where the obligations of the Tenant were guaranteed by a guarantor the execution of the authorised guarantee agreement referred to in sub-clause 23.3.1 by that guarantor and the insertion into that agreement of obligations on the part of that guarantor guaranteeing (to the extent lawful) the Tenant's obligations therein in such form as the Landlord shall reasonably require
- 23.3.3 if reasonably required by the Landlord a condition that a person of standing acceptable to the Landlord (acting reasonably) enters into a guarantee and indemnity of the tenant covenants of this lease in such form as the Landlord may reasonably require; and/or
- 23.3.4 if reasonably required by the Landlord a condition that the assignee shall (if reasonable) provide a rent deposit of such amount as the landlord may reasonably require plus an amount in lieu of VAT on that sum and enter into a rent deposit deed in such form as the Landlord may reasonably require.
- 23.4 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may refuse its consent to an assignment if any of the following circumstances exist at the date of the Tenant's application for consent to assign this lease:
 - 23.4.1 the Annual Rent due or any other money due and formally demanded under this lease is outstanding (save for in the case of a bona fide dispute as to sums other than the Annual Rent);
 - 23.4.2 in the Landlord's reasonable opinion the assignee is not of sufficient financial standing to enable it to comply with the Tenant's covenants and conditions contained in this lease;
 - 23.4.3 the assignee and the Tenant are group companies within the meaning of section 42 of the LTA 1954 and the assignee is of lower financial standing than the Tenant; or
 - 23.4.4 where the proposed assignee is currently guaranteeing the Tenant's obligations under this lease,

23.5 Nothing in this clause shall prevent the Landlord from giving consent subject to any other reasonable condition, nor from refusing consent to an assignment in any other circumstance where it is reasonable to do so.

24. UNDERLETTINGS

24.1 The Tenant shall not underlet the whole or a Permitted Part of the Property except in accordance with this clause nor without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.

24.2 The Tenant shall not underlet part only of the Property, save for a Permitted Part in accordance and subject to the conditions set out in this clause 24.

24.3 The Tenant shall not underlet the Property or a Permitted Part:

24.3.1 together with any property or any right over property that is not included within this lease;

24.3.2 at a fine or premium or reverse premium; nor

24.3.3 allowing any rent free period to the undertenant that exceeds the period as is then usual in the open market in respect of such a letting.

24.4 The Tenant shall not underlet the Property or a Permitted Part unless, before the underlease is granted, the Tenant has given the Landlord:

24.4.1 a certified copy of the notice served on the undertenant, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy to be created by the underlease; and

24.4.2 a certified copy of the declaration or statutory declaration made by the undertenant in accordance with the requirements of section 38A(3)(b) of the LTA 1954.

24.5 Any underletting by the Tenant shall be by deed and shall include:

24.5.1 an agreement between the Tenant and the undertenant that the provisions of sections 24 to 28 of the LTA 1954 are excluded from applying to the tenancy created by the underlease;

24.5.2 the reservation of a rent which is not less than the open market rental value of the Property (or, if the underletting is of a Permitted Part only, the open market rental value of that Permitted Part) at the date the Property or Permitted Part is underlet and which is payable at the same times as the Annual Rent under this lease (but this shall not prevent an underlease providing for a rent-free period of a length permitted by clause 24.3.3);

- 24.5.3 provisions for the review of rent at the same dates and on the same basis as the review of rent in this lease, unless the term of the underlease does not extend beyond the next Review Date;
- 24.5.4 a covenant by the undertenant, enforceable by and expressed to be enforceable by the Landlord (as superior landlord at the date of grant) and its successors in title in their own right, to observe and perform the tenant covenants in the underlease and any document that is supplemental or collateral to it and the tenant covenants in this lease, except the covenants to pay the rents reserved by this lease;
- 24.5.5 a covenant by the undertenant (enforceable by and expressed to be enforceable by the Landlord (as superior landlord at the date of grant) and its successors in title in their own right):
- 24.5.5.1 not to assign, underlet or charge the whole of the underlease without the consent of the Landlord (which shall not be unreasonably withheld); and
 - 24.5.5.2 not to underlet any part of the underlease or the Property or Permitted Part, nor to assign or charge part only of the underlease or the Property or Permitted Part, or to hold the underlease on trust for any person (except pending registration of a dealing permitted by the underlease at HM Land Registry or by reason only of joint legal ownership); and
 - 24.5.5.3 not to permit its underlessee to underlet, part with or share possession or share occupation of the whole or any part of its underlease or the Property or Permitted Part, nor to assign or charge part only of its underlease or the Property or Permitted Part, or to hold its underlease on trust for any person (except pending registration of a dealing permitted by the underlease at HM Land Registry or by reason only of joint legal ownership); and
- 24.5.6 provisions requiring the consent of the Landlord to be obtained in respect of any matter for which the consent of the Landlord is required under this lease, and shall otherwise be consistent with and include tenant covenants no less onerous (other than as to the Annual

Rent) than those in this lease and in a form approved by the Landlord, such approval not to be unreasonably withheld or delayed.

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

24.6.1 not vary the terms of the underlease without the consent of the Landlord, such consent not to be unreasonably withheld or delayed;

24.6.2 enforce the tenant covenants in the underlease and not waive any of them nor allow any reduction in the rent payable under the underlease; and

24.6.3 ensure that in relation to any rent review the revised rent is not agreed without the approval of the Landlord, such approval not to be unreasonably withheld or delayed.

24.7 Any underlease must not include the grant of the Option or any similar provision.

25. **SHARING OCCUPATION**

The Tenant may share occupation of the Property with any company that is a member of the same group (within the meaning of section 42 of the LTA 1954) as the Tenant for as long as that company remains within that group and Provided That no relationship of landlord and tenant is established by that arrangement.

26. **CHARGING**

26.1 The Tenant shall not charge a part (as distinct from the whole) of the Property.

26.2 The Tenant may with the prior written consent of the Landlord (not to be unreasonably withheld or delayed) charge the whole of the Property to a bank or similar financial institution for the purpose of borrowing money on the security of this lease by way of a fixed charge.

26.3 The Tenant may without the consent of the Landlord charge the whole of the Property and this lease by way of a floating charge created in the normal course of the Tenant's business to a Bank of England authorised institution.

27. **PROHIBITION OF DEALINGS**

Except as expressly permitted by this lease, the Tenant shall not assign, underlet, charge, part with or share possession or share occupation of this lease or the Property or hold this lease on trust for any person (except pending registration of a dealing permitted by this lease at HM Land Registry or by reason only of joint legal ownership).

28. REGISTRATION AND NOTIFICATION OF DEALINGS AND OCCUPATION

28.1 In this clause a Transaction is:

28.1.1 any dealing with this lease or the devolution or transmission of, or parting with possession of any interest in it;
or

28.1.2 the creation of any underlease or other interest out of this lease, or out of any interest, underlease derived from it, and any dealing, devolution or transmission of, or parting with possession of any such interest or underlease;
or

28.1.3 the making of any other arrangement for the occupation of the Property.

28.2 Within one month of completion of the registration of a Transaction (where the same is registrable at HM Land Registry), the Tenant shall send the Landlord official copies of its title (and where applicable of the undertenant's title).

28.3 No later than one month after a Transaction the Tenant shall:

28.3.1 give the Landlord's solicitors and the Management Company notice of the Transaction; and

28.3.2 deliver two certified copies of any document effecting the Transaction to the Landlord's solicitors and the Management Company; and

28.3.3 pay the Landlord's solicitors a registration fee of £75 (plus VAT).

28.4 If the Landlord reasonably requests, the Tenant shall promptly supply the Landlord with full details of the occupiers of the Property and the terms upon which they occupy it (but not more than twice in each year of the term)

29. CLOSURE OF THE REGISTERED TITLE OF THIS LEASE

Within one month after the end of the term (and notwithstanding that the term has ended), the Tenant shall make an application to close the registered title of this lease or any entry made against the Landlord's title to protect the rights granted by this lease and shall ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly and; the Tenant shall notify the Landlord of completion of its application.

30. **REPAIRS**

- 30.1 The Tenant shall keep the Property clean and tidy (including cleaning windows once a month) and in good and substantial repair and condition and shall ensure that any Service Media within and exclusively serving the Property is kept in good working order.
- 30.2 Notwithstanding clause 30.1 above, the Tenant shall not be liable to repair the Property to the extent that any disrepair has been caused by an Insured Risk unless and to the extent that the policy of insurance of the Property has been vitiated or any insurance proceeds withheld in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents to any person on the Property with the actual or implied authority of any of them.

31. **DECORATION**

- 31.1 Subject to clause 30 above, the Tenant shall decorate the Property as often as is reasonably necessary and also in the last three months before the end of the term.
- 31.2 All decoration shall be carried out in a good and proper manner using good quality materials that are appropriate to the Property and the Permitted Use and shall include all appropriate preparatory work.
- 31.3 All decoration carried out in the last three months of the term shall also be carried out to the reasonable satisfaction of the Landlord and using materials, designs and colours approved by the Landlord, such approval not to be unreasonably withheld or delayed.

32. **ALTERATIONS**

- 32.1 The Tenant shall not make any external or structural alteration or addition and shall not make any opening in any boundary structure of the Property Provided That the Tenant may install Mezzanine Floors which comply with the Mezzanine Specification with the consent of the Landlord (such consent not to be unreasonably withheld or delayed).
- 32.2 The Tenant shall not make any internal, non-structural alteration to the Property without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.

- 32.3 Notwithstanding the provisions of clause 32.2 the Tenant may without the Landlord's consent erect, remove and relocate internal demountable partitioning and underfloor wiring Provided That:
- 32.3.1 any such works are undertaken in a good and workmanlike manner and in accordance with all laws and all good building and other relevant practices, codes and guidance;
 - 32.3.2 the Tenant provides the Landlord with detailed plans at least 21 days prior to the work being carried;
 - 32.3.3 the Tenant provides the Landlord with written notification within one month of completion of the work and, if requested by the Landlord, the Tenant supplies the Landlord with plans showing the altered layout of the Property; and
 - 32.3.4 the Tenant removes such partitioning and wiring (as applicable) at the end of the term in accordance with clause 34.
- 32.4 The Tenant shall not carry out any alteration to the Property (whether consent is required or not) which would, or may reasonably be expected to, have an adverse effect on the asset rating in any Energy Performance Certificate commissioned in respect of the Property
- 32.5 The Tenant shall not install nor alter the route of any Service Media at the Property without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.
- 32.6 The Tenant shall not attach any sign fascia, placard, board, poster or advertisement to the Property so as to be seen from the outside of the Building save as may be approved by the Landlord pursuant to clause 33.
- 32.7 The Tenant shall otherwise comply with the Estate Rules and Regulations in relation to any alterations or additions which the Tenant is permitted to make to the Property pursuant to this clause 34.

33. **SIGNS**

- 33.1 In this clause Signs include signs, fascia, placards, boards, posters and advertisements.
- 33.2 The Tenant shall not attach any Signs to the exterior of the Property or display any inside the Property so as to be seen from the outside except Signs of a design, size and number and in a position that are appropriate to the Property and the Permitted Use which have previously

been approved by the Landlord, such approval not to be unreasonably withheld or delayed and are otherwise in accordance with the Landlord's signage guidelines.

- 33.3 Before the end of the term, the Tenant shall remove any Signs placed by it at the Property and shall make good any damage caused to the Property by that removal.

34. RETURNING THE PROPERTY TO THE LANDLORD

- 34.1 At the end of the term the Tenant shall return the Property to the Landlord in the repair and condition required by this lease unless the New Lease has been granted in accordance with the Schedule to this lease.

- 34.2 Unless the Landlord waives this obligation by serving notice on the Tenant before the end of the term, the Tenant shall remove items it has fixed to the Property, remove any alterations, additions or improvements it has made to the Property (whether carried out before or during the term), other than any:

34.2.1 Mezzanine Floors; and/or

34.2.2 Category A Works carried out to the Mezzanine Floors; and /or

34.2.3 other works listed in Appendix G to the Agreement for Lease;

that have been installed by or with the consent of the Landlord and remove all Hazardous Substances it has introduced to the Property and carry out all associated Remedial Works, to the reasonable satisfaction of the Landlord and make good any damage caused to the Property by that removal to the Landlord's reasonable satisfaction. The Landlord's notice may require the retention or removal and reinstatement in respect of part only of such alterations, additions, improvements or variations.

- 34.3 At the end of the term, the Tenant shall remove from the Property all chattels belonging to or used by it.

- 34.4 The Tenant irrevocably appoints the Landlord to be the Tenant's agent to store or dispose of any chattels or items it has fixed to the Property and which have been left by the Tenant on the Property for more than one month after the end of the term and which the Landlord has requested the Tenant in writing to remove

35. USE AND MANAGEMENT OF THE BUILDING AND THE ESTATE

- 35.1 The Tenant shall not use the Property for any purpose other than the Permitted Use.
- 35.2 The Tenant shall not use the Property for any illegal purpose nor for any purpose or in a manner that would cause loss damage injury, nuisance or inconvenience to the Landlord, its tenants or any other owner or occupier of neighbouring property.
- 35.3 The Tenant shall not park anywhere on the Estate other than in the parking spaces designated by the Landlord under clause 4.2.
- 35.4 The Tenant shall not overload any structural part of the Building nor any Service Media at or serving the Property and in particular the Tenant shall not consume any electricity at the Property in excess of 69 kva in respect of Unit 6 and 138 kva in respect of each of Units 7, 8, 9 and 10.
- 35.5 The Tenant shall not at any time install or permit or suffer to be installed on the Property any electrical lamp equipment or appliance that would or would be likely to cause electrical, electromagnetic, mechanical, operational, or other interference.
- 35.6 The Tenant shall not use the Property for any works involving the emission of ionising radiation or for any purposes involving the bringing on or keeping of radioactive material or other Hazardous Substances at the Property unless with the scope of the Control of Substances Hazardous to Health Regulations from time to time.
- 35.7 The Tenant shall not do anything which would damage or contaminate the Property, the Building or the Estate or pollute the Environment or obstruct or damage any Service Media or discharge any deleterious matter (otherwise than in accordance with all statutory requirements) into any Service Media or cause or suffer any contamination on at or under the Property (Provided That the Tenant will not be liable to for any contamination on the Building which is not caused by the Tenant or its employees, undertenants, licensees or occupiers).
- 35.8 The Tenant shall not obstruct any of the Estate Common Parts or the Common Parts or impede the use of them or any other common facilities.
- 35.9 The Tenant must not keep any animal bird or reptile at the Property.

- 35.10 The Tenant shall observe all regulations relating to the management of the Building and/or the Estate made by the Landlord from time to time in accordance with the principles of good estate management (including the Estate Rules and Regulations as amended from time to time) and notified to the Tenant in writing and shall ensure that its employees agents contractors and visitors observe any restrictions on access to or movement within the Estate which may be imposed by the Landlord from time to time.
- 35.11 Nothing in this lease shall impose or be deemed to impose any restriction on the use of any other Lettable Unit or any neighbouring property.
- 35.12 The Tenant agrees not to raise any objections to any planning permissions submitted by the Landlord to the local planning authority in relation to the Estate.
- 35.13 The Tenant shall ensure that the Landlord has written notice of the names and telephone numbers of at least two key holders of the Property.

36. **COMPLIANCE WITH LAWS**

- 36.1 The Tenant shall comply with all laws (including the Planning Acts) relating to:
 - 36.1.1 the Property and the occupation and use of the Property by the Tenant;
 - 36.1.2 the use or operation of all Service Media and machinery and equipment at or serving the Property whether or not used or operated, and shall, where necessary, replace or convert such Service Media within or exclusively serving the Property so that it is capable of lawful use or operation;
 - 36.1.3 any works carried out at the Property; and
 - 36.1.4 all materials kept at or disposed from the Property.
- 36.2 Without prejudice to any obligation on the Tenant to obtain any consent or approval under this lease, the Tenant shall carry out all works that are required under any law to be carried out at the Property whether by the owner or the occupier.
- 36.3 Within five working days after receipt of any notice or other communication affecting the Property (and whether or not served pursuant to any law) the Tenant shall:
 - 36.3.1 send a copy of the relevant document to the Landlord and the Superior Landlord; and

36.3.2 take all steps necessary to comply with the notice or other communication and take any other action in connection with it as the Landlord may reasonably require.

- 36.4 The Tenant shall not apply for any planning permission for the Property without the Landlord's consent.
- 36.5 The Tenant shall comply with its obligations under the CDM Regulations, including all requirements in relation to the provision and maintenance of a health and safety file. The Tenant shall maintain the health and safety file for the Property in accordance with the CDM Regulations and shall give it to the Landlord at the end of the term.
- 36.6 The Tenant shall supply all information to the Landlord that the Landlord reasonably requires from time to time to comply with the Landlord's obligations under the CDM Regulations.
- 36.7 As soon as the Tenant becomes aware of any defect in the Property, it shall give the Landlord notice of it. The Tenant shall indemnify the Landlord against any liability under the Defective Premises Act 1972 in relation to the Property by reason of any failure of the Tenant to comply with any of the tenant covenants in this lease.
- 36.8 The Tenant shall keep the Property equipped with all fire prevention, detection and fighting machinery and equipment and fire alarms which are required under all relevant laws or required by the insurers of the Property or reasonably recommended by them or reasonably required by the Landlord and shall keep that machinery equipment and alarms properly maintained and available for inspection.

37. ENERGY PERFORMANCE CERTIFICATES

- 37.1 The Tenant shall:
 - 37.1.1 cooperate with the Landlord so far as is reasonably necessary to allow the Landlord to obtain an Energy Performance Certificate and Recommendation Report for the Property or the Building including providing the Landlord with copies of any plans or other information held by the Tenant that would assist in obtaining an Energy Performance Certificate; and

37.1.2 allow such access to any Energy Assessor appointed by the Landlord as is reasonably necessary to inspect the Property for the purposes of preparing an Energy Performance Certificate and/or Recommendation Report for the Property or the Building.

37.2 The Tenant shall not commission an Energy Performance Certificate for the Property without the Landlord's consent such consent not to be unreasonably withheld Provided That where the Tenant carries out works or alterations on or to the Property which will impact upon or affect the existing Energy Performance Certificate the Tenant shall obtain a new Energy Performance Certificate at its own cost and promptly provide a copy thereof together with any Recommendation Report to the Landlord.

38. REMEDY BREACHES

38.1 The Landlord may enter the Property at reasonable times and on reasonable prior notice to the Tenant to inspect its condition and state of repair and may give the Tenant a notice of any breach of any of the tenant covenants in this lease relating to the condition or repair of the Property.

38.2 If the Tenant has not begun any works needed to remedy that breach within 30 days following that notice (or if works are required as a matter of emergency, then immediately) or if the Tenant is not carrying out the works with all due speed, then the Landlord may enter the Property and carry out the works needed.

38.3 The proper costs incurred by the Landlord in carrying out any works pursuant to this clause (and any professional fees and any VAT in respect of those costs) shall be a debt due from the Tenant to the Landlord and payable within 14 days of a written demand.

38.4 Any action taken by the Landlord pursuant to this clause shall be without prejudice to the Landlord's other rights, including those under clause 5.

39. ENCROACHMENTS, OBSTRUCTIONS AND ACQUISITION OF RIGHTS

39.1 The Tenant shall not grant any right or licence over the Property to a third party nor permit any person to make any encroachment over the Property.

39.2 If a third party makes or attempts to make any encroachment over the Property or takes any action by which a right may be acquired over the Property, the Tenant shall:

- 39.2.1 immediately inform the Landlord upon becoming aware of the same, and shall give the Landlord notice of that encroachment or action; and
- 39.2.2 take all steps (including any proceedings) the Landlord reasonably requires to prevent or license the continuation of that encroachment or action to the extent that such steps are within the Tenant's control or such encroachment or action has been caused or exacerbated through an act or omission of the Tenant.
- 39.3 The Tenant shall not obstruct the flow of light or air to the Property nor any means of access to the Building nor make any acknowledgement that the flow of light or air to the Property or any other part of the Building or that the means of access to the Building is enjoyed with the consent of any third party.
- 39.4 If any person takes or threatens to take any action to obstruct the flow of light or air to the Property or obstruct the means of access to the Property, the Tenant shall:
 - 39.4.1 immediately inform the Landlord upon becoming aware of the same, and shall give the Landlord notice of that action; and
 - 39.4.2 take all steps (including any proceedings) the Landlord reasonably requires to prevent or secure the removal of the obstruction to the extent that such steps are within the Tenant's control or such encroachment or action has been caused or exacerbated through an act or omission of the Tenant.

40. **INDEMNITY**

The Tenant shall keep the Landlord indemnified against all liabilities, expenses, costs (including but not limited to any solicitors' or other professionals' costs and expenses), claims, damages and losses (including but not limited to any diminution in the value of the Landlord's interest in the Building and/or the Estate and loss of amenity of the Building and/or the Estate) suffered or incurred by the Landlord arising out of or in connection with any breach of any tenant covenants in this lease, or any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property, the Building and/or the Estate Common Parts with the actual or implied authority of any of them.

41. **COVENANT TO COMPLY WITH COVENANTS IN THE SUPERIOR LEASE**

The Tenant shall observe and perform the tenant covenants in the Superior Leases (insofar as they relate to the Property and rights granted to the Tenant), except the covenants to pay the rents reserved by the Superior Leases.

42. **COVENANT WITH THE SUPERIOR LANDLORD**

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

42.1.1 the tenant covenants in this lease and any document that is collateral to it; and

42.1.2 the tenant covenants in the Superior Leases insofar as they relate to the Property or rights granted to the Tenant except the covenants to pay the rents reserved by the Superior Leases.

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

42.3 At the request and cost of the Tenant, on a full indemnity basis, the Landlord shall use all reasonable endeavours to procure that the Superior Landlord complies with the Superior Landlord's Covenants during such period as the Superior Leases subsist and, if reasonable, the Landlord may require that the Tenant pay it reasonable security in advance in respect of anticipated costs for enforcing such compliance.

42.4 If the Superior Leases (or either of them) are surrendered, the Landlord shall from the date of the surrender perform or procure the performance of obligations equivalent to the Superior Landlord's Covenants immediately prior to the surrender of the Superior Leases.

43. **LANDLORD'S COVENANT FOR QUIET ENJOYMENT**

The Landlord covenants with the Tenant, that, so long as the Tenant pays the rents reserved by this lease and complies with its obligations, the Tenant shall have quiet enjoyment of the Property without any lawful interruption by the Landlord or any person claiming under the Landlord, except as otherwise permitted by this lease.

44. **OPTION TO RENEW**

The Landlord grants the Option to the Tenant named in this lease (meaning Vaccitech (UK) Limited (company registration number 09973585) only)

45. **RE-ENTRY AND FORFEITURE**

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

45.1.1 any rent is unpaid 21 days after becoming payable whether it has been formally demanded or not;

45.1.2 any breach of any condition of, or tenant covenant, in this lease:

45.1.3 an Act of Insolvency.

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

46. **DISPUTES UNDER THE SUPERIOR LEASE**

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

47. **JOINT AND SEVERAL LIABILITY**

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

47.2 Where a guarantor comprises more than one person, those persons shall be jointly and severally liable for the obligations and liabilities of a guarantor arising under this lease. The

Landlord may take action against, or release or compromise the liability of, or grant time or other indulgence to, any one of those persons without affecting the liability of any other of them.

48. **LIABILITY**

In any case where the facts are or should reasonably be known to the Tenant (save where the facts are or should reasonably be known to the Landlord or Management Company (as applicable)), the Landlord or Management Company (as applicable) shall not be liable to the Tenant for any failure of the Landlord or Management Company (as applicable) to perform any landlord covenant in this lease, unless and until the Tenant has given the Landlord or Management Company (as applicable) notice of the facts that give rise to the failure and the Landlord or Management Company (as applicable) has not remedied the failure within a reasonable time of service of that notice.

49. **EXCLUSION OF REPRESENTATIONS**

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

49.2 Nothing in this clause shall, however, operate to limit or exclude any liability for fraud.

50. **NOTICES, CONSENTS AND APPROVALS**

50.1 Except where this lease specifically states that a notice need not be in writing, any notice given pursuant to this lease shall be in writing.

50.2 A written notice shall be delivered by hand or sent by pre-paid first class post or registered post. A correctly addressed notice sent by pre-paid first class post shall be deemed to have been delivered at the time at which it would have been delivered in the normal course of the post.

50.3 Section 196 of the Law of Property Act 1925 shall otherwise apply to notices given under this lease.

50.4 Where the consent of the Landlord is required under this lease, a consent shall only be valid if it is given by deed, unless:

50.4.1 it is given in writing and signed by a person duly authorised on behalf of the Landlord; and

50.4.2 it expressly states that the Landlord waives the requirement for a deed in that particular case.

If a waiver is given, it shall not affect the requirement for a deed for any other consent

50.5 Where the approval of the Landlord is required under this lease, an approval shall only be valid if it is in writing and signed by or on behalf of the Landlord, unless:

50.5.1 the approval is being given in a case of emergency; or

50.5.2 this lease expressly states that the approval need not be in writing.

50.6 If the Landlord gives a consent or approval under this lease, the giving of that consent or approval shall not imply that any consent or approval required from a third party has been obtained, nor shall it obviate the need to obtain any consent or approval from a third party.

50.7 Where the consent of the Superior Landlord is required under this lease a consent shall only be valid if it would be valid as a consent given under the Superior Leases. Where the approval of the Superior Landlord is required under this lease, an approval shall only be valid if it would be valid as an approval given under the Superior Leases.

50.8 Where the Tenant requires the consent or approval of the Superior Landlord to any act or omission then, subject to the provisions of clause 1.11 the Landlord shall at the cost of the Tenant use all reasonable endeavours to obtain that consent or approval.

51. GOVERNING LAW AND JURISDICTION

51.1 This lease shall be governed by and construed in accordance with the law of England and Wales.

51.2 The Landlord and the Tenant (and any guarantor) and the Management Company irrevocably agree to submit to the exclusive jurisdiction of the courts of England and Wales over any claim or matter arising under or in connection with this lease or the legal relationships established by it.

52. ENTIRE AGREEMENT

52.1 This lease and any documents annexed to it constitute the whole agreement between the parties and supersede all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them relating to their subject matter.

52.2 Each party acknowledges that in entering into this lease and any documents annexed to it, it does not rely on, and shall have no remedies in respect of, any representation or warranty

(whether made innocently or negligently) other than those contained in any written replies that Kingsley Napley LLP has given to any written enquiries raised by Penningtons Manches Cooper before the date of this lease.

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

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

53. EXCLUSION OF SECTIONS 24-28 OF THE LTA 1954

53.1 The parties confirm that:

53.1.1 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 Agreement for Lease was entered into;

53.1.2 Justin Winterbottom who was duly authorised by the Tenant to do so made a statutory declaration dated 31st August 2021 in accordance with the requirements of section 38A(3)(b) of the LTA 1954; and

53.2 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.

54. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Except for the Superior Landlord and as provided in clause 42 a person who is not a party to this lease shall not have any rights under or in connection with this lease by virtue of the Contracts (Rights of Third Parties) Act 1999.

55. LANDLORD AND TENANT (COVENANTS) ACT 1995

This lease creates a new tenancy for the purposes of the Landlord and Tenant (Covenants) Act 1995.

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

SCHEDULE

The Option

1. DEFINITIONS

- 1.1 **Completion Date:** the date determined in accordance with paragraph 2.6.
- 1.1 **Landlord's Solicitor:** Kingsley Napley LLP of 20 Bonhill Street, London EC2A 4DN
(Ref: IXS/59261.90) or any other solicitor whose details may be notified in writing from time to time by the Landlord to the Tenant.
- 1.2 **New Lease:** a lease of the Property in the form annexed hereto at Appendix 3 subject to any amendments reasonably required by the Landlord to reflect any changes in legislation.
- 1.3 **Option Notice:** written notice exercising the Option in accordance with the terms of this Schedule.
- 1.4 **Option Period:** the period from and including 3rd September 2029 up to and including 3rd March 2031
- 1.5 **Tenant:** for the purposes of this Schedule, the 'Tenant' means Vaccitech (UK) Limited (company registration number 09973585) only.

2. OPTION TO RENEW

- 2.1 The Landlord grants the Tenant, during the Option Period, an option to take the New Lease.
- 2.2 The Tenant may exercise the Option at any time during the Option Period by serving an Option Notice on the Landlord. The Option Notice must:
- 2.2.1 be given in accordance with this Schedule;
- 2.2.2 exercise the Option in respect of the whole of the Property and not in respect of part only.
- 2.3 The service of the Option Notice by the Tenant shall be of no effect if, at the date of service of the Option Notice or at the Completion Date, there is a subsisting material breach of any of the tenant covenants of this lease or any Annual Rent due or any other money due and formally demanded under this Lease is outstanding (save for in the case of a bona fide dispute as to sums other than the Annual Rent).

- 2.4 If the Option is exercised in accordance with the terms of this Schedule, the Landlord shall grant to the Tenant and the Tenant shall accept from the Landlord the New Lease on the Completion Date, provided that:
- 2.4.1 the Tenant cannot require the Landlord to grant the New Lease to any person other than the Tenant;
 - 2.4.2 no premium is payable for the grant of the New Lease;
 - 2.4.3 the Tenant must execute and deliver the counterpart New Lease to the Landlord's Solicitor at least 5 working days prior to the Completion Date
- 2.5 The parties confirm that:
- 2.5.1 the Landlord served a notice on the Tenant, as required by section 38A(3)(a) of the LTA 1954 and which applies to the tenancy to be created by the New Lease, before the Agreement for Lease was entered into; and
 - 2.5.2 Justin Winterbottom who was duly authorised by the Tenant to do so, made a statutory declaration dated 31st August 2021 in accordance with the requirements of section 38A(3)(b) of the LTA 1954
- 2.6 Completion of the New Lease shall take place on the date 20 working days after the date of service of the Option Notice
- 2.7 In the New Lease:
- 2.7.1 the "Contractual Term" shall be a term of ten years from and including the "Term Commencement Date" to and including the date immediately prior to the tenth anniversary of the "Term Commencement Date".
 - 2.7.2 the "Term Commencement Date" shall be the date immediately following the expiry date of the Contractual Term under this lease.
 - 2.7.3 The "Annual Rent" shall be at an initial rate equal to the Annual Rent payable under this lease following the implementation of the review under clause 8 of this lease.

- 2.7.4 The "Review Dates" shall be the Term Commencement Date and the fifth anniversary of the Term Commencement Date.
- 2.8 If the Option is not exercised in accordance with the terms of this Schedule then, immediately after the expiry of the Option Period, the Tenant shall remove all entries relating to the Option registered against the Landlord's title to the Property.
- 2.9 For the avoidance of doubt if this lease is determined (other than by effluxion of time or in any case where relief from forfeiture of this Lease is granted by the Court) then the Option will become absolutely void.
- 2.10 This Option is to be of no effect if the Tenant fails to protect it by notice in the register of the Landlord's title number ON347485 under the Land Registration Act 2002 within 21 working days from the date of this lease.

EXECUTED AS A DEED by **THE HARWELL
SCIENCE AND INNOVATION CAMPUS
GENERAL PARTNER LIMITED** as general partner
for The Harwell Science and Innovation
Campus Limited Partnership acting by a director in
the presence of:

)
)
)
)
)

/s/ Dominic Williamson
Dominic Williamson
Director

Witness
Signature /s/ Veronica Estrada

Name Veronica Estrada

Address One Canada Square

Level 25

London, E145AA

Occupation Executive Assistant

EXECUTED AS A DEED by **THE HARWELL
SCIENCE AND INNOVATION CAMPUS
NOMINEE LIMITED** as nominee for the Harwell
Harwell Science and Innovation Campus
Limited Partnership acting by a director in
the presence of:

)
)
)
)
)

/s/ Dominic Williamson
Dominic Williamson
Director

Witness
Signature /s/ Veronica Estrada

Name Veronica Estrada

Address One Canada Square

Level 25

London E145AA

Occupation Executive Assistant

COUNTERPART

EXECUTED AS A DEED by
VACCITECH (UK) LIMITED
acting by a director in the presence of:

/s/ William Enright
William Enright
Chief Executive Officer

Witness

Signature /s/ Christopher Ellis

Name Christopher Ellis

Address 6 Horsa Lane

Chilton, Didcot

Oxfordshire, OX11 0UE

Occupation C.O.O

Appendix 1
Plan 1 (Demise Plan)

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Appendix 2
Plan 2 (Estate Plan)

Appendix 3
New Lease (Option)

LEASE

relating to

Units 6, 7, 8, 9 and 10
Zeus Building
Harwell Science and Innovation Campus
Harwell
Didcot
Oxfordshire
OX11 0RL

(1) [THE HARWELL SCIENCE AND INNOVATION CAMPUS LIMITED PARTNERSHIP A LIMITED PARTNERSHIP ACTING BY ITS GENERAL PARTNER THE HARWELL SCIENCE AND INNOVATION CAMPUS GENERAL PARTNER LIMITED AND THE HARWELL SCIENCE AND INNOVATION CAMPUS NOMINEE LIMITED IN ITS CAPACITY AS NOMINEE FOR THE HARWELL SCIENCE AND INNOVATION CAMPUS LIMITED PARTNERSHIP]

(2) VACCITECH (UK) LIMITED

(3) [THE HARWELL SCIENCE AND INNOVATION CAMPUS LIMITED PARTNERSHIP A LIMITED PARTNERSHIP ACTING BY ITS GENERAL PARTNER THE HARWELL SCIENCE AND INNOVATION CAMPUS GENERAL PARTNER LIMITED AND THE HARWELL SCIENCE AND INNOVATION CAMPUS NOMINEE LIMITED IN ITS CAPACITY AS NOMINEE FOR THE HARWELL SCIENCE AND INNOVATION CAMPUS LIMITED PARTNERSHIP]



Kingsley Napley LLP
20 Bonhill Street
London
EC2A 4DN
Tel: +44 (0)20 7814 1200
Ref: IXS/59261 -90

LR1. Date of lease

LR2. Title number(s)

LR2.1 Landlord's title number(s)

ON347485

LR2.2 Other title numbers

ON359613

LR3. Parties to this lease

Landlord

[THE HARWELL SCIENCE AND INNOVATION CAMPUS GENERAL PARTNER LIMITED (company registration number: 6456598) and THE HARWELL SCIENCE AND INNOVATION CAMPUS NOMINEE LIMITED (company registration number: 6539339) both of 10th Floor, 5 Churchill Place, London E14 5HU acting as the General Partner and Nominee respectively for THE HARWELL SCIENCE AND INNOVATION CAMPUS LIMITED PARTNERSHIP (company registration number: LP013124) of 10th Floor, 5 Churchill Place, London E14 5HU]

Tenant

VACCITECH (UK) LIMITED (company registration number 09973585) whose registered office is at The Schrodinger Building, 2nd Floor, Heatley Road, Oxford Science Park, Oxford, Oxfordshire OX4 4GE

Management Company

[THE HARWELL SCIENCE AND INNOVATION CAMPUS GENERAL PARTNER LIMITED (company registration number: 6456598) and THE HARWELL SCIENCE AND INNOVATION CAMPUS NOMINEE LIMITED (company registration number: 6539339) both of 10th Floor, 5 Churchill Place, London E14 5HU acting as the General Partner and Nominee respectively for THE HARWELL SCIENCE AND INNOVATION CAMPUS LIMITED PARTNERSHIP (company registration number: LP013124) of 10th Floor, 5 Churchill Place, London E14 5HU]

Other parties

None

| | |
|---|--|
| LR4 Property | In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail See the definition or "Property" in clause 1.1 of this lease |
| LR5. Prescribed statements etc. | LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003 None LR5.2 This lease is made under, or by reference to, provisions of None |
| LR6. Term for which the Property is leased. | The term as specified in this lease at clause 1.1 in the definition of "Contractual Term" |
| LR7. Premium | None |
| LR8. Prohibitions or restrictions on disposing of this lease | This lease contains a provision that prohibits or restricts dispositions |
| LR9. Rights of acquisition etc. | LR9.1 Tenants contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land Cause 44 of this lease and the Schedule 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 |
| LR12. Estate rentcharge burdening the Property | None |
| LR13. Application for standard form of restriction. | None |
| LR14 Declaration of trust where there is more than one person comprising the Tenant | Not applicable |

PARTIES

- (1) **[THE HARWELL SCIENCE AND INNOVATION CAMPUS GENERAL PARTNER LIMITED** (company registration number: 6456598) and **THE HARWELL SCIENCE AND INNOVATION CAMPUS NOMINEE LIMITED** (company registration number: 6539339) both of 10th Floor, 5 Churchill Place, London E14 5HU acting as the General Partner and Nominee respectively for **THE HARWELL SCIENCE AND INNOVATION CAMPUS LIMITED PARTNERSHIP** (company registration number: LP013124) of 10th Floor, 5 Churchill Place, London E14 5HU as aforesaid] (the **Landlord**);
- (2) **VACCITECH (UK) LIMITED** (company registration number 09973585) whose registered office is at The Schrodinger Building, 2nd Floor, Heatley Road, Oxford Science Park, Oxford, Oxfordshire OX4 4GE (the **Tenant**); and
- (3) **[THE HARWELL SCIENCE AND INNOVATION CAMPUS GENERAL PARTNER LIMITED** (company registration number: 6456598) and **THE HARWELL SCIENCE AND INNOVATION CAMPUS NOMINEE LIMITED** (company registration number: 6539339) both of 10th Floor, 5 Churchill Place, London E14 5HU acting as the General Partner and Nominee respectively for **THE HARWELL SCIENCE AND INNOVATION CAMPUS LIMITED PARTNERSHIP** (company registration number: LP013124) of 10th Floor, 5 Churchill Place, London E14 5HU] as aforesaid (the **Management Company**).

BACKGROUND

By virtue of the Superior Leases the Landlord has long leases of the Building and has agreed to grant the Tenant an underlease of the Property on the terms contained in this agreement.

AGREED TERMS

1. **INTERPRETATION**

1.1 The definitions and rules of interpretation set out in this clause apply to this lease.

1987 Order: the Town and Country Planning (Use Classes) Order 1987.

2020 Regulations: the Town and Country Planning (Use Classes) Amendment (England) Regulations 2020.

Account Date: 31st March in every year or such other date as the Landlord may from time to time determine and notify to the Tenant in writing.

Act of Insolvency:

- (a) the making of any voluntary arrangement or any other compromise or arrangement for the benefit of any creditors of the Tenant or any guarantor;
- (b) the making of an administration order in relation to the Tenant or any guarantor;
- (c) the appointment of an administrator in relation to the Tenant or any guarantor;
- (d) the appointment of a receiver or manager or an administrative receiver in relation to any property or income of the Tenant or any guarantor;
- (e) the commencement of a voluntary winding-up in respect of the Tenant or any guarantor, except a winding-up for the purpose of amalgamation or reconstruction of a solvent company in respect of which a statutory declaration of solvency has been filed with the Registrar of Companies;
- (f) the making of a winding-up order in respect of the Tenant or any guarantor;
- (g) the striking off of the Tenant or any guarantor from the Register of Companies;
- (h) the Tenant or any guarantor otherwise ceasing to exist (but excluding where the Tenant or any guarantor dies);
- (i) the making of a bankruptcy order against the Tenant or any guarantor; or
- (j) the Tenant has a mortgagee or other chargee which takes possession or exercises any power of sale.

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

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

Agreement for Lease: the agreement for lease in respect of the Property dated [] 2021 and made between (1) the Landlord and (2) the Tenant.

Annual Rent: rent at an initial rate of £[] per annum and then as revised pursuant to this lease.

Building: the land and buildings known as Zeus on the Estate and shown edged purple on Plan 1 including:

- (a) all additions and alterations that may be made to it;
- (b) all Common Parts;
- (c) any Service Media that serve the Building and other premises where these are not owned by a utility company; and
- (d) any areas used and enjoyed with it;

Provided That both the extent and the boundaries of the Building may be increased from time to time including (without limitation) the intention to add an additional car park to serve the above mentioned buildings.

Building Services: means the services listed in clause 9.1.

Building Service Charge: a fair and due proportion applicable to the Property as determined by the Landlord's Surveyor (acting reasonably) of all Building Service Costs properly incurred by the Landlord in the provision of the Building Services.

Building Service Charge Year: is the annual accounting period relating to the Building Services beginning on 1 April 20[] and each subsequent year during the term or such other period as the Landlord may from time to time determine.

Building Service Costs: the costs listed in clause 9.2.

Common Parts: the Building other than the Property and North Block.

Common Roads: the roads and footpaths within those parts of the Estate which are intended for the common use and benefit of occupiers of the Estate as varied from time to time by the Landlord and/or the Superior Landlord as appropriate in the interests of good estate management.

Contractual Term: a term of ten years from and including the Term Commencement Date to and including [] 20[].

CDM Regulations: the Construction (Design and Management) Regulations 2015 as amended or as shall be superseded from time to time.

Default Interest Rate: three percentage points above the Interest Rate.

Energy Assessor: an individual who is a member of an accreditation scheme approved by the Secretary of State in accordance with regulation 22 of the Energy Performance of Buildings (England and Wales) Regulations 2012 (SI 2012/3118) or regulation 30 of the Building Regulations 2010 (SI 2010/2214).

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

Environment: means the natural and man-made environment, including all or any of the following media, namely air (including air within buildings and air within other natural man-made structures above or below ground), water (including water under or within land or drains or sewers) and land and any living organisms (including man) or systems supported by those media.

Estate: the estate forming part of the Harwell Science and Innovation Campus Harwell Oxfordshire from time to time the current extent of which is shown edged blue on Plan 2.

Estate Common Parts: the Common Roads and Service Media, the accesses, landscaped areas, car parks, estate management offices and other areas or amenities on the Estate or outside the Estate but serving or otherwise benefiting the Estate as a whole which are from time to time provided or designated for the common amenity or benefit of the owners or occupiers of the Estate.

Estate Rules and Regulations: means the document containing the rules and regulations stipulated by the Landlord and the Management Company relating to the Property and the Estate headed "Estate Rules and Regulations 2020" as (the Landlord or the Management Company, as appropriate, acting reasonably) may vary or reissue from time to time.

Estate Services: means the services listed in clause 10.1.

Estate Service Charge: a fair and due proportion applicable to the Property as determined by the Management Company or its surveyor (acting reasonably) of all Estate Service Costs properly incurred by the Management Company in the provision of the Estate Services.

Estate Service Charge Year: is the annual accounting period relating to the Estate Services beginning on 1 April 20[] and each subsequent year during the term or such other period as the Management Company may from time to time determine.

Estate Service Costs: the costs listed in clause 10.2.

Group Undertaking: a group undertaking of the Landlord as that expression is defined in Section 1161 of the Companies Act 2006.

Harm: means harm to the Environment, and in the case of man includes offence caused to any of his senses or harm to his property.

Hazardous Substances: means any material, substance or organism which, alone or in combination with others, is capable of causing Harm.

Insurance Premium: a fair proportion of the aggregate in each year of the gross cost of the premium before any discount or commission for the insurance of:

- (a) the Estate Common Parts for their full reinstatement cost (taking inflation of building costs into account) against loss or damage by or in consequence of the Insured Risks, including costs of demolition, site clearance, site protection and shoring up, professionals' and statutory fees and incidental expenses, the cost of any work which may be required under any law and VAT in respect of all those costs, fees and expenses; and
- (b) public liability in relation to the Estate Common Parts; together with any insurance premium tax payable on the above.

Insurance Rent: the aggregate in each year of a fair proportion of the gross cost of the premium before any discount or commission for the insurance of:

- (a) the Building, other than any plate glass (if any), for its full reinstatement cost (taking inflation of building costs into account) against loss or damage by or in consequence of the Insured Risks, including costs of demolition, site clearance, site protection and shoring-up,

professionals' and statutory fees and incidental expenses, the cost of any work which may be required under any law and VAT in respect of all those costs, fees and expenses; and

- (b) loss of Annual Rent from the Property for three (3) years; together with any insurance premium tax payable on the above.

Insured Risks: means fire, explosion, lightning, earthquake, storm, subsidence ground slip heave, flood, bursting and overflowing or water tanks, apparatus or pipes, impact by aircraft and articles dropped from them, impact by vehicles, riot, civil commotion, terrorism and any other risks against which the Landlord or Management Company (as applicable) reasonably decides to insure against from time to time and in respect of the Building or Estate Common Parts (as applicable) any other risks against which the Landlord reasonably decides to insure against from time to time and Insured Risk means any one of the Insured Risks.

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

Internal Area: the gross internal area in square feet as calculated in accordance with the principles of the RICS Code of Measuring Practice 6th edition.

Landlord's Neighbouring Property: each and every part of the adjoining and neighbouring property in which the Landlord or a Group Undertaking and/or the Superior Landlord has an interest and to the extent possible any neighbouring or adjoining property in which the Landlord or a Group Undertaking and/or the Superior Landlord acquires an interest during the term.

Lettable Unit: any part of the Building (including any floor or part of a floor) other than the Property that is capable of being let and occupied on terms similar to those of this lease.

LTA 1954: the Landlord and Tenant Act 1954.

North Block: The part of the Building that comprises Units 1, 2, 3, 4 and 5, as shown edged orange on Plan 1, but excluding any Service Media in, on, under or over those units (whether in existence at the date of this lease or installed in the future) that are used by any part of the Property.

Permitted Part: one or more individual units comprising the whole of Unit 6, 7, 8, 9 and/or 10.

Permitted Use: offices and laboratories within Use Class E of the 1987 Order as amended by the 2020 Regulations at [the date of the Previous Lease] and ancillary office uses, or where the 2020 Regulations are repealed or quashed or otherwise no longer apply then Permitted Use shall mean offices and laboratories within class B1 of the 1987 Order (as at 31 August 2020) and ancillary offices uses Provided That in either case such use falls within the Permitted Use as defined in the Superior Leases.

Plan 1: the plan attached to this lease at Appendix 1.

Plan 2: the plan attached to this lease at Appendix 2.

Planning Acts: The Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991 and the Planning and Compulsory Purchase Act 2004.

Previous Lease: the Lease of the Property dated [] 2021 and made between (1) The Harwell Science and Innovation Campus Limited Partnership a Limited Partnership acting by its general partner The Harwell Science and Innovation Campus General Partner Limited and The Harwell Science And Innovation Campus Nominee Limited in its capacity As nominee for The Harwell Science And Innovation Campus Limited Partnership (1) Vaccitech (UK) Limited and (3) The Harwell Science and Innovation Campus Limited Partnership a Limited Partnership acting by its general partner The Harwell Science and Innovation Campus General Partner Limited and The Harwell Science And Innovation Campus Nominee Limited in its capacity As nominee for The Harwell Science And Innovation Campus Limited Partnership.

Property: Units 6, 7, 8, 9 and 10 of the Building, as shown edged red on Plan 1:

- (a) including any mezzanine floor installed by either the Landlord or the Tenant before or after the date of this lease, but excluding any Service Media in, on, under or over those units (whether in existence at the date of this lease or installed in the future) that are used by those units in common with any other part of the Estate; but
- (b) excluding the structure of the roof connecting the Property and North Block.

Quarter Days: 1 January, 1 April, 1 July and 1 October and Quarter Day means any one of them.

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

Regulatory Authority: any body exercising regulatory power or authority and shall include such authority given in or by order of a court.

Remedial Works: any works which are lawfully required by a relevant Regulatory Authority or by the Landlord acting reasonably to be carried out to remove, remedy, clean-up, abate, contain or ameliorate the effects of any Hazardous Substances.

Rent Commencement Date: the Term Commencement Date.

Rent Payment Dates: the Quarter Days in each year.

Rent Review Specification: the specification annexed to this Lease at Appendix 3.

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

Review Dates: the Term Commencement Date and *[fifth anniversary of the Term Commencement Date]*.

Rights: the rights granted to the Tenant in clause 4.

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

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

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

Superior Leases: the leases by virtue of which the Landlord holds the Building dated:

- (a) 14th February 2019 and made between The United Kingdom Atomic Energy Authority (1) and the Landlord (2) as registered at HM Land Registry with title number ON347485 any documents made supplemental to it; and
- (b) 29 September 2020 and made between The United Kingdom Atomic Energy Authority (1) and the Landlord (2) and which is being registered at HM Land Registry with title number ON359613 and any documents made supplemental to it.

Superior Lease Service Charge: the service charge due under the Superior Leases and payable pursuant to clause 11

Term Commencement Date: [] 2031.

Third Party Rights: all rights, covenants and restrictions affecting the Property including the matters referred to in the property register and charges register of title number ON347485 and the Superior Leases so far as they shall relate to the Property and remain subsisting.

VAT: value added tax chargeable under the Value Added Tax ACT 1994 or any similar replacement or additional tax.

- 1.2 The expressions “**Category A Works**”, “**Mezzanine Floors**” and “**Mezzanine Specification**” shall have the meanings given to them in the Agreement for Lease
- 1.3 A reference to the Superior Leases is a reference to the superior leases and any deed, licence, consent, approval or other instrument supplemental to them and also any leasehold reversion (whether immediate or not) to such leases. A reference to this lease, except a reference to the date of this lease or to the grant of the lease, is a reference to this deed and any deed, licence, consent, approval or other instrument supplemental to it.
- 1.4 A reference to the Superior Landlord includes a reference to the person entitled to the immediate reversion to the Superior Leases. A reference to the Landlord includes a reference to the person entitled to the immediate reversion to this lease. A reference to the Tenant includes a reference to its successors in title and assigns. A reference to a guarantor is to any guarantor of the tenant covenants of this lease including a guarantor who has entered into an authorised guarantee agreement.
- 1.5 Where the Tenant is two or more persons, the obligations expressed to be made by or with the Tenant are deemed to be made by or with the Tenant jointly and severally and the liability of the Tenant shall be joint and several.
- 1.6 In relation to any payment, unless otherwise expressly stated a reference to a fair proportion is to a fair and reasonable proportion of the total amount payable, determined conclusively (except as to questions of law) by the Landlord or the Management Company (as applicable) or their respective surveyors acting reasonably.

- 1.7 The expressions landlord covenant and tenant covenant each has the meaning given to it by the Landlord and Tenant (Covenants) Act 1995.
- 1.8 Unless the context otherwise requires, references to the Estate, Building, the Common Parts, the Estate Common Parts and the Property are to the whole and any part of them or it.
- 1.9 A reference to the term is to the Contractual Term.
- 1.10 A reference to the end of the term is to the end of the term however it ends.
- 1.11 References to the consent of the Landlord are to the consent of the Landlord given in accordance with clause 49.4 and references to the approval of the Landlord are to the approval of the Landlord given in accordance with clause 49.5. References to any consent or approval required from the Landlord shall be construed as also including a requirement to obtain the consent or approval of the Superior Landlord where such consent or approval is required under the terms of the Superior, Leases except that nothing in this lease shall be construed as imposing on the Superior Landlord any obligation (or indicating that such an obligation is imposed on the Superior Landlord by the terms of the Superior Leases) not unreasonably to refuse any such consent.
- 1.12 A working day is any day which is not a Saturday, a Sunday, a bank holiday or a public holiday in England and Wales.
- 1.13 Unless otherwise specified, a reference to a particular law is a reference to it as it is in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate laws for the time being in force made under it and all orders, notices, codes of practice and guidance made under it.
- 1.14 A reference to laws in general is to all local, national and directly applicable supranational laws in force for the time being, taking account of any amendment, extension, application or re-enactment and includes any subordinate laws for the time being in force made under them and all orders, notices, codes of practice and guidance made under them.

- 1.15 Any obligation in this lease on the Tenant not to do something includes an obligation not to agree to or suffer that thing to be done and an obligation to use reasonable endeavours to prevent that thing being done by another person.
- 1.16 Where the Landlord or the Tenant or the Management Company covenant to do something they shall be deemed to fulfil that obligation if they procure that it is done.
- 1.17 Unless the context otherwise requires, where the words include(s) or including are used in this lease, they are deemed to have the words "without limitation" following them.
- 1.18 A person includes a corporate or unincorporated body.
- 1.19 References to writing or written do not include faxes or email.
- 1.20 Except where a contrary intention appears, a reference to a clause is a reference to a clause of this lease.
- 1.21 Clause headings do not affect the interpretation of this lease.
- 1.22 The Management Company enters into this lease as a management company within the meaning of section 12 of the Landlord and Tenant (Covenants) Act 1995.
- 1.23 The Management Company (as may be appropriate) includes its successors in title to the Common Roads and to the signage and Service Media on the Estate Common Parts.

2. GRANT

- 2.1 The Landlord with full title guarantee lets the Property to the Tenant for the Contractual Term.
- 2.2 The grant is made together with the Rights, excepting and reserving to the Landlord the Reservations, and subject to the Third Party Rights.
- 2.3 The grant is made with the Tenant paying the following as rent to the Landlord:
 - 2.3.1 the Annual Rent;
 - 2.3.2 all interest payable by the Tenant to the Landlord under this lease;
 - 2.3.3 the Building Service Charge;
 - 2.3.4 the Insurance Rent;
 - 2.3.5 the Superior Lease Service Charge;
 - 2.3.6 all other sums due from the Tenant to the Landlord under this lease; and
 - 2.3.7 all VAT chargeable on the other rents set out in this clause 2.3.

3. TENANT COVENANTS

The Tenant covenants:

- 3.1 with the Landlord to observe and perform all the tenants covenants in this lease; and
- 3.2 with the Management Company to observe and perform all the covenants on the part of the Tenant in this lease in favour of the Management Company;

in each case during the term or (if earlier) until the Tenant is released from the tenant covenants of this lease by virtue of the Landlord and Tenant (Covenants) Act 1995.

4. RIGHTS GRANTED TO THE TENANT

- 4.1 Except as mentioned in clause 4.2, neither the grant of this lease nor anything in it confers any right over the Landlord's Neighbouring Property or any other neighbouring property nor is to be taken to show that the Tenant may have any right over the Landlord's Neighbouring Property or any other neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this lease.

- 4.2 The Landlord grants to the Tenant and all those authorised by the Tenant:-

- 4.2.1 the right to pass and re-pass to and from the Property and the parking spaces referred to in clause 4.2.3 at all times with or without vehicles over the Common Roads within the Estate (to the extent that the Landlord is entitled to grant such right and subject to any Third Party Rights);
- 4.2.2 the right to use the Common Parts for access to and egress from the Property;
- 4.2.3 the right to park 19 private motor cars or motorbikes belonging to the Tenant, its employees and visitors in the spaces shown coloured blue on Plan 1 or such alternative spaces on the Estate as the Landlord may designate from time to time in the Landlord's absolute discretion in accordance with the principles of good estate management;
- 4.2.4 the right to park 25 private motor cars or motorbikes belonging to the Tenant, its employees and visitors in such parking spaces on the Estate as the Landlord may designate from time to time in the Landlord's absolute discretion in accordance with the principles of good estate management, Provided That they are no further than 500 metres from the Property;

- 4.2.5 the right to install electric charging points within the parking spaces referred to in clause 4.2.3 with the prior consent of the Landlord, such consent not to be unreasonably withheld or delayed, Provided That the electricity consumed, when included with the consumption of electricity at the Property, shall not exceed the figures set out in clause 35.4 of this lease;
- 4.2.6 the right on a first come first served basis to park private motor cars or motorbikes belonging to the Tenant, its employees and visitors in the undesignated common car parks on the Estate as the Landlord may allocate from time to time in the Landlord's absolute discretion in accordance with the principles of good estate management;
- 4.2.7 the right to use such cycle parking facilities on the Common Parts as the Landlord may designate from time to time in the Landlord's absolute discretion in accordance with the principles of good estate management;
- 4.2.8 the non-exclusive right to use such of the accessible and electric vehicle car parking spaces shown indicatively coloured yellow and coloured green respectively on Plan 1 as may be allocated for such use by the Landlord in the Landlord's absolute discretion;
- 4.2.9 the right at all times to use the waste receptacles provided by the Landlord to be located on such area of the external Common Parts as the Landlord shall allocate and provide for that purpose from time to time for the purpose of conventional waste disposal only but not for any specialist or recycling waste the disposal arrangements for which shall be the responsibility of the Tenant;
- 4.2.10 the right to the free and uninterrupted passage and running of services through the Service Media in or under the Building and other parts of the Estate that serve (but do not form part of the Property) which are in existence at the date of this lease or are installed or constructed during the term;
- 4.2.11 the right to support and protection from the Common Parts to the extent that the Common Parts provide support and protection to the Property at the date of this lease;
- 4.2.12 the right to attach any item to the Common Parts adjoining the Property so far as is reasonably necessary to carry out any works to the Property required or permitted by this lease;

4.2.13 the right to enter the Common Parts so far as is reasonably necessary to:

4.2.13.1 carry out works to the Property required or permitted by this lease; or

4.2.13.2 erect, install, use, retain, operate, inspect, maintain, repair and (if permitted by the Landlord) renew any alterations or additions beyond the boundaries of the Property to which the Landlord shall have granted prior written consent and only in accordance with the terms of that consent;

(in each case) after having given reasonable notice (which need not be in writing) to the Landlord and Provided That where reasonably required by the Landlord to exercise that right only if accompanied by the Landlord's representative;

4.2.14 the right to install and retain Service Media beyond the boundaries of the Property in so far as may be required to serve any alterations or additions that have been installed and/or retained beyond the boundaries of the Property to which the Landlord shall have granted prior written consent and only in accordance with the terms of that consent.

4.3 The Rights are granted in common with the Landlord, the Management Company, the Superior Landlord and any other person authorised by the Landlord or the Superior Landlord.

4.4 The Rights may be exercised by the Tenant and by anyone else who is or who becomes entitled to exercise them and by anyone authorised by the Tenant and anyone so entering shall cause as little damage and inconvenience to the Landlord as possible and make good any damage caused to the Estate as soon as reasonably practicable and to the reasonable satisfaction of the Landlord and/or the Management Company.

5. RIGHTS EXCEPTED AND RESERVED

5.1 The following rights are excepted and reserved from this lease to the Landlord, the Management Company and any superior landlord from time to time for the benefit of the Building, Estate and the Landlord's Neighbouring Property:

5.1.1 rights of light, air, support and protection as those rights are capable of being enjoyed at any time during the term;

- 5.1.2 the right to use and connect into and re-route any Service Media at, but not forming part of, the Property and the right to install and construct Service Media at the Property to serve any part of the Building or Estate;
 - 5.1.3 the right to attach any scaffolding or other structure to any boundary of the Property;
 - 5.1.4 at any time during the term, the full and free right for the Landlord and/or the Superior Landlord to develop the Estate and any neighbouring or adjoining property in which the Landlord acquires an interest during the term as the Landlord may think fit;
 - 5.1.5 the right to re-route the Common Roads and any means of access to or egress from the Property or to change the areas over which any of the Rights are exercised;
 - 5.1.6 the right to re-route and replace any Service Media over which the Rights mentioned in clause 4.2.10 may be exercised;
 - 5.1.7 the rights reserved to the Superior Landlord under the Superior Leases; and
 - 5.1.8 the right to enter the Property:
 - 5.1.8.1 to repair, maintain, install, construct, re-route or replace any Service Media or structure relating to any of the Reservations;
 - 5.1.8.2 inspect and record the condition of the Property or other parts of the Building and to carry out works to any other Lettable Unit or any part of the Estate;
 - 5.1.8.3 for any other purpose mentioned in or properly connected with this lease, the Superior Leases, the Reservations, any Third Party Right and/or the interests of the Landlord and any superior reversionary interest in any Landlord's Neighbouring Property;
- notwithstanding that the exercise of any of the Reservations or the works carried out pursuant to them result in a reduction in the flow of light or air to the Property or loss of amenity for the Property Provided That they do not materially adversely affect the use and enjoyment of the Property for the Permitted Use.
- 5.2 The Reservations may be exercised by the Landlord, the Management Company, the Superior Landlord and by anyone else who is or becomes entitled to exercise them and by anyone authorised by the Landlord.

- 5.3 The Tenant shall allow all those entitled to exercise any right to enter the Property, to do so with their workers, contractors, agents and professional advisors, and to enter the Property at any reasonable time (during usual business hours other than in the case of an emergency) and, except in the case of an emergency, after having given reasonable notice (which need not be in writing) to the Tenant.
- 5.4 No party exercising any of the Reservations, nor its workers, contractors, agents and professional advisors, shall be liable to the Tenant or to any undertenant or other occupier of or person at the Property for any loss, damage, injury, nuisance or inconvenience arising by reason of its exercising any of those Reservations except for:
- 5.4.1 physical damage to the Property; or
 - 5.4.2 any loss, damage or injury arising by reason of the negligence of the Landlord or the party exercising the Reservations;
 - 5.4.3 any loss, damage, injury, nuisance or inconvenience in relation to which the law prevents the Landlord from excluding liability

6. THIRD PARTY RIGHTS

- 6.1 The Tenant shall comply with all obligations on the Landlord, the Management Company and the Superior Landlord relating to the Third Party Rights (in each case insofar as those obligations relate to the Property or the exercise of the Right over the Estate as authorized in this lease and subsist and are capable of taking effect) and shall not do anything (even if otherwise permitted by this lease) that may interfere with any Third Party Right
- 6.2 The Tenant shall allow the Landlord, the Management Company and the Superior Landlord and any other person authorised by the terms of any Third Party Right to enter the Property in accordance with its terms.

7. THE ANNUAL RENT

- 7.1 The Tenant shall pay the Annual Rent and any VAT in respect of it by four equal instalments in advance on or before the Rent Payment Dates. The payments shall be made by electronic transfer.

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

8. **REVIEW OF THE ANNUAL RENT**

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 Annual Rent shall be reviewed on each of the Review Dates to equal:

8.2.1 the Annual Rent payable immediately before the relevant Review Date (and in respect of the first Review Date this shall be the Annual Rent payable under the Previous Lease on its expiry date) (or which would then be payable but for any abatement or suspension of the Annual Rent or restriction on the right to collect it and disregarding any amortised rent free period during the term) or, if greater;

8.2.2 the open market rent agreed or determined pursuant to this clause 8.

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 annual rent (exclusive of any VAT) at which the Property could reasonably be expected to be let:

8.4.1 in the open market;

8.4.2 at the Relevant Review Date;

8.4.3 on the assumptions listed in clause 8.5; and

8.4.4 disregarding the matters listed in clause 8.6.

8.5 The assumptions are:

8.5.1 the Property is available to let in the open market:

8.5.1.1 by a willing lessor to a willing tenant;

- 8.5.1.2 as a whole;
- 8.5.1.3 with vacant possession;
- 8.5.1.4 without a fine or a premium;
- 8.5.1.5 for a term of ten years commencing on the Relevant Review Date;
- 8.5.1.6 with a rent review date on the fifth anniversary of the relevant Review Date; and
- 8.5.1.7 otherwise on the terms of this lease, other than:
 - 8.5.1.7.1 as to the amount of the Annual Rent and the relevant Review Date (but including the provisions for review of the Annual Rent in accordance with clause 5.1.6); and
 - 8.5.1.7.2 clause **Error! Reference source not found**, and the Schedule to this lease;
- 8.5.2 the willing tenant has had the benefit of any rent-free or other concession or contribution which would be offered in the open market at the relevant Review Date in relation to fitting out works at the Property;
- 8.5.3 the Property may lawfully be used by the willing tenant (or any potential undertenant or assignee of the willing tenant) for any purpose permitted by this lease;
- 8.5.4 the Landlord and the Tenant have fully complied with their obligations in this lease;
- 8.5.5 if the Property or any other part of the Building or any Service Media serving the Property, has been destroyed or damaged, it has been fully restored;
- 8.5.6 no work has been carried out on the Property that has diminished the rental value of the Property other than work carried out in compliance with clause 36;
- 8.5.7 any fixtures, fittings, machinery or equipment supplied to the Property by the Landlord that have been removed by or at the request of the Tenant, or any undertenant or their respective predecessors in title (otherwise than to comply with any law) remain at the Property;

- 8.5.8 the willing tenant and its potential assignees and undertenants shall not be disadvantaged by any actual or potential exercise of an option to tax under Part 1 of Schedule 10 to the VATA 1994 in relation to the Property; and
- 8.5.9 the Mezzanine Floors (including staircases leading to them) and the Category A Works to the Mezzanine Floors were installed by the willing landlord at its cost at the date of this lease in accordance with the Rent Review Specification and the Mezzanine Specification;
- 8.5.10 all of the other works listed in Appendix G to the Agreement for Lease were provided and carried out by the willing landlord at its cost at the date of this lease;
- 8.5.11 the Internal Area of the Property is:

| Unit (at the Property) | Floor | Internal Area (Sq Ft) |
|-------------------------------|--------------|------------------------------|
| 6 | Ground | 1611 |
| 6 | First | 1611 |
| 7 | Ground | 3156 |
| 7 | First | 3156 |
| 8 | Ground | 3160 |
| 8 | First | 3160 |
| 9 | Ground | 3157 |
| 9 | First | 3157 |
| 9 | Second | 917 |
| 10 | Ground | 3165 |
| 10 | First | 3165 |
| 10 | Second | 1789 |

8.6 The matters to be disregarded are:

- 8.6.1 any effect on rent of the fact that the Tenant or any authorised undertenant has been in occupation of the Property;
- 8.6.2 any goodwill attached to the Property by reason of any business carried out there by the Tenant or by any authorised undertenant or by any of their predecessors in title;

- 8.6.3 any effect on rent attributable to any physical improvement to the Property carried out before or after the date of this lease, by and 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);
 - 8.6.4 any effect on rent of any obligation on the Tenant to fit out the Property or to reinstate the Property to the condition or design it was in before any alterations or improvements were carried out;
 - 8.6.5 any statutory restriction on rents or the right to recover them; and
 - 8.6.6 any depreciatory effect on the Annual Rent of clauses 8.4 to 8.6.
- 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 arbitrator. The Surveyor shall determine the open market rent. 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, properly incurred by the Surveyor shall be payable by the Landlord and the Tenant in the proportions that the Surveyor directs (or if the Surveyor makes no direction, then equally). If either party does not pay its part of the Surveyor's fees and expenses within ten working days after demand by the Surveyor, the other party may pay that part and the amount it pays shall be a debt of the non-paying party due and payable within ten working days of demand to the paying party. The Landlord and the Tenant shall otherwise each bear their own costs in connection with the rent review.
- 8.12 If the revised Annual Rent has not been agreed by the Landlord and the Tenant or determined by the Surveyor on or before the relevant Review Date, the Annual Rent payable from and including the relevant Review Date shall continue at the rate payable immediately before the relevant Review Date No later than five (5) working days after the revised Annual Rent is agreed or the Surveyor's determination is notified to the Landlord and the Tenant, the Tenant shall pay:
- 8.12.1 the shortfall (if any) between the amount that it has paid for the period from and including the relevant Review Date until the Rent Payment Date following the date of agreement or notification of the revised Annual Rent and the amount that would have been payable had the revised Annual Rent been agreed or determined on or before the relevant Review Date; and
- 8.12.2 interest at the Interest Rate on that shortfall calculated on a daily basis by reference to the Rent Payment Dates on which parts of the shortfall would have been payable if the revised Annual Rent had been agreed or determined on or before the relevant 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 Annual Rent
- 8.15 As soon as practicable after the amount of the revised Annual Rent has been agreed or determined, a memorandum recording the amount shall be signed by or on behalf of the

Landlord and the Tenant and endorsed on or attached to this lease and its counterpart. The Landlord and the Tenant shall each bear their own costs in connection with the memorandum

9. BUILDING SERVICE CHARGE

9.1 This Building Services are:

- 9.1.1 cleaning, maintaining, decorating and repairing the Common Parts, including external and structural parts and all Service Media forming part of the Common Parts'
- 9.1.2 lighting the Common Parts and cleaning, maintaining, repairing and replacing lighting machinery and equipment on the Common Parts;
- 9.1.3 cleaning, maintaining, repairing and replacing refuse bins on the Common Parts;
- 9.1.4 cleaning, maintaining, repairing and replacing signage for the Common Parts;
- 9.1.5 cleaning, maintaining, repairing, operating and replacing any security machinery and equipment (including closed circuit television) on the Common Parts;
- 9.1.6 cleaning, maintaining, repairing, operating and replacing fire prevention, detection, and fire fighting machinery and equipment and fire alarms on the Common Parts;
- 9.1.7 cleaning, maintaining, repairing and replacing any signboard showing the names and logos of the tenants and other occupiers (if provided by the Landlord);
- 9.1.8 maintaining the landscaped and grassed areas of the Common Parts;
- 9.1.9 cleaning maintaining repairing lighting and replacing the car park within the Common Parts; and
- 9.1.10 any other service or amenity that the Landlord may in its reasonable discretion (acting in accordance with the principles of good estate management) provide for the benefit of the tenants and occupiers of the Building.

9.2 The Building Service Costs are the total of:

- 9.2.1 the whole of the costs of:
 - 9.2.1.1 providing the Building Services;
 - 9.2.1.2 the supply and removal of electricity, gas, water, sewage and other utilities to and from the Common Parts;

- 9.2.1.3 complying with the recommendations and requirements of the insurers of the Building (insofar as those recommendations and requirements relate to the Common Parts);
 - 9.2.1.4 complying with all laws relating to the Common Parts, their use and any works carried out at them, and relating to the use of all Service Media, machinery and equipment at or serving the Common Parts and to any materials kept at or disposed of from the Common Parts;
 - 9.2.1.5 complying with the Third Party Rights insofar as they relate to the Common Parts;
 - 9.2.1.6 taking any steps (including proceedings) that the Landlord considers necessary to prevent or remove any encroachment over the Common Parts or to prevent the acquisition of any right over the Common Parts or to remove any obstruction to the flow of light or air to the Common Parts;
 - 9.2.1.7 pursuing or enforcing any claim and taking or defending any proceedings against any third party or parties employed in the construction refurbishment and/or repair of the Building or for the remedy of a defect or otherwise or in connection with the Building Services;
 - 9.2.1.8 the provision for future anticipated expenditure in respect of any of the Building Services as the Landlord shall consider appropriate (acting reasonably),
- 9.2.2 the costs, fees and disbursements (on a full indemnity basis) of:
- 9.2.2.1 managing agents employed by the Landlord for the carrying out and provision of the Building Services or, where managing agents are not employed, a management fee for the same (not exceeding 10% of the total Building Service Costs); and
 - 9.2.2.2 accountants employed by the Landlord to prepare and audit the Building Service Charge accounts;

- 9.2.3 all costs incurred in relation to those persons directly employed by the Landlord or the managing agent to deliver or administer delivery of the Building Services (whether employed full or part time and whether based at the Building or not) as follows:
 - 9.2.3.1 salaries (and all appropriate benefits);
 - 9.2.3.2 employer's costs (including national insurance contributions and tax; costs of compliance with statutory requirements; and pension, welfare, and insurance contributions); and
 - 9.2.3.3 training, uniforms and all equipment, supplies and accommodation needed for the proper performance of their duties,
- 9.2.4 all rates, taxes, impositions and outgoings payable in respect of the Common Parts, their use and any works carried out on them (other than any taxes payable by the Landlord in connection with any dealing with or disposition of its reversionary interest in the Building); and
- 9.2.5 any VAT payable by the Landlord in respect of any of the items mentioned above except to the extent that the Landlord obtains credit for such VAT under the Value Added Tax Act 1994.
- 9.3 Subject to the Tenant paying the Building Service Charge, to the Management Company or the Landlord if so directed by the Management Company, the Landlord shall use its reasonable endeavours to provide the Building Services described in clauses 9.1.1 to 9.1.9 (inclusive). The Landlord may, but shall not be obliged to, provide any of the other Building Services.
- 9.4 The Landlord shall not be obliged to carry out any works where the need for those works has arisen by reason of any damage or destruction by a risk against which the Landlord is not obliged to insure.
- 9.5 The Landlord shall not be liable for;
 - 9.5.1 any interruption in, or disruption to, the provision of any of the Building Services for any reason that is outside the reasonable control of the Landlord; or

- 9.5.2 any injury, loss or damage suffered by the Tenant as a result of any absence or insufficiency of any of the Building Services or of any breakdown or defect in any Service Media, except where due to the negligence of the Landlord or its agents.
- 9.6 Before, or as soon as practicable after the start of each Building Service Charge Year, the Landlord shall prepare and send the Tenant an estimate of the Building Service Charge for the Building Service Charge Year ("the Estimated Building Service Charge").
- 9.7 The Tenant shall pay the Estimated Building Service Charge for each Building Service Charge Year in four equal instalments on each of the Rent Payment Dates. The first payment in respect of the Building Service Charge Year current at the date of this lease will be made on the date of this lease and will be a due proportion in respect of the period from and including the Term Commencement Date to and excluding the Rent Payment Date next following the date of this lease.
- 9.8 If the Landlord or the Landlord's surveyor does not notify an estimate of the Building Service Charge for any Building Service Charge Year the Estimated Building Service Charge for the preceding Building Service Charge Year shall apply. The Landlord or the Landlord's surveyor may at any time revise the Estimated Building Service Charge. Any revision of the Estimated Building Service Charge after the start of a Building Service Charge Year shall adjust the payments on the following Rent Payment Dates equally.
- 9.9 As soon as reasonably practicable after the end of each Building Service Charge Year, the Landlord shall serve on the Tenant a certificate of the Building Service Charge certified by the Landlord's surveyor for that Building Service Charge Year.
- 9.10 If any cost is omitted from the calculation of the Building Service Charge in any Building Service Charge Year, the Landlord shall be entitled to include it in the estimate and certificate of the relevant Building Service Charge in any of the following Building Service Charge Years. Otherwise and except in the case of manifest error, the Building Service Charge Certificate shall be conclusive as to all matters of fact to which it refers.

- 9.11 Without prejudice to the provisions of clause 12.5.6, where the Landlord provides any Building Service by reason of the damage to or destruction of the Common Parts by an Insured Risk or (save where clause 12.10.4 applies) an Uninsured Risk, the costs of that Building Service shall not be included in the Building Service Charge.
- 9.12 The difference between the Building Service Charge and the Estimated Building Service Charge for any Building Service Charge Year (or part) shall be paid by the Tenant to the Landlord within 14 days of the service of the certificate, or allowed against the next Estimated Building Service Charge payment or after the end of the Term refunded to the Tenant after the expiry of the relevant Building Service Charge Year having carried out the Building Service Charge reconciliation.
- 9.13 The Building Service Charge shall not include:
- 9.13.1 any costs relating to the initial construction of the Building or works solely designed to allow for the extension of the Building;
 - 9.13.2 any fees and expenses attributable to the review of rents payable by the tenants and other occupiers of the Building or attributable to the letting of any part of the Building or any disposition or dealing with the Landlord's interest in the Building or any part thereof;
 - 9.13.3 any costs (including without limitation solicitors surveyors and agents fees and managing agents fees) incurred by or on behalf of the Landlord in the collection of rents or other monies for any occupiers of the Building and/or any proceedings against any occupier of the Building; or
 - 9.13.4 any costs incurred by the Landlord in carrying out any works precautions or other matters as may be required by the Environment Agency or any other relevant statutory body or local authority to remove or remedy or contain any contamination or other environmental hazard arising as a result of prior use and occupation of the Building or part of it by other persons and which is not caused by the Tenant.

10. **ESTATE SERVICE CHARGE**

- 10.1 The Estate Services are:

- 10.1.1 cleaning maintaining repairing and replacing the Estate Common Parts including all Service Media forming part of the Estate Common Parts all boundaries of the Estate including fences access barriers gates and necessary patrol tracks;
 - 10.1.2 lighting the Estate Common Parts and cleaning maintaining repairing and replacing lighting machinery and equipment on the Estate Common Parts;
 - 10.1.3 cleaning maintaining repairing and replacing refuse bins on the Estate Common Parts;
 - 10.1.4 cleaning maintaining repairing operating and replacing fire prevention, detection and firefighting machinery and equipment on the Estate Common Parts;
 - 10.1.5 the clearance and gritting of roads and paths on the Estate as reasonably determined by the Management Company;
 - 10.1.6 the provision and maintenance of signage on the Estate including road traffic directional signs;
 - 10.1.7 landscaped areas forming part of the Estate the grounds and any trees and shrubs therein (and vermin control thereon) and any architectural *or* ornamental features;
 - 10.1.8 the provision of a security service and equipment for the Estate including reception at the main gate; and
 - 10.1.9 the supply of any other service or amenity that the Management Company may acting in accordance with the principles of good estate management provide for the benefit of the tenants and occupiers of the Estate.
- 10.2 The Estate Service Costs are the total of:
- 10.2.1 the whole of the costs of:
 - 10.2.1.1 providing the Estate Services;
 - 10.2.1.2 the supply and removal of electricity, gas, water, sewage and other utilities to and from the Estate Common Parts;
 - 10.2.1.3 complying with the recommendations and requirements of the insurers of the Building (insofar as those recommendations and requirements relate to the Estate Common Parts);

- 10.2.1.4 complying with all laws relating to the Estate Common Parts, their use and any works carried out at them, and relating to the use of all Service Media, machinery and equipment at or serving the Estate Common Parts and to any materials kept at or disposed of from the Estate Common Parts;
 - 10.2.1.5 contributions to sustainable travel and green travel plans that the Management Company is either obliged to contribute towards or where it would be to the benefit of the occupiers of the Estate to do so (acting in the interests of good estate management);
 - 10.2.1.6 complying with the Third Party Rights insofar as they relate to the Estate Common Parts;
 - 10.2.1.7 taking any steps (including proceedings) that the Management Company considers necessary to prevent or remove any encroachment over the Estate Common Parts or to prevent the acquisition of any right over the Estate Common Parts (or the Estate as a whole) or to remove any obstruction to the flow of light or air to the Estate Common Parts (or the Estate as a whole);
 - 10.2.1.8 pursuing or enforcing any claim and taking or defending any proceedings against any third party or parties employed in the construction refurbishment and/or repair of the Estate Common Parts or for the remedy of a defect or otherwise or in connection with the Estate Services; and
 - 10.2.1.9 the provision for future anticipated expenditure in respect of any of the Estate Services as the Management Company shall consider appropriate (acting reasonably);
- 10.2.2 the costs, fees and disbursements (on a full indemnity basis) of:
- 10.2.2.1 managing agents employed by the Management Company for the carrying out and provision of the Estate Services or, where managing agents are not employed, a management fee for the same not exceeding 10% of the total Estate Service Costs; and

- 10.2.2.2 accountants employed by the Management Company to prepare and audit the Estate Service Charge accounts;
- 10.2.3 all costs incurred in relation to those persons directly employed by the Management Company or the managing agent to deliver or administer delivery of the Estate Services (whether employed full or part time and whether based at the Estate or not) as follows:
 - 10.2.3.1 salaries (and all appropriate benefits);
 - 10.2.3.2 employer's costs (including national insurance contributions and tax; costs of compliance with statutory requirements; and pension welfare and insurance contributions) and
 - 10.2.3.3 training, uniforms and all equipment, supplies and accommodation needed for the proper performance of their duties,
- 10.2.4 all rates, taxes, impositions and outgoings payable in respect of the Estate Common Parts, their use and any works carried out on them (other than any taxes payable by the Management Company in connection with any dealing with or disposition of its reversionary interest in the Estate); and
- 10.2.5 any VAT payable by the Management Company in respect of any of the items mentioned above except to the extent that the Management Company obtains credit for such VAT under the Value Added Tax Act 1994.
- 10.3 Any item charged by way of Service Charge (as defined in the Superior Leases) under clause 11 is excluded from the Estate Service Charge to the intent that there shall be no double counting.
- 10.4 Subject to the Tenant paying the Estate Service Charge, to the Management Company or the Landlord if so directed by the Management Company, the Management Company shall use its reasonable endeavours to:
 - 10.4.1 clean maintain repair replace and light the Common Roads;
 - 10.4.2 keep clean and in repair the Management Company's signage (if any) upon the Estate; and

- 10.4.3 clean maintain repair and renew all Service Media forming part of the Estate Common Parts.
- 10.5 The Management Company may, but shall not be obliged to, provide any of the other Estate Services.
- 10.6 The Management Company shall not be obliged to carry out any works where the need for those works has arisen by reason of any damage or destruction by a risk against which the Management Company is not obliged to insure.
- 10.7 The Management Company shall not be liable for:
- 10.7.1 any interruption in, or disruption to, the provision of any of the Estate Services for any reason that is outside the reasonable control of the Management Company; or
- 10.7.2 any injury, loss or damage suffered by the Tenant as a result of any absence or insufficiency of any of the Estate Services or of any breakdown or defect in any Service Media, except where due to the negligence of the Management Company.
- 10.8 Before, or as soon as practicable after the start of each Estate Service Charge Year, the Management Company shall prepare and send the Tenant an estimate of the Estate Service Charge for the Estate Service Charge Year ("the Estimated Estate Service Charge").
- 10.9 The Tenant shall pay the Estimated Estate Service Charge to the Management Company (or the Landlord if so directed by the Management Company) for each Estate Service Charge Year in four equal instalments on each of the Rent Payment Dates. The first payment in respect of the Estate Service Charge Year current at the date of this lease will be made on the date of this lease and will be a due proportion in respect of the period from and including the Term Commencement Date to and excluding the Rent Payment Date next following the date of this lease.
- 10.10 If the Management Company or the Management Company's surveyor does not notify an estimate of the Estate Service Charge for any Estate Service Charge Year the Estimated Estate Service Charge for the preceding Estate Service Charge Year shall apply. The Management Company or the Management Company's surveyor may at any time revise the Estimated Estate Service Charge. Any revision of the Estimated Estate Service Charge after the start of

an Estate Service Charge Year shall adjust the payments on the following Rent Payment Dates equally.

- 10.11 As soon as reasonably practicable after the end of each Estate Service Charge Year, the Management Company shall serve on the Tenant a certificate of the Estate Service Charge certified by the Management Company's surveyor for that Estate Service Charge Year.
- 10.12 If any cost is omitted from the calculation of the Estate Service Charge in any Estate Service Charge Year, the Management Company shall be entitled to include it in the estimate and certificate of the relevant Estate Service Charge in any of the following Estate Service Charge Years. Otherwise and except in the case of manifest error, the Estate Service Charge Certificate shall be conclusive as to all matters of fact to which it refers.
- 10.13 Without prejudice to the provisions of clause 13.4.5, where the Management Company provides any Estate Service by reason of the damage to or destruction of the Estate Common Parts by an Insured Risk, the costs of that Estate Service shall not be included in the Estate Service Charge.
- 10.14 The difference between the Estate Service Charge and the Estimated Estate Service Charge for any Estate Service Charge Year (or part) shall be paid by the Tenant to the Management Company within 14 days of the service of the certificate, or allowed against the next Estimated Estate Service Charge payment or after the expiry of the term refunded to the Tenant after the end of the relevant Estate Service Charge Year having carried out the Estate Service Charge reconciliation.
- 10.15 The Management Company may from time to time direct the Tenant to pay to the Landlord and the Landlord to collect the Estate Service Charge on behalf of the Management Company. In the event the Management Company so elects the Tenant shall pay the Estate Service Charge in the manner prescribed in clause 10.9 to the Landlord, and the Landlord shall within 5 working days of receipt forward such sums to the Management Company.
- 10.16 The Estate Service Charge shall not include:
 - 10.16.1 any costs relating to the initial construction of the Estate or works solely designed to allow for the extension of the Estate;

10.16.2 any fees and expenses attributable to the review of rents payable by the tenants and other occupiers of the Estate or attributable to the letting of any part of the Estate or any disposition or dealing with the Landlord's interest in the Estate or any part thereof;

10.16.3 all costs (including without limitation solicitors surveyors and agents fees and managing agents fees) incurred by or on behalf of the Landlord in the collection of rents or other monies for any occupiers of the Estate and/or any proceedings against any occupier of the Estate; or

10.16.4 any costs incurred by the Landlord in carrying out any works precautions or other matters as may be required by the Environment Agency or any other relevant statutory body or local authority to remove or remedy or contain any contamination or other environmental hazard in, under or at any part of the Estate that is capable of being let and occupied on terms similar to those of this lease, arising as a result or prior use and occupation of the Estate or part of it by other persons.

10.17 The Tenant separately covenants with the Landlord to comply with its obligations under this clause 10.

11. SUPERIOR LEASE SERVICE CHARGE PROVISIONS

To the extent the Superior Landlord carries out any of the Services (as defined in the Superior Leases) under the Superior Leases and charges Service Charge (as defined in the Superior Leases) the Tenant will pay the Landlord on demand any such estimated Service Charge (or a fair proportion thereof) and any balancing sum in accordance with the Superior Leases and the Landlord will promptly supply the Tenant with copies of any demands, Estimates and Certificates (as both those terms are defined in the Superior Leases) provided by the Superior Landlord.

12. PROPERTY INSURANCE

12.1 Subject to clause 12.2, the Landlord shall keep the Building insured against loss or damage by the Insured Risks for the sum which the Landlord considers to be its full reinstatement cost (taking inflation of building costs into account). The Landlord shall not be obliged to insure any fixtures and fittings or other works installed by the Tenant (other than any Mezzanine Floors)

and the Category A Works to the Mezzanine Floors that have been installed by or with the consent of the Landlord).

12.2 The Landlord's obligation to insure is subject to:

12.2.1 any exclusions, limitations, excesses and conditions that may be imposed by the insurers; and

12.2.2 insurance being available in the London insurance market on reasonable terms acceptable to the Landlord.

12.3 In relation to any insurance effected by the Landlord under this clause, the Landlord shall use reasonable endeavours to procure that the Landlord's insurer:

12.3.1 waives its rights of subrogation against the Tenant and any lawful sub-tenants or occupiers of the Property;

12.3.2 permits the interest of the Tenant to be noted on the policy of insurance either specifically or by way of a general noting of tenants' interests under the conditions of the insurance policy Provided That this obligation will not require the Landlord to change its policy where the insurer is not prepared to do so on reasonable terms or on competitive rates.

12.4 The Tenant shall pay to the Landlord on demand:

12.4.1 the Insurance Rent;

12.4.2 any amount that is deducted or disallowed by the insurers pursuant to any excess provision in the insurance policy; and

12.4.3 any costs that the Landlord incurs in obtaining a valuation of the Property for insurance purposes, provided not more than once per annum.

12.5 The Tenant shall:

12.5.1 immediately inform the Landlord and the Superior Landlord if any matter occurs that any insurer or underwriter may treat as material in deciding whether or on what terms to insure or to continue to insure the Building and shall give the Landlord and the Superior Landlord notice of that matter;

12.5.2 not do or omit anything as a result of which any policy of insurance of the Building, any Landlord's Neighbouring Property or any neighbouring property may become void or

voidable or otherwise prejudiced, or the payment of any policy money may be withheld, nor (unless the Tenant has previously notified the Landlord and has paid any increased or additional premium) anything as a result of which any increased or additional insurance premium may become payable;

- 12.5.3 comply at all times with the requirements and reasonable recommendations of the insurers which have been notified to the Tenant in writing relating to the Building and the Estate Common Parts;
 - 12.5.4 give the Landlord immediate notice upon being made aware of the occurrence of any damage or loss relating to the Property arising from an Insured Risk or of any other event that might affect any insurance policy relating to the Property;
 - 12.5.5 not effect any insurance of the Property (except any plate glass at the Property), but if it becomes entitled to the benefit of any insurance proceeds in respect of the Property (other than in respect of plate glass) pay those proceeds or cause them to be paid to the Landlord; and
 - 12.5.6 pay the Landlord an amount equal to any insurance money that the insurers of the Building refuse to pay by reason of any act or omission of the Tenant, its workers, contractors or agents or any person at the Property, Building or the Estate Common Parts with the actual or implied authority of any of them.
- 12.6 The Landlord shall, subject to obtaining all necessary planning and other consents (which it shall use its reasonable endeavours to obtain) use all insurance money received (other than for loss of rent) to repair the damage for which the money has been received or (as the case may be) in rebuilding the Property. The Landlord shall not be obliged to:
- 12.6.1 provide accommodation identical in layout or design so long as accommodation reasonably equivalent to that previously at the Property is provided;
 - 12.6.2 repair or rebuild if the Tenant has failed to pay any monies due under clause 12.5.6 until those monies are paid; or

- 12.6.3 repair or rebuild the Property after a notice has been served pursuant to clause 12.8 or clause 12.9; or
- 12.3.4 rebuild or reinstate tenant's fitting-out works or any other alterations or additions to the Property (other than any Mezzanine Floors and Category A Works to the Mezzanine Floors that have been installed by or with the consent of the Landlord)
- 12.7 If the Property is damaged or destroyed by an Insured Risk so as to be unfit for occupation and use then, unless the policy of insurance of the Property has been vitiated in whole or in part in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property with the actual or implied authority of any of them, payment of the Annual Rent, or a fair proportion of it according to the nature and extent of the damage, shall be suspended until the date that the Property has been reinstated and made fit for occupation and use (as the case may be), or until the end of three years from the date of damage or destruction, if sooner.
- 12.8 If, following damage to or destruction of the Building, the Landlord considers that it is impossible or impractical to reinstate the Building, the Landlord may terminate this lease by giving notice to the Tenant. On giving notice this lease shall determine but this shall be without prejudice to any right or remedy of the Landlord in respect of any breach of the tenant covenants of this lease. Any proceeds of the insurance (other than any insurance for plate glass) shall belong to the Landlord.
- 12.9 Unless the policy of insurance of the Property has been vitiated in whole or in part in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property with the actual or implied authority of any of them, the Tenant may terminate this lease by giving notice to the Landlord if, following damage or destruction of the Property by an Insured Risk, the Property has not been reinstated so as to be fit for occupation and use or the Common Parts have not been reinstated so as to make the Property accessible or useable within three years after the date of damage or destruction. On giving this notice this lease shall determine but this shall be without prejudice

to any right or remedy of either party in respect of any breach of the other's covenants of this lease Any proceeds of the insurance (other than any insurance for plate glass) shall belong to the Landlord.

12.10.1 In this clause 12.10 the following words shall have the following meanings:

12.10.1.1 **"Uninsured Damage"** means that the Building has been destroyed or damaged by an Uninsured Risk so as to render the Property inaccessible and/or unfit for beneficial occupation and use; and

12.10.1.2 **"Uninsured Risk"**: means any risks, or some aspect of any of them, which would be covered by the risks specifically identified in the definition of "Insured Risks" but which are excluded from being covered for the time being by reason of unavailability or withdrawal of cover by the Landlord on the grounds that cover cannot be placed on the London Insurance Market with a reputable insurer at reasonably commercial rates and on reasonably commercial conditions or because insurance cover is not available at all.

12.10.2 An Insured Risk does not become an Uninsured Risk for the purposes of this clause 12.10 by reason only of:

12.10.2.1 normal exclusion provisions in relation to a level of excess liability; or

12.10.2.2 rejection by the insurer of liability, or some part of it, due to the act default or omission of the Tenant or its undertenant, employee, licensee or contractor.

12.10.3 If there is Uninsured Damage then:

12.10.3.1 within 12 months of the damage or destruction in question the Landlord shall give written notice to the Tenant ("**Election Notice**") stating whether or not it proposes to rebuild or reinstate the Property;

12.10.3.2 if the Election Notice states that the Landlord does propose to rebuild or reinstate the Property then for all the purposes of this lease the Uninsured Damage shall be deemed to have been damage by Insured Risk in respect of which the full insurance monies are recoverable by the Landlord under the insurance policies and the Landlord's obligation to reinstate shall be as set out

in clause 12.6, save that the Landlord will not be obliged to rebuild or reinstate tenant's fitting-out works or any other alterations or additions to the Property other than any Mezzanine Floors and Category A Works to the Mezzanine Floors that have been installed by or with the consent of the Landlord;

- 12.10.3.3 if the Election Notice states that the Landlord does not propose to rebuild or reinstate the Property or if no Election Notice is served strictly within the period of 12 months referred to in clause 12.10.3.1 then this lease will determine with immediate effect but without prejudice to any antecedent claim by either party against the other for antecedent breach of any covenants on the part of the Tenant contained herein; and
 - 12.10.3.4 if this lease is determined under clause 12.10.3.3 the Tenant shall be permitted a reasonable time (not exceeding one month) to remove from the Property any fixtures, fittings or equipment belonging to it and shall not be required to reinstate any alterations or additions made by it nor to yield up the Property in the state of repair and decoration which would (but for the Uninsured Damage) be required by this lease.
- 12.10.4 The Landlord shall only be entitled to include within the Building Service Costs any costs which the Landlord incurs (acting properly) in reinstating any damage or destruction to the Building caused by an Uninsured Risk if:
- 12.10.4.1 the Insured Risk shall have become an Uninsured Risk owing to the act or default of the Tenant or any person deriving title under the Tenant or their respective agents, employees, licensees or contractors; or
 - 12.10.4.2 such damage or destruction does not make the Building or the Property or a substantial part of them unfit for occupation or use or inaccessible.
- 12.10.5 If there is Uninsured Damage then payment of the Annual Rent shall be suspended on and from the date on which the Uninsured Damage occurred (unless the lease determines sooner pursuant to clause 12.10.3.3 (in which case and for the avoidance of doubt the Tenant's obligation to pay the Annual Rent shall automatically determine)).

12.10.6 If the Annual Rent has been suspended pursuant to clause 12.10.5, payment of the Annual Rent shall then be suspended until the Uninsured Damage has been reinstated so as to make the Premises fit for occupation and use and accessible.

12.10.7 If there is Uninsured Damage the Tenant shall not be liable to repair the Property pursuant to the obligation contained in clause 30.

13. ESTATE COMMON PARTS INSURANCE

13.1 Subject to clause 13.2, the Management Company shall keep the Estate Common Parts insured against loss or damage by the Insured Risks for the sum which the Management Company considers to be its full reinstatement cost (taking inflation of building costs into account).

13.2 The Management Company's obligation to insure is subject to

13.2.1 any exclusions limitations, excesses and conditions that may be imposed by the insurers; and

13.2.2 insurance being available in the London insurance market on reasonable terms acceptable to the Management Company.

13.3 The Tenant shall pay to the Management Company on demand:

13.3.1 the Insurance Premium;

13.3.2 any amount that is deducted or disallowed by the insurers pursuant to any excess provision in the insurance policy; and

13.3.3 any costs that the Management Company incurs in obtaining a valuation of the Estate Common Parts for insurance purposes, provided not more than once per annum.

13.4 The Tenant shall:

13.4.1 immediately inform the Management Company and the Superior Landlord if any matter occurs that any insurer or underwriter may treat as material in deciding whether or on what terms to insure or to continue to insure the Estate Common Parts and shall give the Management Company and the Superior Landlord notice of that matter;

13.4.2 not do or omit anything as a result of which any policy of insurance of the Estate Common Parts may become void or voidable or otherwise prejudiced, or the payment of any policy

money may be withheld, nor (unless the Tenant has previously notified the Management Company and has paid any increased or additional premium) anything as a result of which any increased or additional insurance premium may become payable;

13.4.3 comply at all times with the requirements and reasonable recommendations of the insurers which have been notified to the Tenant in writing relating to the Estate Common Parts;

13.4.4 give the Management Company immediate notice upon being made aware of the occurrence of any damage or loss relating to the Estate Common Parts arising from an Insured Risk or of any other event that might affect any insurance policy relating to the Estate Common Parts; and

13.4.5 pay the Management Company an amount equal to any insurance money that the insurers of the Estate Common Parts refuse to pay by reason of any act or omission of the Tenant, its workers, contractors or agents or any person at the Estate Common Parts with the actual or implied authority of any of them.

13.5 The Tenant separately covenants with the Landlord to comply with its obligations under this clause 13.

14. RATES AND TAXES

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

14.1.1 any taxes payable by the Landlord in connection with any dealing with or disposition of the reversion to this lease; or

14.1.2 any taxes, other than VAT and insurance premium tax, payable by the Landlord by reason of the receipt of any of the rents due under this lease.

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

14.3 The Tenant shall not make any proposal to alter the rateable value of the Property or that value as it appears on any draft rating list, without the approval of the Landlord and the Superior Landlord.

- 14.4 If, after the end of the term, either the Landlord or the Superior Landlord loses rating relief (or any similar relief or exemption) because it has been allowed to the Tenant, then the Tenant shall pay the Landlord or the Superior Landlord, as appropriate, an amount equal to the relief or exemption that has been lost.

15. COMMON ITEMS

- 15.1 The Tenant shall comply with all reasonable regulations the Landlord may make and notify to the Tenant in writing from time to time in connection with the use of any of those Service Media forming part of the Estate, structures or other items.
- 15.2 Except to the extent that such costs are included within the Estate Service Costs or the Building Service Costs, the Tenant must pay to the Landlord on demand a fair proportion of all costs payable by the Landlord for the maintenance, repair, lighting, cleaning and renewal of all Service Media, structures and other items not on or in the Building or Estate but used or capable of being used by the Building or the Estate in common with other land.

16. UTILITIES

- 16.1 The Tenant shall pay all costs in connection with the supply and removal of electricity, gas, water, sewage, telecommunications, data and other services and utilities to or from the Property including standing charges (but excluding any installation or connection costs incurred prior to the date of this lease).
- 16.2 If any of those costs are payable in relation to the Property together with other property, the Tenant shall pay a fair and reasonable proportion of all those costs.
- 16.3 The Tenant shall comply with all statutory requirements relating to the use of those services and utilities.

17. VAT

- 17.1 All sums payable by the Tenant are exclusive of any VAT that may be chargeable. The Tenant shall pay VAT in respect of all taxable supplies made to it in connection with this lease on the due date for making any payment or, if earlier, the date on which that supply is made for VAT purposes and for which a valid VAT invoice shall be provided.

17.2 Every obligation on the Tenant, under or in connection with this lease, to pay the Landlord or Management Company or any other person any sum by way of a refund or indemnity, shall include an obligation to pay an amount equal to any VAT incurred on that sum by the Landlord or the Management Company or other person and for which a valid VAT invoice shall be provided, except to the extent that the Landlord or the Management Company or other person obtains credit for such VAT under the Value Added Tax Act 1994.

17.3 The Tenant shall not seek to disapply the Landlord's option to tax the Property or buildings thereon at any point during the term.

18. DEFAULT INTEREST AND INTEREST

18.1 If any Annual Rent or any other money payable by the Tenant under this lease has not been paid within seven days of the due date, whether in the case of the Annual Rent it has been formally demanded or not, the Tenant shall pay the Landlord or (in the case of the Estate Service Charge) the Management Company interest at the Default Interest Rate (both before and after any judgment) on that amount for the period beginning on the due date to and including the date of payment.

18.2 If the Landlord (acting reasonably) does not demand or accept any Annual Rent or other money due or tendered under this lease because the Landlord reasonably believes that the Tenant is in breach of any of the tenant covenants of this lease, then the Tenant shall, when that amount is accepted by the Landlord, also pay interest at the Interest Rate on that amount for the period beginning on the date the amount (or each part of it) became due until the date it is accepted by the Landlord.

19. COSTS

The Tenant shall pay the proper costs and expenses of the Landlord including any solicitors' or other professionals' costs and expenses (incurred both during and after the end of the term) reasonably and properly incurred in connection with or in the proper contemplation of:

19.1.1 the enforcement of the tenant covenants of this lease;

- 19.1.2 serving any notice in connection with this lease under section 146 or 147 of the Law of Property Act 1925 or taking any proceedings under either of those sections, notwithstanding that forfeiture is avoided otherwise than by relief granted by the court;
- 19.1.3 serving any notice in connection with this lease under section 17 of the Landlord and Tenant (Covenants) Act 1995;
- 19.1.4 the proper preparation and service of a schedule of dilapidations in connection with this lease served during or within 4 months of the end of the Contractual Term; and
- 19.1.5 any consent or approval applied for under this lease, whether or not it is granted (save for in a situation where the Landlord unreasonably withholds or delays its consent, having been required by the terms of this lease not to do so)

20. COMPENSATION ON VACATING

Any right of the Tenant or anyone deriving title under the Tenant to claim compensation from the Landlord on leaving the Property under the Landlord and Tenant Act 1927 or the LTA 1954 is excluded, except to the extent that the legislation prevents that right being excluded.

21. NO DEDUCTION, COUNTERCLAIM OR SET-OFF

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

22. REGISTRATION OF THIS LEASE

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

22.2 The Tenant shall not:

22.2.1 apply to HM Land Registry to designate this lease as an exempt information document;

- 22.2.2 object to an application by the Landlord to HM Land Registry to designate this lease as an exempt information document; or
- 22.2.3 where the Landlord wishes to designate this lease as an exempt information document the Tenant shall not apply to register the Lease without simultaneously submitting the Landlord's application to designate the lease as an exempt information document Provided That the Landlord supplies the Tenant with the Landlord's completed application and HM Land Registry fee within 10 working days of completion.
- 22.3 In the event that the Tenant fails to apply to register this lease at HM Land Registry within 2 months from the date of this lease the Landlord shall be entitled to submit the requisite Land Registry application as agent for and on behalf of Tenant.
- 22.4 So as to enable the Landlord to proceed to register this lease at HM Land Registry in accordance with clause 22.3 above:
- 22.4.1 the Tenant will on demand provide the Landlord with the SDLT5 in respect of the Tenant's SDLT1 Return (if any) submitted by the Tenant;
- 22.4.2 where the Tenant has not submitted an SDLT Return in respect of this lease the Landlord shall be entitled to submit SDLT1 as agent for and on behalf of Tenant and to pay any SDLT which may be assessed on the lease.
- 22.5 The Tenant will on demand pay the Landlord as additional rent an amount equal to any SDLT, Land Registry fees, interest or penalty paid or incurred by the Landlord to enable it to procure registration of this lease at HM Land Registry together with the Landlord's proper legal fees incurred in connection with the preparation and submission of the SDLT1 return and preparation and submission of the Land Registry application and dealing with any requisitions raised by HM Land Registry in respect of such application.
23. **ASSIGNMENTS**
- 23.1 The Tenant shall not assign the whole of this lease without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.
- 23.2 The Tenant shall not assign part only of this lease.

- 23.3 Without prejudice to the generality of this clause 23, for as long as the Previous Lease subsists not to assign the whole of this lease unless at the same time to the same person the Previous Lease is assigned in accordance with the terms of that lease.
- 23.4 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may give its consent to an assignment subject to all or any of the following conditions:
- 23.4.1 if reasonably required by the Landlord a condition that the assignor enters into an authorised guarantee agreement which if requested by the Landlord:
- 23.4.1.1 is in respect of all the tenant covenants of this lease;
- 23.4.1.2 is in respect of the period beginning with the date the assignee becomes bound by those covenants and ending on the date when the assignee is released from those covenants by virtue of section 5 of the Landlord and Tenant (Covenants) Act 1995;
- 23.4.1.3 imposes principal debtor liability on the assignor;
- 23.4.1.4 requires (in the event of a disclaimer of liability under this lease) the assignor to enter into a new tenancy for a term equal to the unexpired residue of the Contractual Term; and
- 23.4.1.5 is otherwise in a form reasonably required by the Landlord;
- 23.4.2 where the obligations of the Tenant were guaranteed by a guarantor the execution of the authorised guarantee agreement referred to in sub-clause 23.4.1 by that guarantor and the insertion into that agreement of obligations on the part of that guarantor guaranteeing (to the extent lawful) the Tenant's obligations therein in such form as the Landlord shall reasonably require
- 23.4.3 if reasonably required by the Landlord a condition that a person of standing acceptable to the Landlord (acting reasonably) enters into a guarantee and indemnity of the tenant covenants of this lease in such form as the Landlord may reasonably require; and/or
- 23.4.4 if reasonably required by the Landlord a condition that the assignee shall (if reasonable) provide a rent deposit of such amount as the Landlord may reasonably require plus an

amount in lieu of VAT on that sum and enter into a rent deposit deed in such form as the Landlord may reasonably require.

23.5 The Landlord and the Tenant agree that for the purposes of section 19(1A) of the Landlord and Tenant Act 1927 the Landlord may refuse its consent to an assignment if any of the following circumstances exist at the date of the Tenant's application for consent to assign this lease:

23.5.1 the Annual Rent due or any other money due and formally demanded under this lease is outstanding (save for in the case of a bona fide dispute as to sums other than the Annual Rent);

23.5.2 in the Landlord's reasonable opinion the assignee is not of sufficient financial standing to enable it to comply with the Tenant's covenants and conditions contained in this lease;

23.5.3 the assignee and the Tenant are group companies within the meaning of section 42 of this LTA 1954 and the assignee is of lower financial standing than the Tenant; or

23.5.4 where the proposed assignee is currently guaranteeing the Tenant's obligations under this lease.

23.6 Nothing in this clause shall prevent the Landlord from giving consent subject to any other reasonable condition, nor from refusing consent to an assignment in any other circumstance where it is reasonable to do so.

24. **UNDERLETTINGS**

24.1 Without prejudice to the generality of this clause 24, for as long as the Previous Lease subsists not to underlet the whole of this lease unless at the same time to the same person the Previous Lease is underlet in accordance with the terms of that lease.

24.2 The Tenant shall not underlet the whole or a Permitted Part of the Property except in accordance with this clause nor without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.

24.3 The Tenant shall not underlet part only of the Property, save for a Permitted Part in accordance and subject to the conditions set out in this clause 24.

24.4 The Tenant shall not underlet the Property or a Permitted Part:

24.4.1 together with any property or any right over property that is not included within this lease;

- 24.4.2 at a fine or premium' or reverse premium; nor
- 24.4.3 allowing any rent free period to the undertenant that exceeds the period as is then usual in the open market in respect of such a letting.
- 24.5 The Tenant shall not underlet the Property or a Permitted Part unless, before the underlease is granted, the Tenant has given the Landlord:
 - 24.5.1 a certified copy of the notice served on the undertenant, as required by section 38A(3)(a) of the LTA 1954, applying to the tenancy to be created by the underlease; and
 - 24.5.2 a certified copy of the declaration or statutory declaration made by the undertenant in accordance with the requirements of section 38A(3)(b) of the LTA 1954.
- 24.6 Any underletting by the Tenant shall be by deed and shall include:
 - 24.6.1 an agreement between the Tenant and the undertenant that the provisions of sections 24 to 28 of the LTA 1954 are excluded from applying to the tenancy created by the underlease;
 - 24.6.2 the reservation of a rent which is not less than the open market rental value of the Property (or, if the underletting is of a Permitted Part only, the open market rental value of that Permitted Part) at the date the Property or Permitted Part is underlet and which is payable at the same times as the Annual Rent under this lease (but this shall not prevent an underlease providing for a rent-free period of a length permitted by clause 24.4.3);
 - 24.6.3 provisions for the review of rent at the same dates and on the same basis as the review of rent in this lease, unless the term of the underlease does not extend beyond the next Review Date;
 - 24.6.4 a covenant by the undertenant, enforceable by and expressed to be enforceable by the Landlord (as superior landlord at the date of grant) and its successors in title in their own right, to observe and perform the tenant covenants in the underlease and any document that is supplemental or collateral to it and the tenant covenants in this lease, except the covenants to pay the rents reserved by this lease;
 - 24.6.5 a covenant by the undertenant (enforceable by and expressed to be enforceable by the Landlord (as superior landlord at the date of grant) and its successors in title in their own right):

- 24.6.5.1 not to assign, underlet or charge the whole of the underlease without the consent of the landlord (which shall not be unreasonably withheld); and
 - 24.6.5.2 not to underlet any part of the underlease or the Property or Permitted Part, nor to assign or charge part only of the underlease or the Property or Permitted Part, or to hold the underlease on trust for any person (except pending registration of a dealing permitted by the underlease at HM Land Registry or by reason only of joint legal ownership), and
 - 24.6.5.3 not to permit its underlessee to underlet, part with or share possession or share occupation of the whole or any part of its underlease or the Property or Permitted Part, nor to assign or charge part only of its underlease or the Property or Permitted Part, nor to hold its underlease on trust for any person (except pending registration of a dealing permitted by the underlease at HM Land Registry or by reason only of joint legal ownership); and
 - 24.6.6 provisions requiring the consent of the Landlord to be obtained in respect of any matter for which the consent of the Landlord is required under this lease, and shall otherwise be consistent with and include tenant covenants no less onerous (other than as to the Annual Rent) than those in this lease and in a form approved by the Landlord, such approval not to be unreasonably withheld or delayed.
- 24.7 In relation to any underlease granted by the Tenant, the Tenant shall:
- 24.7.1 not vary the terms of the underlease without the consent of the Landlord, such consent not to be unreasonably withheld or delayed;
 - 24.7.2 enforce the tenant covenants in the underlease and not waive any of them nor allow any reduction in the rent payable under the underlease; and
 - 24.7.3 ensure that in relation to any rent review the revised rent is not agreed without the approval of the Landlord, such approval not to be unreasonably withheld or delayed.

25. **SHARING OCCUPATION**

The Tenant may share occupation of the Property with any company that is a member of the same group (within the meaning of section 42 of the LTA 1954) as the Tenant for as long as that company

remains within that group and Provided That no relationship of landlord and tenant is established by that arrangement.

26. CHARGING

- 26.1 The Tenant shall not charge a part (as distinct from the whole) of the Property.
- 26.2 The Tenant may with the prior written consent of the Landlord (not to be unreasonably withheld or delayed) charge the whole of the Property to a bank or similar financial institution for the purpose of borrowing money on the security of this lease by way of a fixed charge.
- 26.3 The Tenant may without the consent of the Landlord charge the whole of the Property and this lease by way of a floating charge created in the normal course of the Tenant's business to a Bank of England authorised institution.

27. PROHIBITION OF DEALINGS

Except as expressly permitted by this lease, the Tenant shall not assign, underlet, charge, part with or share possession or share occupation of this lease or the Property or hold this lease on trust for any person (except pending registration of a dealing permitted by this lease at HM Land Registry or by reason only of joint legal ownership)

28. REGISTRATION AND NOTIFICATION OF DEALINGS AND OCCUPATION

- 28.1 In this clause a Transaction is:
 - 28.1.1 any dealing with this lease or the devolution or transmission of, or parting with possession of any interest in it,
or
 - 28.1.2 the creation of any underlease or other interest out of this lease, or out of any interest, underlease derived from it, and any dealing, devolution or transmission of, or parting with possession of any such interest or underlease;
or
 - 28.1.3 the making of any other arrangement for the occupation of the Property.
- 28.2 Within one month of completion of the registration of a Transaction (where the same is registrable at HM Land Registry), the Tenant shall send the Landlord official copies of its title (and where applicable of the undertenant's title)
- 28.3 No later than one month after a Transaction the Tenant shall:

- 28.3.1 give the Landlord's solicitors and the Management Company notice of the Transaction; and
 - 28.3.2 deliver two certified copies of any document effecting the Transaction to the Landlord's solicitors and the Management Company; and
 - 28.3.3 pay the Landlord's solicitors a registration fee of £75 (plus VAT).
- 28.4 If the Landlord reasonably requests, the Tenant shall promptly supply the Landlord with full details of the occupiers of the Property and the terms upon which they occupy it (but not more than twice in each year of the term).

29. CLOSURE OF THE REGISTERED TITLE OF THIS LEASE

Within one month after the end of the term (and notwithstanding that the term has ended), the Tenant shall make an application to close the registered title of this lease or any entry made against the Landlord's title to protect the rights granted by this lease and shall ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly and; the Tenant shall notify the Landlord of completion of its application.

30. REPAIRS

- 30.1 The Tenant shall keep the Property clean and tidy (including cleaning windows once a month) and in good and substantial repair and condition and shall ensure that any Service Media within and exclusively serving the Property is kept in good working order.
- 30.2 Notwithstanding clause 30.1 above, the Tenant shall not be liable to repair the Property to the extent that any disrepair has been caused by an Insured Risk unless and to the extent that the policy of insurance of the Property has been vitiated or any insurance proceeds withheld in consequence of any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any person on the Property with the actual or implied authority of any of them.

31. DECORATION

- 31.1 Subject to clause 30 above, the Tenant shall decorate the Property as often as is reasonably necessary and also in the last three months before the end of the term.
- 31.2 All decoration shall be carried out in a good and proper manner using good quality materials that are appropriate to the Property and the Permitted Use and shall include all appropriate preparatory work.
- 31.3 All decoration carried out in the last three months of the term shall also be carried out to the reasonable satisfaction of the Landlord and using materials, designs and colours approved by the Landlord, such approval not to be unreasonably withheld or delayed.

32. ALTERATIONS

- 32.1 The Tenant shall not make any external or structural alteration or addition and shall not make any opening in any boundary structure of the Property Provided That the Tenant may install Mezzanine Floors which comply with the Mezzanine Specification with the consent of the Landlord (such consent not to be unreasonably withheld or delayed).
- 32.2 The Tenant shall not make any internal, non-structural alteration to the Property without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.
- 32.3 Notwithstanding the provisions of clause 32.2 the Tenant may without the Landlord's consent erect, remove and relocate internal demountable partitioning and underfloor wiring Provided That:
 - 32.3.1 any such works are undertaken in a good and workmanlike manner and in accordance with all laws and all good building and other relevant practices, codes and guidance:
 - 32.3.2 the Tenant provides the Landlord with detailed plans at least 21 days prior to the work being carried;
 - 32.3.3 the Tenant provides the Landlord with written notification within one month of completion of the work and, if requested by the Landlord, the Tenant supplies the Landlord with plans showing the altered layout of the Property; and
 - 32.3.4 the Tenant removes such partitioning and wiring (as applicable) at the end of the term in accordance with clause 34.

- 32.4 The Tenant shall not carry out any alteration to the Property (whether consent is required or not) which would, or may reasonably be expected to, have an adverse effect on the asset rating in any Energy Performance Certificate commissioned in respect of the Property.
- 32.5 The Tenant shall not install nor alter the route of any Service Media at the Property without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.
- 32.6 The Tenant shall not attach any sign, fascia, placard, board, poster or advertisement to the Property so as to be seen from the outside of the Building save as may be approved by the Landlord pursuant to clause 33.
- 32.7 The Tenant shall otherwise comply with the Estate Rules and Regulations in relation to any alterations or additions which the Tenant is permitted to make to the Property pursuant to this clause 34.

33. SIGNS

- 33.1 In this clause Signs include signs, fascia, placards, boards, posters and advertisements.
- 33.2 The Tenant shall not attach any Signs to the exterior of the Property or display any inside the Property so as to be seen from the outside except Signs of a design, size and number and in a position that are appropriate to the Property and the Permitted Use which have previously been approved by the Landlord, such approval not to be unreasonably withheld or delayed and are otherwise in accordance with the Landlord's signage guidelines.
- 33.3 Before the end of the term, the Tenant shall remove any Signs placed by it at the Property whether during the term of this lease or of the Previous Lease and shall make good any damage caused to the Property by that removal.

34. RETURNING THE PROPERTY TO THE LANDLORD

- 34.1 At the end of the term the Tenant shall return the property to the Landlord in the repair and condition required by this lease and by the Previous Lease.
- 34.2 Unless the Landlord waives this obligation by serving notice on the Tenant before the end of the term, the Tenant shall remove items it has fixed to the Property, remove any alterations, additions or improvements it has made to the Property (in each case whether carried out before or during the term of this lease or of the Previous Lease), other than any:

34.2.1 Mezzanine Floors; and/or

34.2.2 Category A Works carried out to the Mezzanine Floors; and /or

34.2.3 other works listed in Appendix G to the Agreement for Lease:

that have been installed by or with the consent of the Landlord and remove all Hazardous Substances it has introduced to the Property and carry out all associated Remedial Works, to the reasonable satisfaction of the Landlord and make good any damage caused to the Property by that removal to the Landlord's reasonable satisfaction. The Landlord's notice may require the retention or removal and reinstatement in respect of part only of such alterations additions, improvements or variations.

34.3 At the end of the term, the Tenant shall remove from the Property all chattels belonging to or used by it.

34.4 The Tenant irrevocably appoints the Landlord to be the Tenant's agent to store or dispose of any chattels or items it has fixed to the Property and which have been left by the Tenant on the Property for more than one month after the end of the term and which the Landlord has requested the Tenant in writing to remove.

35. USE AND MANAGEMENT OF THE BUILDING AND THE ESTATE

35.1 The Tenant shall not use the Property for any purpose other than the Permitted Use.

35.2 The Tenant shall not use the Property for any illegal purpose nor for any purpose or in a manner that would cause loss damage injury, nuisance or inconvenience to the Landlord, its tenants or any other owner or occupier of neighbouring property.

35.3 The Tenant shall not park anywhere on the Estate other than in the parking spaces designated by the Landlord under clause 4.2.

35.4 The Tenant shall not overload any structural part of the Building nor any Service Media at or serving the Property and in particular the Tenant shall not consume any electricity at the Property in excess of 69 kva in respect of Unit 6 and 138 kva in respect of each of Units 7, 8, 9 and 10.

- 35.5 The Tenant shall not at any time install or permit or suffer to be installed on the Property any electrical lamp equipment or appliance that would or would be likely to cause electrical, electromagnetic, mechanical, operational, or other interference.
- 35.6 The Tenant shall not use the Property for any works involving the emission of ionising radiation or for any purposes involving the bringing on or keeping of radioactive material or other Hazardous Substances at the Property unless with the scope of the Control of Substances Hazardous to Health Regulations from time to time.
- 35.7 The Tenant shall not do anything which would damage or contaminate the Property, the Building or the Estate or pollute the Environment or obstruct or damage any Service Media or discharge any deleterious matter (otherwise than in accordance with all statutory requirements) into any Service Media or cause or suffer any contamination on at or under the Property (Provided That the Tenant will not be liable to for any contamination on the Building which is not caused by the Tenant or its employees, undertenants, licensees or occupiers).
- 35.8 The Tenant shall not obstruct any of the Estate Common Parts or the Common Parts or impede the use of them or any other common facilities.
- 35.9 The Tenant must not keep any animal, bird or reptile at the Property.
- 35.10 The Tenant shall observe all regulations relating to the management of the Building and/or the Estate made by the Landlord from time to time in accordance with the principles of good estate management (including the Estate Rules and Regulations as amended from time to time) and notified to the Tenant in writing and shall ensure that its employees agents contractors and visitors observe any restrictions on access to or movement within the Estate which may be imposed by the Landlord from time to time.
- 35.11 Nothing in this lease shall impose or be deemed to impose any restriction on the use of any other Lettable Unit or any neighbouring property.
- 35.12 The Tenant agrees not to raise any objections to any planning permissions submitted by the Landlord to the local planning authority in relation to the Estate.
- 35.13 The Tenant shall ensure that the Landlord has written notice of the names and telephone numbers of at least two key holders of the Property.

36. **COMPLIANCE WITH LAWS**

- 36.1 The Tenant shall comply with all laws (including the Planning Acts) relating to:
- 36.1.1 the Property and the occupation and use of the Property by the Tenant;
 - 36.1.2 the use or operation of all Service Media and machinery and equipment at or serving the Property whether or not used or operated, and shall, where necessary, replace or convert such Service Media within or exclusively serving the Property so that it is capable of lawful use or operation;
 - 36.1.3 any works carried out at the Property; and
 - 36.1.4 all materials kept at or disposed from the Property
- 36.2 Without prejudice to any obligation on the Tenant to obtain any consent or approval under this lease, the Tenant shall carry out all works that are required under any law to be carried out at the Property whether by the owner or the occupier.
- 36.3 Within five working days after receipt of any notice or other communication affecting the Property (and whether or not served pursuant to any law) the Tenant shall:
- 36.3.1 send a copy of the relevant document to the Landlord and the Superior Landlord; and
 - 36.3.2 take all steps necessary to comply with the notice or other communication and take any other action in connection with it as the Landlord may reasonably require.
- 36.4 The Tenant shall not apply for any planning permission for the Property without the Landlord's consent.
- 36.5 The Tenant shall comply with its obligations under the CDM Regulations, including all requirements in relation to the provision and maintenance of a health and safety file. The Tenant shall maintain the health and safety file for the Property in accordance with the CDM Regulations and shall give it to the Landlord at the end of the term.
- 36.6 The Tenant shall supply all information to the Landlord that the Landlord reasonably requires from time to time to comply with the Landlord's obligations under the CDM Regulations.
- 36.7 As soon as the Tenant becomes aware of any defect in the Property, it shall give the Landlord notice of it. The Tenant shall indemnify the Landlord against any liability under the Defective

Premises Act 1972 in relation to the Property by reason of any failure of the Tenant to comply with any of the tenant covenants in this lease.

- 36.8 The Tenant shall keep the Property equipped with all fire prevention, detection and fighting machinery and equipment and fire alarms which are required under all relevant laws or required by the insurers of the Property or reasonably recommended by them or reasonably required by the Landlord and shall keep that machinery, equipment and alarms properly maintained and available for inspection.

37. ENERGY PERFORMANCE CERTIFICATES

37.1 The Tenant shall:

37.1.1 cooperate with the Landlord so far as is reasonably necessary to allow the Landlord to obtain an Energy Performance Certificate and Recommendation Report for the Property or the Building including providing the Landlord with copies of any plans or other information held by the Tenant that would assist in obtaining an Energy Performance Certificate; and

37.1.2 allow such access to any Energy Assessor appointed by the Landlord as is reasonably necessary to inspect the Property for the purposes of preparing an Energy Performance Certificate and/or Recommendation Report for the Property or the Building.

37.2 The Tenant shall not commission an Energy Performance Certificate for the Property without the Landlord's consent such consent not to be unreasonably withheld Provided That where the Tenant carries out works or alterations on or to the Property which will impact upon or affect the existing Energy Performance Certificate the Tenant shall obtain a new Energy Performance Certificate at its own cost and promptly provide a copy thereof together with any Recommendation Report to the Landlord.

38. REMEDY BREACHES

38.1 The Landlord may enter the Property at reasonable times and on reasonable prior notice to the Tenant to inspect its condition and state of repair and may give the Tenant a notice of any breach of any of the tenant covenants in this lease relating to the condition or repair of the Property.

- 38.2 If the Tenant has not begun any works needed to remedy that breach within 30 days following that notice (or if works are required as a matter of emergency, then immediately) or if the Tenant is not carrying out the works with all due speed, then the Landlord may enter the Property and carry out the works needed.
- 38.3 The proper costs incurred by the Landlord in carrying out any works pursuant to this clause (and any professional fees and any VAT in respect of those costs) shall be a debt due from the Tenant to the Landlord and payable within 14 days of a written demand.
- 38.4 Any action taken by the Landlord pursuant to this clause shall be without prejudice to the Landlord's other rights, including those under clause 5

39. ENCROACHMENTS, OBSTRUCTIONS AND ACQUISITION OF RIGHTS

- 39.1 The Tenant shall not grant any right or licence over the Property to a third party nor permit any person to make any encroachment over the Property
- 39.2 If a third party makes or attempts to make any encroachment over the Property or takes any action by which a right may be acquired over the Property, the Tenant shall:
 - 39.2.1 immediately inform the Landlord upon becoming aware of the same, and shall give the Landlord notice of that encroachment or action; and
 - 39.2.2 take all steps (including any proceedings) the Landlord reasonably requires to prevent or license the continuation of that encroachment or action to the extent that such steps are within the Tenant's control or such encroachment or action has been caused or exacerbated through an act or omission of the Tenant.
- 39.3 The Tenant shall not obstruct the flow of light or air to the Property nor any means of access to the Building nor make any acknowledgement that the flow of light or air to the Property or any other part of the Building or that the means of access to the Building is enjoyed with the consent of any third party.
- 39.4 If any person takes or threatens to take any action to obstruct the flow of light or air to the Property or obstruct the means of access to the Property, the Tenant shall:

39.4.1 immediately inform the Landlord upon becoming aware of the same, and shall give the Landlord notice of that action; and

39.4.2 take all steps (including any proceedings) the Landlord reasonably requires to prevent or secure the removal of the obstruction to the extent that such steps are within the Tenant's control or such encroachment or action has been caused or exacerbated through an act or omission of the Tenant.

40. **INDEMNITY**

The Tenant shall keep the Landlord indemnified against all liabilities, expenses, costs (including but not limited to any solicitors' or other professionals' costs and expenses), claims, damages and losses (including but not limited to any diminution in the value of the Landlord's interest in the Building and/or the Estate and loss of amenity of the Building and/or the Estate) suffered or incurred by the Landlord arising out of or in connection with any breach of any tenant covenants in this lease, or any act or omission of the Tenant, any undertenant or their respective workers, contractors or agents or any other person on the Property, the Building and/or the Estate Common Parts with the actual or implied authority of any of them.

41. **COVENANT TO COMPLY WITH COVENANTS IN THE SUPERIOR LEASE**

The Tenant shall observe and perform the tenant covenants in the Superior Leases (insofar as they relate to the Property and rights granted to the Tenant), except the covenants to pay the rents reserved by the Superior Leases.

42. **COVENANT WITH THE SUPERIOR LANDLORD**

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

42.1.1 the tenant covenants in this lease and any document that is collateral to it; and

42.1.2 the tenant covenants in the Superior Leases insofar as they relate to the Property or rights granted to the Tenant except the covenants to pay the rents reserved by the Superior Leases.

- 42.2 Subject to the Tenant paying the rents reserved by this lease and observing the tenant's covenants, the Landlord shall pay the rents reserved by the Superior Leases and perform the covenants on the part of the tenant contained in the Superior Leases so far as the Tenant is not liable for such performance under the terms of this lease.
- 42.3 At the request and cost of the Tenant, on a full indemnity basis, the Landlord shall use all reasonable endeavours to procure that the Superior Landlord complies with the Superior Landlord's Covenants during such period as the Superior Leases subsist and, if reasonable, the Landlord may require that the Tenant pay it reasonable security in advance in respect of anticipated costs for enforcing such compliance.
- 42.4 If the Superior Leases (or either of them) are surrendered, the Landlord shall from the date of the surrender perform or procure the performance of obligations equivalent to the Superior Landlord's Covenants immediately prior to the surrender of the Superior Leases.

43 LANDLORD'S COVENANT FOR QUIET ENJOYMENT

The Landlord covenants with the Tenant, that, so long as the Tenant pays the rents reserved by this lease and complies with its obligations, the Tenant shall have quiet enjoyment of the Property without any lawful interruption by the Landlord or any person claiming under the Landlord, except as otherwise permitted by this lease.

44. RE-ENTRY AND FORFEITURE

- 44.1 The Landlord may re-enter the Property (or any part of the Property in the name of the whole) at any time after any of the following occurs:
- 44.1.1 any rent is unpaid 21 days after becoming payable whether it has been formally demanded or not;
 - 44.1.2 any breach of any condition of, or tenant covenant, in this lease;
 - 44.1.3 the Previous Lease shall terminate for any reason other than by effluxion of time of the term of years thereby granted;
 - 44.1.4 an Act of Insolvency.

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

45. **DISPUTES UNDER THE SUPERIOR LEASE**

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

46. **JOINT AND SEVERAL LIABILITY**

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

47. **LIABILITY**

In any case where the facts are or should reasonably be known to the Tenant (save where the facts are or should reasonably be known to the Landlord or Management Company (as applicable)), the Landlord or Management Company (as applicable) shall not be liable to the Tenant for any failure of the Landlord or Management Company (as applicable) to perform any landlord covenant in this lease, unless and until the Tenant has given the Landlord or Management Company (as applicable) notice of the facts that give rise to the failure and the Landlord or Management Company (as applicable) has not remedied the failure within a reasonable time of service of that notice.

48. EXCLUSION OF REPRESENTATIONS

- 48.1 Nothing in this lease constitutes or shall constitute a representation or warranty that the Property may lawfully be used for any purpose allowed by this lease.
- 48.2 Nothing in this clause shall, however, operate to limit or exclude any liability for fraud.

49. NOTICES, CONSENTS AND APPROVALS

- 49.1 Except where this lease specifically states that a notice need not be in writing, any notice given pursuant to this lease shall be in writing.
- 49.2 A written notice shall be delivered by hand or sent by pre-paid first class post or registered post. A correctly addressed notice sent by pre-paid first class post shall be deemed to have been delivered at the time at which it would have been delivered in the normal course of the post.
- 49.3 Section 196 of the Law of Property Act 1925 shall otherwise apply to notices given under this lease.
- 49.4 Where the consent of the Landlord is required under this lease, a consent shall only be valid if it is given by deed, unless:
 - 49.4.1 it is given in writing and signed by a person duly authorised on behalf of the Landlord; and
 - 49.4.2 it expressly states that the Landlord waives the requirement for a deed in that particular case.If a waiver is given, it shall not affect the requirement for a deed for any other consent.
- 49.5 Where the approval of the Landlord is required under this lease, an approval shall only be valid if it is in writing and signed by or on behalf of the Landlord, unless:
 - 49.5.1 the approval is being given in a case of emergency; or
 - 49.5.2 this lease expressly states that the approval need not be in writing.
- 49.6 If the Landlord gives a consent or approval under this lease, the giving of that consent or approval shall not imply that any consent or approval required from a third party has been obtained, nor shall it obviate the need to obtain any consent or approval from a third party.
- 49.7 Where the consent of the Superior Landlord is required under this lease, a consent shall only be valid if it would be valid as a consent given under the Superior Leases. Where the approval

of the Superior Landlord is required under this lease, an approval shall only be valid if it would be valid as an approval given under the Superior Leases.

- 49.8 Where the Tenant requires the consent or approval of the Superior Landlord 10 any act or omission then, subject to the provisions of clause 1.11 the Landlord shall at the cost of the Tenant use all reasonable endeavours to obtain that consent or approval.

50. GOVERNING LAW AND JURISDICTION

- 50.1 This lease shall be governed by and construed in accordance with the law of England and Wales.
- 50.2 The Landlord and the Tenant (and any guarantor) and the Management Company irrevocably agree to submit to the exclusive jurisdiction of the courts of England and Wales over any claim or matter arising under or in connection with this, lease or the legal relationships established by it.

51. ENTIRE AGREEMENT

- 51.1 This lease and any documents annexed to it constitute the whole agreement between the parties and supersede all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them relating to their subject matter.
- 51.2 Each party acknowledges that in entering into this lease and any documents annexed to it, it does not rely on, and shall have no remedies in respect of, any representation or warranty (whether made innocently or negligently) other than those contained in any written replies that Kingsley Napley LLP has given to any written enquiries raised by Penningtons Manches Cooper before the date of the Previous Lease.
- 51.3 Nothing in this lease constitutes or shall constitute a representation or warranty that the Property may lawfully be used for any purpose allowed by this lease.
- 51.4 Nothing in this clause shall limit or exclude any liability for fraud.

52. EXCLUSION OF SECTIONS 24-28 OF THE LTA 1954

- 52.1 The parties confirm that:

52.1.1 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 Agreement for Lease was entered into;

52.2.2 [] who was duly authorised by the Tenant to do so made a statutory declaration dated [] 2021 in accordance with the requirements of section 38A(3)(b) of the LTA 1954; and

52.2 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.

53. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Except for the Superior Landlord and as provided in clause 42 a person who is not a party to this lease shall not have any rights under or in connection with this lease by virtue of the Contracts (Rights of Third Parties) Act 1999.

54. LANDLORD AND TENANT (COVENANTS) ACT 1995

This lease creates a new tenancy for the purposes of the Landlord and Tenant (Covenants) Act 1995.

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

ORIGINAL

EXECUTED AS A DEED by **THE HARWELL**)
SCIENCE AND INNOVATION CAMPUS)
GENERAL PARTNER LIMITED as general partner) _____
for The Harwell Science and Innovation) Director
Campus Limited Partnership acting by a director in)
the presence of:)

Witness
Signature _____

Name _____

Address _____

Occupation _____

EXECUTED AS A DEED by **THE HARWELL**)
SCIENCE AND INNOVATION CAMPUS)
NOMINEE LIMITED as nominee for The Harwell) _____
Science and Innovation Campus) Director
Limited Partnership acting by a director in the)
presence of:)

Witness
Signature _____

Name _____

Address _____

Occupation _____

COUNTERPART

EXECUTED AS A DEED by)
VACCITECH (UK) LIMITED)
acting by a director in the presence of:-)

Witness
Signature _____

Name _____

Address _____

Occupation _____

Appendix 1
Plan 1 (Demise Plan)

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Appendix 2
Plan 2 (Estate Plan)

Appendix 3
Rent Review Specification

NOTIONAL SPECIFICATION FOR RENT REVIEW

Mezzanine Installation

Mezzanines on 1st and 2nd Floor to the following specification:

Mezzanine point load of 6.0 tonnes based on a 3.6m x 3.6m grid (or equivalent area), lightweight floor construction including selfweight per floor of 1.0 kN/m² and a superimposed load of 2.5 kN/m² for office + 1.0 kN/m² for lightweight partitions, with baseplates suitably sized. The mezzanine design and stability shall be in accordance with the requirements of BRE digest 437. Point loads shall be at least 300mm from any floor joint

Fire Stopping to 1st & 2nd Floor Mezzanine

2nd Floor External Windows

Solar film to external windows

Wall lining all perimeter walls (full building height)

Installation of stairs to the mezzanine floors

Installation of lift

Cat A works

1st fix CAT A HVAC to offices (MHVR ventilation and VRF AC)

2nd fix CAT A HVA to offices (MHVR ventilation and VRF AC)

HVAC infrastructure to ground floor (for extension to CAT b by others)

(a) Heat recovery AHU designed suitable for cat b extension by others

(b) DX Heat Pump Systems

(c) BMS Control Systems [typical cost]

(d) Run around coil heat recovery system

(e) FAMU/Exhaust Ductwork & Attenuators etc [estimate at this stage]

Suspended Ceiling to 1st & 2nd Floor – Mineral fibre

Suspended Ceiling to Ground Floor - Vinyl satin spar

Fire Alarm System to 1st & 2nd Floor

Fire Alarm System to Ground Floor

Toilets for 1st & 2nd Floor

Toilets for Ground Floor

Extract Systems to 1st & 2nd Floor Toilets

Extract Systems to Ground Floor Toilets

Mechanical & Electrical Infrastructure to Ground Floor inc breaktank

CAT A Electrics to 1st & 2nd Floor

Water and drainage pipework to toilets and kitchenette

Kitchenette to 1st Floor

Door Access Main Doors to each floor

CAT A LED Lighting to 1st & 2nd Floor

CAT A LED Lighting to Ground Floor

LTHW/DHWS calorifier and primary pumps (all floors)

Appendix 4
Rent Review Specification

NOTIONAL SPECIFICATION FOR RENT REVIEW

Mezzanine Installation

Mezzanines on 1st and 2nd Floor to the following specification:

Mezzanine point load of 6.0 tonnes based on a 3.6m x 3.6m grid (or equivalent area), lightweight floor construction including selfweight per floor of 1.0 kN/m² and a superimposed load of 2.5 kN/m² for office + 1.0 kN/m² for lightweight partitions, with baseplates suitably sized. The mezzanine design and stability shall be in accordance with the requirements of BRE digest 437. Point loads shall be at least 300mm from any floor joint

Fire Stopping to 1st & 2nd Floor Mezzanine
2nd Floor External Windows
Solar film to external windows
Wall lining all perimeter walls (full building height)
Installation of stairs to the mezzanine floors
Installation of lift

Cat A works

1st fix CAT A HVAC to offices (MHVR ventilation and VRF AC)
2nd fix CAT A HVA to offices (MHVR ventilation and VRF AC)
HVAC infrastructure to ground floor (for extension to CAT b by others)
(a) Heat recovery AHU designed suitable for cat b extension by others
(b) DX Heat Pump Systems
(c) BMS Control Systems [typical cost]
(d) Run around coil heat recovery system
(e) FAMU/Exhaust Ductwork & Attenuators etc [estimate at this stage]
Suspended Ceiling to 1st & 2nd Floor - Mineral fibre
Suspended Ceiling to Ground Floor - Vinyl satin spar
Fire Alarm System to 1st & 2nd Floor
Fire Alarm System to Ground Floor
Toilets for 1st & 2nd Floor
Toilets for Ground Floor
Extract Systems to 1st & 2nd Floor Toilets
Extract Systems to Ground Floor Toilets
Mechanical & Electrical Infrastructure to Ground Floor inc breaktank
CAT A Electrics to 1st & 2nd Floor
Water and drainage pipework to toilets and kitchenette
Kitchenette to 1st Floor
Door Access Main Doors to each floor
CAT A LED Lighting to 1st & 2nd Floor
CAT A LED Lighting to Ground Floor
LTHW/DHWS calorifier and primary pumps (all floors)

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, William Enright, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vaccitech plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313);
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2021

By: _____ /s/ William Enright
William Enright
Chief Executive Officer

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Georgy Egorov, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vaccitech plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313);
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Date: November 12, 2021

By: _____ /s/ Georgy Egorov

Georgy Egorov
Chief Financial Officer
