|  |
| --- |
| Dated |
|  |
| [LANDLORD]  and  [TENANT]  and  [TENANT’S GUARANTOR]  and  [UNDERTENANT]  and  [UNDERTENANT’S GUARANTOR] |
|  |
| **LICENCE FOR EXTERNAL [AND INTERNAL] ALTERATIONS IN UNDERLEASE**  Relating to premises known as [DESCRIPTION] |
|  |
|  |

[NOTE: FOR USE ONLY WHERE THE ALTERATIONS ARE BEING CARRIED OUT OUTSIDE THE UNDERLET PREMISES ON PART OF THE LANDLORD’S PREMISES NOT LET TO THE TENANT (WITH OR WITHOUT INTERNAL ALTERATIONS TO THE UNDERLET PREMISES)]

**CONTENTS**

**Clause Page**

[1. Definitions 1](#_Toc6301402)

[2. Interpretation 4](#_Toc6301403)

[3. Licence for alterations 5](#_Toc6301404)

[4. Additional Rights 5](#_Toc6301405)

[5. Obligations before beginning the Works 8](#_Toc6301406)

[6. Obligations when carrying out the Works 8](#_Toc6301407)

[7. Obligations on completion of the Works 9](#_Toc6301408)

[8. CDM Regulations 10](#_Toc6301409)

[9. Energy Performance Certificates 10](#_Toc6301410)

[10. Reinstatement 10](#_Toc6301411)

[11. Costs 11](#_Toc6301412)

[12. Remedying breaches 11](#_Toc6301413)

[13. Exclusion of warranties 11](#_Toc6301414)

[14. Agreements 11](#_Toc6301415)

[15. Tenant’s obligations 12](#_Toc6301416)

[16. [Tenant’s Guarantor's obligations 12](#_Toc6301417)

[17. [Undertenant’s Guarantor’s obligations 13](#_Toc6301418)

[18. [Land Registry 13](#_Toc6301419)

[19. Notices 13](#_Toc6301420)

[20. Jurisdiction 13](#_Toc6301421)

[21. Legal effect 14](#_Toc6301422)

[Schedule 1 15](#_Toc6301423)

[The Works 15](#_Toc6301424)

**LICENCE FOR EXTERNAL [AND INTERNAL] ALTERATIONS**

**DATED**

**PARTIES**

1. [LANDLORD] (incorporated and registered in [England and Wales] [the United Kingdom] [COUNTRY] under company registration number [COMPANY NUMBER]), the registered office of which is at [ADDRESS] (the “Landlord”);

2. [TENANT] (incorporated and registered in [England and Wales] [the United Kingdom] [COUNTRY] under company registration number [COMPANY NUMBER]), the registered office of which is at [ADDRESS] (the “Tenant”); [and]

3. [[TENANT’S GUARANTOR] (incorporated and registered in [England and Wales] [the United Kingdom] [COUNTRY] under company registration number [COMPANY NUMBER]), the registered office of which is at [ADDRESS] (the “Tenant’s Guarantor”); [and]]

4. [UNDERTENANT] (incorporated and registered in [England and Wales] [the United Kingdom] [COUNTRY] under company registration number [COMPANY NUMBER]), the registered office of which is at [ADDRESS] (the “Undertenant”); [and]

5. [[UNDERTENANT’S GUARANTOR] (incorporated and registered in [England and Wales] [the United Kingdom] [COUNTRY] under company registration number [COMPANY NUMBER]), the registered office of which is at [ADDRESS] (the “Undertenant’s Guarantor”)].

**BACKGROUND**

(A) This Licence relates to the Underlet Premises and is supplemental to the Lease and the Underlease.

(B) The Landlord [remains/is now] the landlord under the Lease, the Tenant [remains/is now] the tenant under the Lease and the Undertenant [remains/is now] the tenant under the Underlease.

(C) The Landlord and the Tenant have agreed to permit the Undertenant to carry out alterations outside [and to] the Underlet Premises on the terms of this Licence.[[1]](#footnote-1)

(D) The Landlord has agreed to grant the Tenant and the Tenant has agreed to grant the Undertenant additional rights on the terms of this Licence.

**IT IS AGREED AS FOLLOWS**

1. Definitions

This Licence uses the following definitions:

**“Additional Rights”**

the rights granted to the Tenant and the Undertenant in **clause 4**;

**“CDM Regulations”**

the Construction (Design and Management) Regulations 2015;

**“Consents”**

all necessary permissions, licences and approvals for the Works under the Planning Acts, the building and fire regulations, and any other statute, bye law or regulation of any competent authority and under any covenants or provisions affecting the Landlord’s Premises [or, the extent that the Works are to the Underlet Premises, the Underlet Premises] and as otherwise required from owners, tenants or occupiers of any adjoining or neighbouring property;

**“EPC”**

an energy performance certificate and recommendation report as defined in the Energy Performance of Buildings (England and Wales) Regulations 2012;

**“Equipment”**

the plant, equipment, machinery and any other fixtures that the Undertenant will install as part of the Works;

**“Equipment Area”**

that part of the Landlord’s Premises shown edged [COLOUR] on Plan [NUMBER] [or such other area specified by the Landlord under **clause 4.6**];

**“Insured Risks”**

the Insured Risks defined in the Lease;

**“Landlord’s Premises”**

the Landlord’s [building][centre][estate] known as [ADDRESS];

**[“Landlord’s Title”**

the Landlord’s title to the Landlord’s Premises registered at the Land Registry under title number(s) [TITLE NUMBERS];][[2]](#footnote-2)

**“Lease”**

a lease dated [DATE] between (1) [the Landlord] and (2) [the Tenant] [and (3) [the Guarantor]] and any document supplemental to it;

**[“Licence Fee”**

£[AMOUNT IN FIGURES] per annum [subject to increase in accordance with **clause 4**];][[3]](#footnote-3)

**“Planning Acts”**

every act of Parliament and any delegated law made under them for the time being in force relating to the use, development, design, control and occupation of land and buildings;

**“Plans”**

the plans, drawings, specifications or other documents setting out details of the Works attached to this Licence;

**“Premises”**

the property let by the Lease known as [ADDRESS];

**“Prohibited Materials”**

any products or materials that:

1. do not conform to relevant standards or codes of practice; or
2. are generally known within the construction industry at the time of specification to be deleterious to health and safety or the durability of buildings or structures in the particular circumstances in which they are specified for use;

**“Tenant’s Obligations”**

the obligations in the Lease that the tenant must comply with;

**[“Tenant’s Title”**

the Tenant’s title to the Premises registered at the Land Registry under title number(s) [TITLE NUMBERS];][[4]](#footnote-4)

**“Term of the lease”**

the term of the Lease [including where applicable any continuation of that period under the Landlord and Tenant Act 1954[[5]](#footnote-5)];

**“Term of the Underlease”**

the term of the Underlease [including where applicable any continuation of that period under the Landlord and Tenant Act 1954[[6]](#footnote-6)];

**“Underlease”**

an underlease dated [DATE] between (1) [the Tenant] and (2) [the Undertenant] [and (3) [NAME OF ORIGINAL GUARANTOR]] and any document supplemental to it;

**“Underlet Premises”**

the property let by the Underlease known as [ADDRESS];

**“Undertenant’s Obligations”**

the obligations in the Underlease that the tenant must comply with; [and]

**[“Undertenant’s Title”**

the Undertenant’s title to the Underlet Premises registered at the Land Registry under title number(s) [TITLE NUMBERS]; and][[7]](#footnote-7)

**“Works”**

the works outside [and to] the Underlet Premises to be carried out by the Undertenant briefly described in Schedule 1.

1. Interpretation
   1. All headings in this Licence are for ease of reference only and will not affect its construction or interpretation.
   2. In this Licence, “includes”, “including” and similar words are used without limitation or qualification to the subject matter of the relevant provision.
   3. In this Licence:
      1. “notice” means any notice, notification or request given or made under it; and
      2. a notice must be given or made in writing.
   4. References in this Licence to:
      1. the parties include references to their respective successors in title;
      2. an Act are to that Act as amended from time to time and to any Act that replaces it;
      3. the singular include the plural and vice versa, and one gender includes any other;
      4. clauses and Schedules are to the clauses of and Schedules to this Licence and references to paragraphs are to the paragraphs of the Schedule in which the references are made;
      5. the Landlord having a right of approval or consent mean a prior written approval or consent, which will not be unreasonably withheld or delayed except where this Licence specifies that the Landlord has absolute discretion;
      6. any sums being payable on demand or when demanded mean being payable when demanded in writing; and
      7. the provision of plans, drawings, specifications or other documents means their provision in hard copy or electronically in PDF format or in any other easily readable format as may be appropriate in the context of the purpose for which they are provided and the nature of the information that they contain, but not in a format that is proprietary to a particular computer system or program that cannot be imported into or easily read by another computer system or program.[[8]](#footnote-8)
   5. Obligations in this Licence:
      1. owed by or to more than one person are owed by or to them jointly and severally;
      2. to do something include an obligation not to waive any obligation of another person to do it; and
      3. not to do something include an obligation not to permit or allow another person to do it.
   6. Where the Tenant is obliged to pay any costs that the Landlord incurs (or any proportion of them) under this Licence, those costs must be reasonable and proper and reasonably and properly incurred.
   7. Where the Undertenant is obliged to pay any costs that the Landlord or the Tenant incur (or any proportion of them) under this Licence, those costs must be reasonable and proper and reasonably and properly incurred.
   8. If any provision or part of any provision of this Licence is held to be illegal, invalid or unenforceable, that provision or part will apply with such modification as may be necessary to make it legal, valid and enforceable. If modification is not possible, that provision or part will be deemed to be deleted. The legality, validity or enforceability of the remainder of this Licence will not be affected.
2. Licence for alterations
   1. The Landlord and the Tenant permit the Undertenant to carry out the Works on the terms of this Licence.
3. Additional Rights
   1. [In consideration of the sum of £[AMOUNT], together with Value Added Tax of [AMOUNT], which the Landlord has received, and] **OR** [In consideration of the Licence Fee and] **OR** [In consideration of] the Tenant’s obligations in this Licence and subject to the provisions of this **clause 4**, the Landlord grants the Additional Rights to the Tenant for the benefit of the Premises.[[9]](#footnote-9)
   2. [In consideration of the sum of £[AMOUNT], together with Value Added Tax of [AMOUNT], which the Tenant has received, and] **OR** [In consideration of the Licence Fee and] **OR** [In consideration of] the Undertenant’s obligations in this Licence and subject to the provisions of this **clause 4**, the Tenant, with the consent of the Landlord, grants the Additional Rights to the Undertenant for the benefit of the Underlet Premises.[[10]](#footnote-10)
   3. The Additional Rights are:
      1. the right to install the Equipment on the Equipment Area;
      2. the right to install [pipes, cables and other conduits][[11]](#footnote-11) linking the Equipment to the Underlet Premises along the route shown coloured [COLOUR] on Plan [NUMBER];
      3. the right of access on foot only between the Underlet Premises and the Equipment Area over those parts of the Landlord’s Premises that the Landlord from time to time designates for this purpose and over those parts of the Premises that the Tenant from time to time designates; and
      4. the right to enter and remain on the Equipment Area to carry out the Works [to the extent that they are outside the Underlet Premises] and to repair, maintain, renew and reinstate the Equipment.
   4. The rights in **clause 4.3.3** are granted in common with the Landlord, the Tenant and the other tenants and occupiers of the Landlord’s Premises.
   5. The Undertenant must keep the Equipment properly maintained and in good working order in accordance with good industry practice and any requirements of the Landlord’s insurers and, where beyond economic repair, replace it with items of equivalent or better quality.
   6. The Undertenant must relocate any Equipment when requested to do so on not less than one month's notice by the Landlord and:
      1. if permanent relocation of the Equipment is required by the Landlord, the Landlord may serve notice under this **clause 4.6** only if the relocation of the Equipment will not have a material adverse impact on the Undertenant’s business at the Underlet Premises;
      2. if the Landlord requires temporary relocation of the Equipment, the Landlord must keep the period of relocation as short as reasonably practicable in the circumstances; and
      3. the Landlord will be responsible for the Undertenant’s costs and expenses in complying with the Landlord’s request to relocate the Equipment unless its relocation is required only temporarily to enable the Landlord to carry out any of the services to be provided under the Lease, in which case the costs will be included in the service charge payable under the Lease and, to the extent applicable, under the Underlease.
   7. The Undertenant must ensure that the presence and operation of the Equipment and the exercise of the Additional Rights do not:
      1. breach the covenant for quiet enjoyment given by the Landlord to the other tenants or occupiers of the Landlord’s Premises;
      2. breach the covenant for quiet enjoyment given by the Tenant to the other tenants or occupiers of the Premises;
      3. create undue noise levels;
      4. interfere with any plant, equipment, machinery or fixtures of the Landlord, the Tenant or any other tenants or occupiers of the Landlord’s Premises or the Premises;
      5. create a legal nuisance; or
      6. breach any health and safety legislation.
   8. [The Additional Rights granted by **clause 4.1** are granted to the Tenant and the Tenant’s successors in title to the Lease.] **OR** [Subject to **clause 4.2**, the Additional Rights granted by **clause 4.1** are personal to the Tenant and may not be assigned, underlet or held on trust for any other persons.]
   9. [The Additional Rights granted by **clause 4.2** are granted to the Undertenant and the Undertenant’s successors in title to the Underlease.] **OR** [The Additional Rights granted by **clause 4.2** are personal to the Undertenant and may not be assigned, underlet or held on trust for any other persons.]
   10. [The Additional Rights will end on the earliest of:
       1. the end of the Term of the Lease;
       2. the end of the Term of the Underlease;
       3. the date of any deed of assignment or transfer of the Underlease;
       4. [the date the Landlord serves notice under **clause 4.11**;]
       5. the date of any underletting of the whole or substantially the whole of the Underlet Premises; and
       6. the date on which the Undertenant no longer occupies the Underlet Premises for its own use.]
   11. [If there is a material breach of this **clause 4**, the Landlord may end the Additional Rights immediately by serving notice on the Tenant and the Undertenant. If the Landlord does so, the Undertenant must remove the Equipment and reinstate the Works [to the extent that they are outside the Underlet Premises] at its own cost. If the Undertenant does not do so, the Landlord may carry out those works itself and the costs incurred by the Landlord will be a debt due from the Undertenant to be paid to the Landlord on demand.]
   12. [From the date of this Licence, the Tenant must pay the Licence Fee together with any VAT payable on it to the Landlord by equal [month][quarterly] payments in advance on the same dates as the yearly rent is paid under the Lease. The first payment for the period starting on the date of this Licence to but excluding the next date for payment of the yearly rent under the Lease must be paid on the date of this Licence.]
   13. [On the date of this Licence, the yearly rent reserved by Lease will be increased to £[AMOUNT IN FIGURES] per annum [subject to review in accordance with the Lease]. A due proportion of the increased yearly rent for the period starting on the date of this Licence to but excluding the next date for payment of the yearly rent under the Lease must be paid on the date of this Licence.]
   14. [From the date of this Licence, the Undertenant must pay the Licence Fee together with any VAT payable on it to the Tenant by equal [month][quarterly] payments in advance on the same dates as the yearly rent is paid under the Underlease. The first payment for the period starting on the date of this Licence to but excluding the next date for payment of the yearly rent under the Underlease must be paid on the date of this Licence.]
   15. [On the date of this Licence, the yearly rent reserved by Underlease will be increased to £[AMOUNT IN FIGURES] per annum [subject to review in accordance with the Underlease]. A due proportion of the increased yearly rent for the period starting on the date of this Licence to but excluding the next date for payment of the yearly rent under the Underlease must be paid on the date of this Licence.]
   16. [On any rent review due under the Lease the benefit of the Additional Rights will be taken into account when calculating the revised yearly rent payable under the Lease][[12]](#footnote-12) **OR** [On any rent review date under the Lease:
       1. the Licence Fee and the benefit of the Additional Rights will be disregarded when calculating the revised yearly rent payable under the Lease;
       2. the Licence Fee will be increased by the same percentage as the percentage increase in the yearly rent payable under the Lease on that rent review date; and
       3. any increase in the Licence Fee must be paid at the same time and in the same manner as any increase in the yearly rent under the Lease.][[13]](#footnote-13)
   17. [On any rent review due under the Underlease the benefit of the Additional Rights will be taken into account when calculating the revised yearly rent payable under the Underlease][[14]](#footnote-14) **OR** [On any rent review date under the Lease:
       1. the Licence Fee and the benefit of the Additional Rights will be disregarded when calculating the revised yearly rent payable under the Underlease;
       2. the Licence Fee will be increased by the same percentage as the percentage increase in the yearly rent payable under the Underlease on that rent review date; and
       3. any increase in the Licence Fee must be paid at the same time and in the same manner as any increase in the yearly rent under the Underlease.][[15]](#footnote-15)
4. Obligations before beginning the Works
   1. Before starting the Works the Undertenant must:
      1. obtain and provide the Landlord and the Tenant with copies of any Consents that are required before they are begun and, where required by the terms of the Underlease, obtain their approval to them;
      2. fulfil any conditions in the Consents required to be fulfilled before they are begun;
      3. assume liability for and pay any community infrastructure levy payable in respect of the Works pursuant to section 206 Planning Act 2008;
      4. notify the Landlord and the Tenant of the date on which the Undertenant intends to start the Works; and
      5. provide the Landlord with any information relating to the Works as may be required by its insurers and pay any additional insurance premium payable due to the carrying out of the Works.
   2. If any variations to the Plans are required in order to obtain any of the Consents, the Undertenant must obtain the approval of the Landlord and the Tenant to those variations.
   3. The Undertenant must ensure that it or its building contractor has put in place public liability and employer’s liability insurance of at least £[5] million in respect of each claim and provide the Landlord and the Tenant with a summary of the main terms of the insurance policies and evidence that the premiums have been paid before starting the Works.
5. Obligations when carrying out the Works
   1. If it starts the Works, the Undertenant must carry out and complete them:
      1. diligently and without interruption, and in any event within [six] months after the date of this Licence;
      2. in accordance with the Plans;
      3. in a good and workmanlike manner and with good quality materials;
      4. [in accordance with the reasonable principles, standards and guidelines set out in any relevant guide or handbook published by the Landlord at the date of this Licence for tenant’s works carried out at the Landlord’s Premises;]
      5. without using Prohibited Materials;
      6. [[during][outside] the hours of [TIME] to [TIME];[[16]](#footnote-16)]
      7. in compliance with the Consents and all Acts of Parliament (and any delegated legislation made under them) and with the requirements of the insurers of the Landlord’s Premises and (where applicable) of any competent authority or utility provider;
      8. without affecting the structural integrity of the Underlet Premises, the Premises or the Landlord’s Premises; and
      9. with as little interference as reasonably practicable to the owners, tenants or occupiers of any adjoining or neighbouring property.
   2. The Undertenant must make good immediately any physical damage caused by the carrying out of the Works or the exercise of the Additional Rights.
   3. The Undertenant must permit the Landlord and the Tenant to inspect the progress of the Works at all reasonable times subject, where applicable, to them complying with any conditions relating to entry onto the Premises contained in the Underlease.
   4. All plant, equipment and materials used in connection with the Works must be stored securely.
   5. Until practical completion of the Works, the Undertenant must:
      1. insure the Works and any plant, equipment and loose materials for their full reinstatement cost (including professional fees) against loss or damage by the Insured Risks with reputable insurers and provide the Landlord and the Tenant with a summary of the main terms of the insurance policy and evidence that the premium has been paid; and
      2. reinstate any of the Works that are damaged or destroyed before their completion.
6. Obligations on completion of the Works
   1. As soon as reasonably practicable following completion of the Works the Undertenant must:
      1. notify the Landlord and the Tenant of their completion;
      2. obtain any Consents that are required on their completion;
      3. remove all debris and equipment used in carrying out the Works;
      4. notify the Landlord of the cost of the Works;
      5. permit the Landlord and the Tenant to inspect the completed Works at a reasonable time subject, where applicable, to them complying with any conditions relating to entry onto the Premises contained in the Underlease.;
      6. [provide to the Landlord and the Tenant executed deeds of warranty from [any person involved in the design and construction of the Works] in the form of the attached deeds of warranty;[[17]](#footnote-17)]
      7. supply the Landlord and the Tenant with two complete sets of as-built Plans showing the Works; and
      8. ensure that the Landlord is able to use and reproduce the Plans for any lawful purpose in relation to the Landlord’s Premises; and
      9. ensure that the Tenant is able to use and reproduce the Plans for any lawful purpose in relation to the Premises.
   2. The Undertenant must pay to the Tenant as rent under the Underlease any increased insurance premium payable resulting from the carrying out and retention of the Works on the Landlord’s Premises.
   3. The Undertenant must label all Equipment installed outside the Underlet Premises as part of the Works in the manner requested by the Landlord or the Tenant and must not place any other signs or advertisements on the Equipment other than signs that are legally required to be displayed on the Equipment.
7. CDM Regulations
   1. If the CDM Regulations apply to the Works, the Undertenant must:
      1. comply with them and ensure that any person involved in the management, design and construction of the Works complies with their respective obligations under the CDM Regulations;
      2. if the Landlord or the Tenant would be treated as a client for the purposes of the CDM Regulations, agree to be treated as the only client in respect of the Works; and
      3. on completion of the Works provide the Landlord and the Tenant with a copy of any health and safety file relating to the Works and deliver the original file to the Tenant at the end of the term of the Underlease.
   2. The Tenant must deliver the original health and safety file referred to in clause 8.1.3 to the Landlord at the end of the term of the Lease.
8. Energy Performance Certificates
   1. If the Works invalidate or materially adversely affect an existing EPC or require the commissioning of an EPC, the Undertenant must (at the Landlord’s option):
      1. obtain an EPC from an assessor approved by the Landlord and give the Landlord and the Tenant written details of the unique reference number for that EPC; or
      2. pay the Landlord’s costs of obtaining an EPC.
9. Reinstatement
   1. The reinstatement provisions in the Underlease will apply to reinstatement of the Works.[[18]](#footnote-18)
10. Costs
    1. The Undertenant agrees with the Landlord and separately with the Tenant that it will pay within [ten] working days of demand all costs and expenses, and any value added tax on them that cannot otherwise be recovered, incurred by the Landlord, the Tenant [and any superior landlord and mortgagee] in connection with:
       1. the preparation, negotiation and completion of this Licence;
       2. the approval of the Plans, any variations to the Plans and the approval of the Consents or any other approvals or permissions given under this Licence;
       3. the monitoring and inspection of the Works; and
       4. the service of any notice, exercising of any rights and carrying out of any works under **clause 12**.
11. Remedying breaches
    1. If the Landlord or the Tenant require the Undertenant to remedy any breach of the Undertenant’s obligations under this Licence then the Undertenant must comply with those requirements immediately in the case of an emergency or, in all other cases, begin to comply with those requirements within one month after being notified of them and diligently complete any works required.
    2. If the Undertenant does not comply with **clause 12.1**, either the Landlord or the Tenant may carry out any works required itself and, to the extent necessary, enter onto the Underlet Premises to do so. The Undertenant must repay, as a debt on demand, all the costs the Landlord or the Tenant incurs in so doing. The Landlord’s rights under the Lease and the Tenants rights under the Underlease will be unaffected.
12. Exclusion of warranties
    1. The Landlord and the Tenant give no express or implied warranty (and the Undertenant acknowledges that the Undertenant must satisfy itself):
       1. as to the suitability, safety, adequacy or quality of the design or method of construction of the Works;
       2. that the Works may lawfully be carried out;
       3. that the structure or fabric of the Landlord’s Premises [and, to the extent that the Works are to be carried out to the Underlet Premises, the Underlet Premises] [is][are] able to accommodate the Works; and
       4. that any of the services supplying the Landlord’s Premises [and, to the extent that the Works are to be carried out to the Underlet Premises, the Underlet Premises] will either have sufficient capacity for or otherwise not be adversely affected by the Works.
13. Agreements
    1. Nothing in this Licence will:
       1. be deemed to authorise any action other than expressly authorised in **clause 3**;
       2. release or reduce any liability to the Landlord or the Tenant of the Undertenant or any guarantor or other party to the Underlease;
       3. waive or be deemed to waive any breach of the Tenant's Obligations that may have occurred before the date of this Licence; or
       4. waive or be deemed to waive any breach of the Undertenant's Obligations that may have occurred before the date of this Licence.
    2. The conditions for re-entry contained in the Underlease will be exercisable on any breach by the Undertenant of any provision in this Licence in the same way as if it were a provision contained in the Underlease.
    3. The conditions for re-entry contained in the Lease will be exercisable on any breach by the Tenant of any provision in this Licence in the same way as if it were a provision contained in the Lease.
    4. All sums payable by the Undertenant under this Licence will be recoverable as rent in arrear in accordance with the Underlease.
    5. The Tenant’s Obligations will extend to the Works outside the Premises as they apply to the Premises [and will apply to the Premises as altered by the Works within the Premises as they now apply to the Premises as let by the Lease].
    6. The Undertenant’s Obligations will extend to the Works outside the Underlet Premises as they apply to the Underlet Premises [and will apply to the Underlet Premises as altered by the Works within the Underlet Premises as they now apply to the Underlet Premises as let by the Underlease].
    7. The Undertenant acknowledges that:
       1. it has not served any notice under the Landlord and Tenant Act 1927 that would make the Works improvements for the purposes of that Act;
       2. neither this Licence nor any correspondence relating to the Works constitutes a notice for the purposes of that Act;
       3. the Works are being carried out by the Undertenant to suit its own requirements; and
       4. as a result, the Undertenant is not entitled to compensation in respect of the Works whether under the Landlord and Tenant Act 1927 or otherwise.
    8. Nothing in this Licence creates any rights benefiting any person under the Contracts (Rights of Third Parties) Act 1999.
14. Tenant’s obligations
    1. The Tenant must, at the request of the Landlord but at the cost of the Tenant, enforce the Undertenant’s obligations under this Licence.
    2. The Tenant must pay to the Landlord as rent under the Lease any increased insurance premium payable resulting from the carrying out and retention of the Works on the Landlord’s Premises.
15. [Tenant’s Guarantor's obligations
    1. The Tenant’s Guarantor agrees with the Landlord that:
       1. the guarantee given by it to the [Landlord][NAME] in clause [NUMBER] of the [Lease][Licence to Assign the Lease dated [DATE] made between [PARTIES]] is not released or varied by this Licence; and
       2. that guarantee extends to and will be exercisable by the Landlord on any breach by the Tenant of the terms of this Licence as well as on the breach of any of the Tenant’s Obligations.]
16. [Undertenant’s Guarantor’s obligations
    1. The Undertenant’s Guarantor agrees with the Landlord that:
       1. the guarantee given by it to the [Landlord][NAME] in clause [NUMBER] of the [Licence to Underlet][Licence to Assign the Underlease dated [DATE] made between [PARTIES]] is not released or varied by this Licence; and
       2. that guarantee extends to and will be exercisable by the Landlord on any breach by the Undertenant of the terms of this Licence as well as on the breach of any of the Undertenant’s Obligations.
    2. The Undertenant’s Guarantor agrees with the Tenant that:
       1. the guarantee given by it to the [Tenant][NAME] in clause [NUMBER] of the [Underlease][Licence to Assign the Underlease dated [DATE] made between [PARTIES]] is not released or varied by this Licence; and
       2. that guarantee extends to and will be exercisable by the Tenant on any breach by the Undertenant of the terms of this Licence as well as on the breach of any of the Undertenant’s Obligations.]
17. [Land Registry[[19]](#footnote-19)
    1. As soon as reasonably practicable after the date of this Licence, the Tenant must apply to the Land Registry to note this Licence and to register the Additional Rights against the Tenant’s Title and the Landlord’s Title. **OR** As soon as reasonably practicable after the date of this Licence, the Tenant must apply to the Land Registry to note this Licence and to register the burden of the Additional Rights against the Landlord’s Title.
    2. As soon as reasonably practicable after the date of this Licence, the Undertenant must apply to the Land Registry to note this Licence and to register the Additional Rights against the Tenant’s Title and the Undertenant’s Title. **OR** As soon as reasonably practicable after the date of this Licence, the Undertenant must apply to the Land Registry to note this Licence and to register the burden of the Additional Rights against the Tenant’s Title.]
18. Notices
    1. Any notices to be served under this Licence will be validly served if served in accordance with [section 196 Law of Property Act 1925][the notice provisions in the Lease].
19. Jurisdiction
    1. This Licence and any non-contractual obligations arising out of or in connection with it will be governed by the law of England and Wales.
    2. Subject to **clause 20.3**, the courts of England and Wales have exclusive jurisdiction to decide any dispute arising out of or in connection with this Licence, including in relation to any non-contractual obligations.
    3. Any party may seek to enforce an order of the courts of England and Wales arising out of or in connection with this Licence, including in relation to any non-contractual obligations, in any court of competent jurisdiction.
20. Legal effect
    1. This Licence takes effect and binds the parties with effect from the date set out at the beginning of this Licence.

The Works

*Set out details of the alterations to be carried out by the Tenant.*

*Examples include:*

*The works described by the Plans briefly comprising the installation of air-conditioning plant on the [roof][external wall] of the Landlord’s Premises in the position shown [DESCRIPTION] on plan [NUMBER] and all pipes, cables and other conduits necessary to connect the air-conditioning plant to the Premises.*

*The works described by the Plans briefly comprising the installation of a satellite dish on the [roof][external wall] of the Landlord’s Premises for [receiving only][receiving and transmitting] telecommunications signals in the position shown [DESCRIPTION] on plan [NUMBER] and all cables necessary to connect the satellite dish to the Premises.*

*The works described by the Plans briefly comprising the installation of corporate [signage][flag poles] outside the Premises in the position shown [DESCRIPTION] on plan [NUMBER].*

Executed as a deed by the Landlord acting by )

**[**a director and its secretary**]** or by **[**two directors**]**: )

Signature of Director

Signature of Director/Secretary

Executed as a deed by the Tenant acting by )

**[**a director and its secretary**]** or by **[**two directors**]**: )

Signature of Director

Signature of Director/Secretary

**[**Executed as a deed by the Guarantor acting by )

[a director and its secretary**]** or by **[**two directors**]**: )

Signature of Director

Signature of Director/Secretary

1. Where the Landlord has covenanted with other tenants of the property to enforce the Tenant’s covenants in the Lease, remember to consider whether granting the Tenant permission to make alterations that are prohibited under the Lease would put the Landlord in breach of its covenants given to the other tenants – see *Duval v 11-13 Randolph Crescent Limited* [2020] UKSC 18. [↑](#footnote-ref-1)
2. Where additional rights are granted to the Tenant or other variations to the terms of the Lease are included and this Licence is not personal to the Tenant named in this Licence, the Licence should be registered at the Land Registry against the Landlord’s title and the Tenant’s title as it will vary the terms of the Lease. [↑](#footnote-ref-2)
3. For use where either the Landlord or the Tenant will charge a licence fee to the Undertenant for the grant of the new rights and it is not appropriate to increase the rent payable under the Lease and the Underlease as the rights are personal to the Undertenant named in the Licence or the Landlord or the Tenant has the right to end the use of the new rights. [↑](#footnote-ref-3)
4. Where additional rights are granted to the Tenant or other variations to the terms of the Lease are included and this Licence is not personal to the Landlord and the Tenant named in this Licence, the Licence should be registered at the Land Registry against the Landlord’s title and the Tenant’s title as it will vary the terms of the Lease. Similarly, where additional rights are granted to the Undertenant or other variations to the terms of the Underlease are included and this Licence is not personal to the Tenant and the Undertenant named in this Licence, the Licence should be registered at the Land Registry against the Tenant’s title and the Undertenant’s title as it will vary the terms of the Underlease. [↑](#footnote-ref-4)
5. Delete the wording in square brackets if the Lease is contracted out of the Landlord and Tenant Act 1954. [↑](#footnote-ref-5)
6. Delete the wording in square brackets if the Underlease is contracted out of the Landlord and Tenant Act 1954. [↑](#footnote-ref-6)
7. Where additional rights are granted to the Undertenant or other variations to the terms of the Underlease are included and this Licence is not personal to the Tenant and Undertenant named in this Licence, the Licence should be registered at the Land Registry against the Tenant’s title and the Undertenant’s title as it will vary the terms of the Lease. [↑](#footnote-ref-7)
8. Where plans and specifications are provided to the Landlord and the Tenant, you should ensure that they have the right to use those plans and specifications – see clauses **7.1.8** and **7.1.9**. [↑](#footnote-ref-8)
9. If the Lease already permits the Tenant to carry out external works with consent, then the Landlord will not be able to charge a premium or licence fee for consenting to the Works and the grant of the Additional Rights. [↑](#footnote-ref-9)
10. If the Underlease already permits the Undertenant to carry out external works with consent, then the Tenant will not be able to charge a premium or licence fee for consenting to the Works and the grant of the Additional Rights. [↑](#footnote-ref-10)
11. If the Lease and the Underlease already have a definition such as “Conducting Media” or “Conduits”, use the definition in preference to this wording. [↑](#footnote-ref-11)
12. Use this option where the Tenant pays a one-off sum for the grant of the Additional Rights or the yearly rent is increased on the grant of this Licence to take the Additional Rights into account. If the Works themselves are to be taken into account on rent review, you will need specifically to say so. [↑](#footnote-ref-12)
13. Use this option where Tenant pays an annual licence fee for the grant of the Additional Rights. . If the Works themselves are to be taken into account on rent review, you will need specifically to say so. [↑](#footnote-ref-13)
14. Use this option where the Tenant pays a one-off sum for the grant of the Additional Rights or the yearly rent is increased on the grant of this Licence to take the Additional Rights into account. If the Works themselves are to be taken into account on rent review, you will need specifically to say so. [↑](#footnote-ref-14)
15. Use this option where Tenant pays an annual licence fee for the grant of the Additional Rights. If the Works themselves are to be taken into account on rent review, you will need specifically to say so. [↑](#footnote-ref-15)
16. Consider whether any restrictions need to be imposed by the Landlord or the Tenant on when the Works can be carried out. It may be appropriate to impose restrictions where the Landlord or the Tenant are concerned that there is no disruption to other users of the Landlord’s property. [↑](#footnote-ref-16)
17. This clause is required only where the Works involve substantial structural elements. [↑](#footnote-ref-17)
18. Take instructions on whether any variation to the reinstatement obligations in the Underlease will be required in relation to the Works. [↑](#footnote-ref-18)
19. If title to the Lease is registered, use the first option. If title to the Lease is unregistered, use the second option. If the rights are personal to the Tenant, you can omit this clause. [↑](#footnote-ref-19)