

Lease Agreement Terms and Conditions

[Edition V1.3 Mar 24]

This Lease Agreement (the "Agreement") is made between the Lessor ("we" "us" "our"), which expression shall include its successors and assignees) and the Lessee named in the Schedule ("you" "your").

1 USE OF SPECIAL WORDS AND PHRASES

- 1.1 To make this Agreement easier to read, certain words and phrases in it have a fixed meaning whenever they are used. Their first letter is in capitals. You will find the meaning of some of them in the Schedule. The others are as follows:-
- "**Associated Company**" means any company which in relation to you is your subsidiary or holding company or a subsidiary of your holding company and "holding company" and "subsidiary" shall have the meanings given to them by section 1159 of the Companies Act 2006;
 - "**Assumptions**" means the assumptions which, if the relevant box in the Schedule has been ticked, have been used by us in calculating the Rentals as set out in condition 4.2.
 - "**Base Rate**" means the base rate of the Bank of England from time to time;
 - "**Business Day**" means a day on which banks are ordinarily open for business in London;
 - "**CAA**" means the Capital Allowances Act 2001;
 - "**CTA**" means the Corporation Tax Act 2010;
 - "**Expenditure**" means the whole expenditure incurred by us on the provision and leasing of the Goods;
 - "**First Accounting Period**" means our accounting period current when we incur the Expenditure;
 - "**Group Company**" means any company to which, under legislation and Inland Revenue practice in force as at the Date of Agreement, we could have surrendered tax losses by way of group or consortium relief;
 - "**Guarantor**" means any person who has guaranteed your obligations under this Agreement;
 - "**Interest Rate**" means 5% over Base Rate;
 - "**Net After Tax Return**" means the rate of return calculated by the actuarial after tax method on funds invested from time to time under this Agreement;
 - "**Relevant Agreement**" means this Agreement or any schedule and any other agreement between us and you and/or any of your Associated Companies (other than those regulated by the Consumer Credit Act).
 - "**Rental**" means each payment provided for in the Schedule;
 - "**Rental Payment Date**" means the date when any Rental is due for payment, as set out in the Schedule;
 - "**Schedule**" means the schedule signed by you and us;
 - "**Termination Payment**" means the total sum calculated in accordance with condition 11.5 in respect of the termination of this Agreement or the hiring of Goods under it at any time;
 - "**Writing Down Allowances**" means the rate of writing down allowances that are available to us in respect of the whole Expenditure at the rate in force on the Date of Agreement as set out in the Schedule.
- "**Sanctions**" means any economic or financial sanctions, trade embargoes or similar measures enacted, administered or enforced by any of the following (or by any agency of any of the following):
- I. the United Nations;
 - II. the United States of America;
 - III. the European Union or any present or future member state thereof; or
 - IV. the United Kingdom.
- "**Sanctioned Person**" means any person who is designated or targeted by Sanctions, or is otherwise a subject of Sanctions (including without limitation as a result of being (a) owned or controlled directly or indirectly by any person which is a designated target of Sanctions, or (b) located in, or organised under the laws of, any country that is subject to general or country-wide Sanctions)."
- 1.2 Please note that references to the Goods shall include all accessories, additions and modifications to the Goods and the keys, manuals, and service records and shall include a separate reference to each item included in that description of the Goods.
- 1.3 All references to statutory provisions in this Agreement shall include references to any amendments or re-enactments of those statutory provisions from time to time in force.

2 AGREEMENT, ACCEPTANCE AND DELIVERY

- 2.1 If you sign the Schedule and we also sign it, we agree to buy the Goods from the Supplier set out in the Supplier's details in the Schedule and hire them to you for the period of time specified in condition 2.2 below unless the Agreement ends early for one of the reasons set out below.
- 2.2 You shall hire the Goods from us from the Date of Agreement until:-
- 2.2.1 the expiry of the Secondary Period, or
 - 2.2.2 the expiry of three months notice in writing given by you to us to expire on or at any time after the expiry of the Primary Period, or
 - 2.2.3 it is terminated in accordance with conditions 2.3 or 2.4 below which ever shall occur first. Any notice given by you under 2.2.2 may not be given prior to the date falling six months before the date of expiry of the Primary Period and shall only be effective if receipt of that notice is acknowledged by us in writing.
- 2.3 If at the end of the Primary Period you have not complied with all of the conditions of this Agreement or you have failed to make any payment under this Agreement then we may notify you that the leasing of the Goods will terminate or will be deemed to have terminated at the end of the Primary Period. We may terminate the Secondary Period by written notice to you at any time if the Goods in our view become unsafe or their use becomes illegal.
- 2.4 If no Secondary Rentals have been specified in the Schedule, then either of us may terminate the hiring by serving three months' notice in writing on the other to expire on or at any time after the expiry of the Primary Period.
- 2.5 This Agreement shall be effective from the date it is signed by you and us but nevertheless your obligation to lease the Goods is conditional on title to such Goods having passed to us.

3 RENTALS

- 3.1 You will (in cleared funds) pay us on or before the Date of Agreement the First Rental (if any) and pay us all the Primary Rentals shown in the Schedule on the Rental Payment Dates by direct debit (unless we agree otherwise in writing). If any payment of Rental is not made by direct debit, the relevant Rental shall (at our discretion) be increased by 2% or £50 (whichever is the lesser) to compensate us for the additional administration.
- 3.2 You will pay us interest at the Interest Rate on all Rentals and on all other sums payable under this Agreement which are not paid on the due date. This interest will be compounded quarterly and calculated on a day to day basis from the date payment was due (or, where interest is due in respect of a sum payable by you to reimburse us for any costs and expenses we have incurred, from the date we incurred such cost or expense) until the date you pay it. This interest will be charged for periods of non-payment both before and after judgment.
- 3.3 You will pay us an amount equal to any losses or other levy charged by any person against us in relation to the Rentals, this Agreement or the Goods, their use, ownership or acquisition and any other charges of a like nature howsoever described or amounts in lieu thereof paid or payable by us (other than taxes in respect of our overall net profits and other than VAT payable by us on our purchase of the Goods unless that VAT is not recoverable).
- 3.4 We may appropriate any payment made by you in or towards satisfaction of any sums due to us under this Agreement notwithstanding that you may have purported to appropriate such payment in some other way and we may also appropriate any such payment in part towards any sums due by you otherwise than under this Agreement.
- 3.5 During the Secondary Period you shall pay the Secondary Rentals specified in the Schedule and the other provisions of this condition 3 regarding payment shall apply to those Secondary Rentals as they apply to the Primary Rentals. If condition 2.4 applies, you shall continue paying Rentals of the same amount at the same times and with the same frequency as were payable during the Primary Period and the other provisions of condition 2 regarding payment shall apply to these continuation Rentals as they apply to the Primary Rentals.
- 3.6 On the termination of the Secondary Period for any reason or the termination of this hiring under condition 2.4, you shall not be entitled to receive any rebate of sums already paid by way of Secondary Rentals or otherwise payable under condition 3.5.
- 3.7 You will pay VAT where due in respect of any Rentals, or other sums payable under this Agreement: VAT invoices will be supplied periodically by us.

3.8 All Rentals and other sums due under this Agreement from you to us shall be made without deduction, set-off, withholding or counterclaim notwithstanding that the Goods (or any part of them) are unusable, out of order or unserviceable. If you are required by law to make any deduction in respect of any payment due under this Agreement, we shall increase the payment due by an amount which, after making the required deduction, leaves us in the position we would have been in had the deduction not been required.

3.9 We shall be entitled to consolidate your or any of your Associated Companies' liabilities to us. When calculating any amount due to us, we may at any time without prior notice hold a suspense account, pay, apply or set-off any amount due by us to you or any of your Associated Companies towards settling any amounts due by you or any of your Associated Companies to us and if such amounts are only prospectively or contingently due or are uncertain in amount, we may make an estimate which will be binding on you unless it is obviously wrong.

4 TAXATION

- 4.1 Where the relevant box in the Schedule has been ticked, the Rentals payable under this Agreement have been calculated on the basis of the Assumptions. If after the Date of Agreement we determine that any of the Assumptions has proved to be incorrect and as a result the Rentals, as previously calculated, payable during the Primary Period (and any sum payable on termination of this Agreement or the hiring hereunder) would produce a Net After Tax Return on the Expenditure which is reduced in comparison with what that Net After Tax Return would have been on that Expenditure if the Assumptions had proved to be correct THEN we shall be entitled to adjust the sums paid and payable under condition 2 by such amount as we shall certify in writing to you to be the amount required to compensate us for such reduction (taking into account any taxation on each sum as adjusted). Any adjustment made under this condition
- 4.1 after the expiry or termination of this Agreement or the hiring hereunder, or when no Primary Rental remains to be paid, shall take the form of a single payment by way of additional Rental, which shall be due by you to us within 14 days of the date we tell you the amount that is due.
- 4.2 The Assumptions are as follows:
- 4.2.1 that the rate of corporation tax fixed for companies in the United Kingdom (ignoring any rate of small or medium-sized companies) for each financial year (as defined in the CTA) throughout this Agreement will be the rate shown in the Schedule;
 - 4.2.2 that corporation tax will be payable on our profits (or the profits of any Group Company) arising in respect of any accounting period on the same date or dates as that tax would be payable or would have been payable under legislation and the practice of HM Revenue and Customs in force as at the Date of Agreement;
 - 4.2.3 that each of our accounting periods and any accounting period of any Group Company during the Primary Period will end on the same day in the year as the immediately previous accounting reference period;
 - 4.2.4 that in respect of the First Accounting Period we will receive and retain in full, without dispute or delay, Writing Down Allowances on the whole of the Expenditure but calculated pro rata according to the proportion which the number of days between the Date of Agreement and the end of the First Accounting Period bears to 365;
 - 4.2.5 that in respect of each subsequent accounting period we will receive and retain in full without dispute or delay Writing Down Allowances on the whole of the Expenditure less any writing down allowances made available to us in any previous accounting period in respect of it at the rate shown in the Schedule;
 - 4.2.6 that any tax losses arising in connection with the provision and leasing of the Goods will either be set off against our taxable profits for the accounting period in which they arise or will be available for surrender to Group Companies by way of group consortium relief in such amounts and at such times as would be permissible under legislation and HM Customs and Revenue practice in force as at the Date of Agreement;
 - 4.2.7 that at no time will any Writing Down Allowances already made available to us in respect of the Expenditure in any accounting period be subject to clawback or withdrawal nor will they be lost and nor will any change arise in respect of any excess relief.
 - 4.2.8 that upon the expiry or termination of this Agreement or of the hiring hereunder we will receive, either as net sale proceeds or as insurance proceeds (in the event of a total loss), in the same accounting period as the expiry or termination occurs, an amount equal to the amount of the Expenditure under deduction of any writing down allowances assumed to be available under these Assumptions (and not subject to clawback or balancing charge or unrelieved);
 - 4.2.9 that we will not be required to bring into account in any accounting period any disposal value in relation to the Goods in excess of any sales proceeds, insurance proceeds or other compensation that we actually receive in respect of the Goods in that same accounting period;
 - 4.2.10 that the provision and leasing of the Goods is the only transaction undertaken by us provided that nothing in this Assumption shall deem a balancing allowance to be received by us at any time;
 - 4.2.11 that if an election is made by us in respect of any of the Goods under section 85 of the CAA then in the accounting period during which the Primary Period comes to an end, a balancing allowance will be made available to us of an amount equal to the Expenditure under deduction of the cumulative Writing Down Allowances claimed prior to that accounting period and of the proceeds (if any) arising on disposal;
 - 4.2.12 that the provisions of Chapter 17 of Part 2 of the CAA will not apply to reduce or deny our entitlement to claim capital allowances nor will the provisions of Part 21 of the CTA be applied to adjust our taxable income in any accounting period from the basis referred to in condition 4.2.6;
 - 4.2.13 that we will be entitled to a tax deduction as a trading expense for corporation tax purposes for interest paid on loans and any payments made in respect of similar financing undertaken by us to fund the Expenditure or any part of it and our continuing investment in the leasing of the Goods;
 - 4.2.14 that all Rentals to be received by us under this Agreement are treated on an accruals basis for tax purposes over the Primary Period and any part of the relevant Secondary Period; and
 - 4.2.15 that there will be no change in the law of the United Kingdom or the practice of any relevant taxation authority, or in the interpretation of any such law, including, but not limited to any change in such law or practice relating to the nature or availability of writing down allowances or the rules relating to the surrender of losses by way of group or consortium relief or the imposition of or a change in duty, levy or other like charge, and including not only a charge of a general nature but also any change in practice affecting how any relevant taxation authority may treat us.
- 4.3 If required by you in writing and at your cost, any adjustments required by us under condition 4.1 may be submitted for certification to our auditor (acting as expert and not as arbiter) whose certificate shall be final and binding on both parties; while the auditor's certificate is awaited, for the avoidance of doubt, you shall continue to pay to us the sums stipulated for in condition 3 of this Agreement as adjusted under condition 4.1 and any under or over-payment shall be accounted for by the appropriate party to the other within seven days of such auditor's certificate being issued.
- 4.4 If we do not own the Goods but instead another company ("the Owner") purchases or has purchased them so that the Goods can be let by that Owner to us and we can in turn let the Goods to you THEN if we so choose, the provisions of conditions 4.1 - 4.3 shall not apply but instead the Rentals shown in the Schedule shall be subject to adjustment in the circumstances in which the rentals payable by us to the Owner in respect of the Goods are subject to increase, and the amount of any such adjustment shall be equal to the amount of the corresponding increase in the rental so payable by us to the Owner.

- 4.5 If required by us, you will enter into a joint election with
- 4.5.1 under Section 177 of the CAA to the effect that the Goods or any part thereof which are, is or may be a fixture shall be treated as belonging to us; and/or
- 4.5.2 under section 227 of the CAA where an election under that section may be made where the Goods have been sold by you to us.
- 4.6 If as a result of any legal or regulatory requirement affecting us or any Group Company or any change in the interpretation of any existing or future such requirement, the cost to us of maintaining our investment in the Goods is increased, then you will compensate us for such increased cost in such manner as we may reasonably require in order to preserve the Net After Tax Return in relation to the acquisition and leasing of the Goods.
- 5 THE GOODS**
You agree:-
- 5.1 that you shall at all times keep the Goods at the location specified in the Schedule. If no location is specified there, you will tell us where the Goods are at all times. However, if the Goods are by their nature mobile then you will keep records as to the whereabouts of the Goods, will let us see the records whenever we ask to and will not take the Goods out of Great Britain or the European Union without our prior written consent;
- 5.2 to pay all licence duties, other duties, fees and registration fees payable with regard to the Goods and reimburse us on demand, if we in our sole discretion shall pay any of the above, and to obtain all licences which may be required for the keeping or operation of the Goods and ensure such licences are kept in full force and effect and not to allow the Goods to be used contrary to any law or regulation;
- 5.3 that you will keep the Goods free from any legal process by which any landlord or creditor of yours might try to attach or claim the Goods but if you fail in this for any reason, then you will advise us immediately;
- 5.4 you will pay all rates, taxes, rent and other payments payable in respect of any premises where the Goods are;
- 5.5 as between you and us the Goods will always be moveable or personal property, even if they have otherwise become fixtures. You will not allow the Goods to become fixtures and will obtain a waiver or other documentation in the form we require from any landlord or mortgagee of any premises where the Goods are and/or may be affixed or any holder of security from you affecting the Goods;
- 5.6 that you will not sell, offer for sale, sublet, assign, mortgage, pledge, charge, underlet, lend, or otherwise deal with the Goods or any interest in them or this Agreement nor allow the creating of any lien over them and shall protect the Goods against repossession, distress, execution or seizure (or in Scotland, any form of diligence);
- 5.7 allow us or any person acting under our authority at all reasonable times to enter any premises under your control so that we can have access to and inspect the Goods and if we point out any necessary repairs or maintenance, you will ensure these are carried out as soon as possible at your cost;
- 5.8 to take proper care of the Goods, use them properly and in accordance with all applicable laws and any instruction which may be issued relating to their use and keep the same in good and serviceable condition and maintain them in accordance with the manufacturer(s) and/or Supplier(s) servicing recommendations, handbooks, and manuals and ensure that they have a full service history and if the Goods are a motor vehicle, ensure that it has a valid MOT test certificate or such equivalent as may be required;
- 5.9 you will not alter, add to or improve the Goods (save as necessary to comply with condition 5.8), but in any event, any alterations, additions, improvements, upgrades, accessories, replacements and renewals of and to the Goods which are made shall be our property;
- 5.10 if the Goods are a vehicle not let anyone drive it who does not hold a valid, current driving licence in the appropriate classes or is not covered by the insurance referred to in condition 9, nor let it be used for racing, pace making, rallying, any form of motor sport or driving tuition.
- 6 OWNERSHIP**
- 6.1 Title to and ownership of the Goods shall remain with us at all times or, if different, with the Owner from whom we have acquired right to the Goods and you shall have no right, title or interest therein, except as lessee; accordingly you are not entitled to claim Writing Down Allowances on the Goods, irrespective of the accounting treatment you adopt.
- 6.2 If we ask you to you shall affix identification name plates to the Goods indicating that the Goods are our property. You will make sure these name plates are left undisturbed and unobscured.
- 7 YOUR ACKNOWLEDGEMENT**
- 7.1 You acknowledge and agree that:-
- 7.1.1 the Goods are required for the purpose of a business carried on by you and were acquired, at your request, by us for the purposes of this Agreement from the Supplier;
- 7.1.2 you are responsible for choosing the Goods and you selected the type, quantity and manufacturer and supplier of the Goods and did not rely on our skill or judgment in relation to acquiring the Goods;
- 7.1.3 you are responsible on our behalf at your own cost for ensuring the delivery to you of the Goods and their installation, commissioning and testing at your premises and we are not in any way liable for any failure or delay in delivery, installation, commissioning or testing by the manufacturer and/or Supplier of the Goods;
- 7.1.4 you will examine the Goods promptly on their delivery to you and will only accept them if you are totally satisfied with them;
- 7.1.5 unless you notify us in writing within 5 days of delivery of the Goods that you do not accept the Goods, you shall be deemed to have accepted the Goods.
- 7.2 Because of the circumstances acknowledged in conditions 7, you agree that the terms of this condition and any exclusions of liability it contains in our favour are fair and reasonable. You agree that:
- 7.2.1 we shall only be responsible to you for any statement, warranty or representation made in relation to the Goods by us or our agents if it is made in writing and authorised and signed by our duly authorised representative who has been confirmed by us in writing to you to be our agent;
- 7.2.2 you must get from the Supplier all indemnities, guarantees and any maintenance services for the Goods that you need. However, we shall do what we reasonably can to ensure that the benefits of any guarantee, condition or warranty which may have been given to us are enforced on your behalf or, if assignable, assigned to you, in either case at your expense and provided you are not in default under this Agreement. However, such benefits will only be so enforced or assigned provided you pay us the costs of that enforcement;
- 7.2.3 we shall not be liable to you or any other person for any representation, warranty or condition which may be implied by law relating to -
- 7.2.3.1 the satisfactory quality of the Goods,
- 7.2.3.2 the fitness of the Goods for any or a particular purpose,
- 7.2.3.3 whether or not the Goods match any sample or specification,
- 7.2.3.4 the description of the Goods, or
- 7.2.3.5 the age, performance or condition of the Goods.
- 7.3 Nothing in this condition 7 will excuse us of any liability we may have where, due to our own negligence, death or personal injury to any person is caused by the Goods;
- 7.4 We shall have no liability for any loss suffered by you as a result of the Goods being unserviceable, out of order or unusable, or being in any way inadequate for any purpose and this exclusion of liability includes any loss of business or of profit or of any gain. In no circumstances will our liability to you exceed the total of the Rentals paid by you at the time the liability arises.
- 8 YOUR WARRANTY AND FURTHER UNDERTAKING**
- 8.1 You warrant to us:
- 8.1.1 that the Goods will be used for a qualifying purpose in the requisite period as defined for the purposes of our claiming Writing Down Allowances under the CAA;
- 8.1.2 in entering into this Agreement you do not breach any other agreement you may have with any other person;
- 8.1.3 both at the Date of Agreement and throughout the Primary Period in relation to the facts and circumstances existing from time to time your financial position has not materially deteriorated since the date to which your last audited accounts were made up except as you have disclosed to us in writing.
- 8.1.4 that neither you nor, to the best of your knowledge, any of your Associated Companies, your directors, officers, employees, agents or any person you have mandated for the purpose of executing this Agreement is a Sanctioned Person.
- 8.2 You will pay us on demand any costs, losses, expenses, claims or liabilities we suffer or incur at any time because:
- 8.2.1 any information you have provided to us is inaccurate, or any undertaking you have given us in condition 8.1 is untrue, or
- 8.2.2 of the existence, situation, use or possession of the Goods or of anything made or manufactured by the Goods or of anything transported by the Goods (except where condition 7.3 applies).
- 8.3 If any payment received by us under this Agreement (whether under this condition 8 or otherwise) is expected to be taxable in our hands and the liability, payment or obligation to which the indemnity relates does not give rise to a corresponding deduction for tax purposes (as we may be advised by our auditors from time to time) then the amount of such payment shall be increased by such amount as shall be certified by us as being necessary to yield to us a net payment of the amount for which we seek indemnity.
- 8.4 Provided that you are not in default in the payment of any sum payable under this Agreement or otherwise in breach of any of the provisions of this Agreement, you shall be entitled to enjoy quiet possession of the Goods for the period of hire.
- 8.5 This condition 8 shall continue in full force and effect after the ending of this Agreement however that comes about.
- 9 INSURANCE OF GOODS**
You agree:
- 9.1 You will, at your cost, keep the Goods insured under a fully comprehensive policy of insurance (including public and third party liabilities for such amount as we shall approve) free from restriction or excess with reputable insurers from the date the Goods are delivered to you or, if earlier, from the date the Supplier stops having risk in the Goods. The amount insured must be the greater of their full replacement value and the amount still due to us under this Agreement.
- 9.2 You will advise the insurers that the Goods are our property and we must be named as loss payee in respect of all claims other than in respect of public and third party claims where we must be named as an additional insured. You will:
- show us the policy of such insurance and all premium receipts evidencing the payment of premiums on demand; and
 - notify us promptly of any loss of or damage to the Goods and hold any insurance monies received by you in trust for us.
- 9.3 You must inform us in writing immediately if the Goods are lost, stolen or damaged. You irrevocably authorise us to negotiate with the insurers to settle any insurance claim and to receive the insurance monies.
- 9.4 We may apply the insurance proceeds at our option, after meeting any incidental costs, expenses or losses, either in making good the damage done to the Goods; or, in replacing the Goods with similar Goods or Goods with a similar description and age; or, towards payment of sums due from you under this Agreement.
- 9.5 If the Goods or any of them are at any time a total loss for insurance purposes (the "Lost Goods"), you will be liable to pay us a Termination Payment, which, if the Lost Goods are part only of the Goods, shall be calculated pro-rata to the original cost of the Lost Goods as a proportion of the original cost of all the Goods. Until payment by you of the required amount all our rights (including the right to receive Rentals in respect of the Lost Goods) and your obligations under this Agreement shall continue. On receipt of that Termination Payment the hiring will terminate in respect of those Lost Goods. In respect of any remaining Goods, the hiring and the Agreement will in all respects continue; save that we shall tell you what the future Rentals will be for the remaining Goods under this Agreement and you shall pay them on the due dates.
- 9.6 You shall pay us on demand any loss, liability or damage, cost or expense which we tell you we have suffered as a result of any such payment to us as referred to in condition 9.5 not being allowed as a trading expense in computing for tax purposes our chargeable profits.
- 9.7 If, in respect of the Lost Goods, the proceeds of insurance received by us together with any payments made by you under condition 9.5 exceed the aggregate of the Termination Payment and any other sums then payable by you in respect of the Lost Goods, an amount equal to 97.5% of the excess will be paid to you by us.
- 9.8 If you fail to provide evidence of adequate insurance on the Goods then we shall have the right but not an obligation to take out our own insurance to protect the Goods and charge you a fee by increasing the Rentals under this Agreement.
- 9.9 If the insurers provide substitute Goods in place of the Lost Goods then we may vary such terms of this Agreement as we consider appropriate and this Agreement as so varied shall thereafter apply to the substitute Goods.
- 10 TERMINATION**
- 10.1 All your obligations under this Agreement are essential conditions of this Agreement and we shall be entitled to treat any breach of such obligations as a rejection or repudiation of the Agreement which, if we accept, will allow us to terminate this Agreement;
- 10.2 We may end your right to hire the Goods and, if we so wish, end this Agreement if any of the following events occurs:
- 10.2.1 you fail to pay in full any Rental or other sum due under this Agreement or any other agreement between you and any of your Associated Companies and us on the date for payment;
- 10.2.2 you fail to comply with any of the other terms of this Agreement for 5 days after we have told you to remedy the breach;
- 10.2.3 we become aware that any information supplied by you when entering into this Agreement was false in any material respect;
- 10.2.4 you (being an individual) cannot meet your debts as they fall due or are sequestered or grant a trust deed for or enter into a composition contract or voluntary arrangement with creditors, or you become bankrupt, suffer an interim order to be made against you, you present or suffer a bankruptcy petition to be presented against you or you die;
- 10.2.5 you (being a company or limited liability partnership) call a meeting of your creditors or try to arrange any payment scheme with your creditors, or if there is a petition presented for your winding up or liquidation, or if steps are taken for the appointment of an administrator, receiver or liquidator or like officer in respect of any of your assets, or such person is appointed over all or any of your assets;
- 10.2.6 you (being a partnership) are dissolved or proceedings for your dissolution are commenced or you suffer the appointment of a judicial factor or you are subject to a change of control or of your constitution;
- 10.2.7 you cease or threaten to cease to carry on the whole or a substantial part of your business or dispose or threaten to dispose of the whole or a substantial part of your undertaking or assets or you or your holding company is subject to a change of control;
- 10.2.8 there is, in our opinion, a material adverse change in your financial position;
- 10.2.9 you do or cause to be done or suffer anything to happen whereby our right in the Goods may be prejudice or jeopardised;
- 10.2.10 you or any of your Associated Companies defaults under any agreement or obligation relating to borrowing or under any guarantee or if any borrowing or other money payable under any of the foregoing becomes or is capable of being declared payable prior to its stated maturity or is not paid when due; or
- 10.2.11 you suffer circumstances equivalent to any of the foregoing in any relevant jurisdiction.
- 10.2.12 you or any of your Associated Companies or your ultimate beneficial owner are or

become a Sanctioned Person.

- 10.3 Condition 10.2 will also apply if:-
- 10.3.1 Any of the events listed in condition 10.2 happens in relation to any Guarantor or, where you are a partnership, to any of your partners; or
 - 10.3.2 Any Guarantor withdraws or terminates any guarantee or that guarantee turns out to be invalid for any reason.
- 10.4 If we at our sole discretion, and at your request, agree to you terminating this Agreement during the Primary Period in respect of part only of the Goods then such termination may only take place where you have at that date performed your whole obligations under this Agreement and on you paying to us that proportion of the sum which would have been due by you to us in the event of termination of the hiring of all the Goods at that date under condition 11.5, which the Expenditure of the Goods so part terminated bears to the total Expenditure and, on such proportion being paid to us, the Rentals subsequently payable shall be reduced by the same proportion.

11 CONSEQUENCES OF TERMINATION

Upon the termination of this Agreement and/or the hiring hereunder then:

- 11.1 You will no longer be in possession of the Goods with our consent and you must immediately return them to us at the place we reasonably tell you to, at your expense;
- 11.2 If you do not return the Goods then, you will allow us to enter any premises where the Goods are and dismantle, disconnect and retake possession of the Goods; you will be responsible for any damage we cause to the premises in doing what we reasonably have to do to dismantle, disconnect and remove the Goods;
- 11.3 you will be solely responsible for ensuring the safekeeping, supervision and custody of the Goods until they are returned to or repossessed by us;
- 11.4 you shall immediately pay to us any arrears of Rentals and all other amounts you already owe us at the date of termination and any costs and expenses incurred by us in tracing and/or recovering possession of the Goods and of any repairs required to render the Goods in good and serviceable condition in accordance with the requirements of condition 13 (or an estimate given by us of the cost of such repair);
- 11.5 without prejudice to our right to claim damages, we may demand the following payment from you; if and only if we make such demand you will be immediately liable to pay to us a sum equal to the total of:
 - 11.5.1 an amount equal to the loss or costs sustained by us in breaking fixed deposits or re-employment funds as a result of the termination (in whole or in part) before the end of the Primary Period, and
 - 11.5.2 as agreed compensation for our loss of profit, the total of all Rentals which would have been payable during the unexpired Primary Period of this Agreement, together with the first Secondary Rental (if any). These repayments will be reduced by a discount because they are being paid earlier than they would otherwise have been paid. The discount will be at a rate of 3% per annum calculated on a daily basis and compounded quarterly, and
 - 11.5.3 where the relevant box in the Schedule has been ticked all and any other sums due under condition 4 of this Agreement, and such sum as is required, in addition to the other payments received by us under conditions 11.4 and 11.5 to give us the Net After Tax Return (taking account any balancing charge or disposal value which may affect us and any taxation which we may suffer on the sums received under conditions 11.4 and 11.5) and all references to Rentals in this context shall be to such Rentals and to any additional Rentals as adjusted in terms of condition 4, and
 - 11.5.4 interest at the Interest Rate on the whole sums payable under conditions 11.4 and this condition 11.5, calculated from the date of termination or, in respect of costs and expenses incurred by us, from the date the same are incurred to the date of payment, and
 - 11.5.5 any VAT properly chargeable on any sum payable under condition 11.4 and this condition 11.5, DECLARING that if we shall at any time consider that we have made an error in calculating the total amount demanded under condition 11.4 and this condition 11.5 whether before or after payment of that sum by you, we may by notice advise you of the corrected figure, the amount of which shall then be the sum payable by you or, where you have already made payment under this condition, then either you shall pay us the excess of the corrected figure over the amount paid, or we shall refund to you the excess of the amount paid over the corrected figure.
- 11.6 Where we have made a demand on you under condition 11.5 and the Goods are recovered by us, provided we have received from you the whole sums due by you under conditions 11.4 and 11.5 we shall repay to you by way of rebate of Rentals (or, to the extent that the payment exceeds the aggregate of all Rentals then received by us from you, by way of sales commission in the sale or their disposal) (1) if the Goods are sold by us within three months of recovery (or such longer period not exceeding six months as we may specify) 97.5% of the VAT exclusive net proceeds of sale (and we shall be entitled to accept any offer for the Goods which we in our sole discretion believe to be reasonable) or (2) if the Goods are not sold within three months of recovery (or such longer period not exceeding six months as we may specify) 97.5% of the value placed upon the Goods by a dealer or valuer appointed for that purpose by us, less in either case such sum as shall be conclusively certified by us as being necessary to compensate us for any cost, expense or demand which we have suffered or may suffer as a result of such payment to you not being allowed as a trading expense in computing our chargeable profits;

12 SALES AGENCY

If you end the hiring at or after expiry of the Primary Period, by serving written notice in accordance with clause 2.2.2, upon the expiry of such notice we may, provided you have paid all Rentals and other sums payable under this Agreement and are not in breach of this Agreement, appoint you as our agent (which appointment you irrevocably agree to accept) for a period of 90 days from the date of expiry of such notice to dispose of the Goods (at your cost and expense) in accordance with the following conditions:

- 12.1 any sale shall be to an independent party who is not connected with you in any way. The third party shall not deal as a consumer nor shall the ensuing sale be by a consumer contract for the purposes of the Unfair Contract Terms Act 1977;
- 12.2 the sale price shall be a fair market price to be agreed with us prior to finalisation of the sale. The minimum price shall be the written down value of the Goods in our books for UK tax purposes at the time the sale takes place;
- 12.3 the terms of the sale of the Goods shall be -
 - 12.3.1 the buyer shall inspect the Goods before the sale and shall buy them on as "as is, where is, with all faults" basis,
 - 12.3.2 no undertaking, warranty or other stipulation shall be given by you for and on your own behalf nor for or on our behalf regarding the condition of the Goods, except as to clear title,
 - 12.3.3 no condition, warranty or other stipulation in respect of the description, satisfactory quality or specification or performance of the Goods shall be given;
 - 12.3.4 title shall remain with us until the sales proceeds are received by us in full and cleared funds to an account nominated by us, whereupon title in the Goods will pass to the buyer.
- 12.4 you shall pay us on demand the amount of any claim or expense which may result from any claim against us by a buyer of the Goods or any third party;
- 12.5 subject to condition 13 you shall, pending sale, be responsible for ensuring the safe-keeping, supervision and custody of the Goods, and shall keep in force the insurances specified in condition 9, and we may at our discretion, terminate your appointment as agent in the event of any breach by you of any of the terms and conditions of this condition or this Agreement;
- 12.6 following receipt of the sale proceeds by us, 97.5% of the VAT exclusive net sale proceeds shall be paid to you by way of rebate of Rentals or, if the amount of such rebate is more than the aggregate of the Rentals paid by you pursuant to this Agreement, the amount by which the sum to be paid exceeds such aggregate will not be paid by way of rebate but will (if appropriate) be paid as commission to you for acting as our agent in such sale. The provision for payment of any rebate and/or commission is made on the assumption that any such payment will be fully allowed for tax purposes as a deduction in computing our taxable income and will not be treated as reducing the amount of the disposal value of the Goods and such rebate or commission may be reduced by such amount we in our sole discretion shall think fit to compensate us for any such payment not being fully allowed for tax purposes. If such rebate or commission is not reduced as aforesaid, you shall indemnify us against any loss or expense we may suffer or incur directly or indirectly in connection with such treatment not being afforded to us;
- 12.7 your appointment as our agent under this condition 12 shall terminate three months after the effective date of the appointment.

The agency appointment and payment, if any, of Rental rebate or commission set out in this condition shall take effect only in so far as the same do not adversely affect our Net After Tax Return implicit in the calculation of the Primary Rentals as at the Date of Agreement.

13 RETURN OF EQUIPMENT

Subject to condition 12, at the expiry or termination of this Agreement or of the hiring hereunder you shall at your own expense and risk deliver the Goods to an address that we give you. All Goods so returned shall be in good repair and condition save for fair wear and tear. In particular, the Goods will be in a condition

which is consistent with compliance by you with all terms and conditions of the Agreement. In the event that you fail to return the Goods upon termination of this Agreement within a time limit designated by us, you shall be responsible for the safe custody of the Goods and shall pay damages for such period of delay of an amount equal to the sum of the Rentals which would have been payable by you for the comparable period of time under this Agreement prior to its expiry.

Further, we or agents acting on our behalf shall be entitled to retake possession of the Goods and to enter any premises upon or in which the Goods may be or are believed to be situated and remove them and you shall pay to us the cost of disconnecting removing and transporting the Goods.

14 GENERAL

- 14.1 Where you consist of two or more persons each of you will be responsible for the whole obligations of this Agreement as if this Agreement had been entered into separately between us and each of you. Any notice given by us to any one of you will suffice as being good notice given by us to all of you.
- 14.2 We can transfer any of our rights under this Agreement. We can also transfer our obligations, but only with your consent unless the transfer does not prejudice you. You may not transfer your rights or obligations under this Agreement.
- 14.3 This Agreement may only be amended by you and us in writing.
- 14.4 Any notices under this Agreement may be delivered or sent by post addressed to you or us at your or our address stated in the Schedule or your or our last known address or by email to you or us to your or our email address stated in the Schedule. Notices sent by first class post shall be deemed to have been received 48 hours after posting and notices sent by email shall be deemed to have been received on the day that it is sent, if sent before 5pm, or in any other case on the next business day after the day on which it was sent.
- 14.5 If we do not enforce all of our rights under this Agreement or if we delay in doing so, we do not give up those rights or the rights we have if you are in default again, nor shall any waiver by us of any breach of this Agreement operate as a waiver of any subsequent or continuing breach.
- 14.6 You will, promptly following our request, furnish us with such information about your financial condition and business as we may reasonably require.
- 14.7 Any determination or certification by us of a rate or amount under this Agreement is, in the absence of manifest error, conclusive evidence of the matters to which it relates.
- 14.8 If the date for payment of any sum under this Agreement is not a Business Day the date of payment shall be brought forward to the immediately preceding Business Day.
- 14.9 The indemnities set out in this Agreement in our favour shall survive any termination or breach of this Agreement or repudiation or alleged repudiation of this Agreement by us or you.
- 14.10 Save as otherwise stated in this Agreement, the parties do not intend that any term of this Agreement shall benefit or be enforceable by a third party by operation of The Contracts (Rights of Third Parties) Act 1999 or the Contract (Third Party Rights) (Scotland) Act 2017.
- 14.11 This Agreement is governed by and shall be construed in accordance with the laws of England unless the address given for you in this Agreement or the address where we find you is in Scotland, in which case this Agreement is governed by the laws of Scotland. Your submission to such jurisdiction shall not prevent us taking proceedings arising out of the Agreement against you in any other jurisdiction we may think appropriate.
- 14.12 If you are introduced to us by a broker or third party (Introducer), a commission may have been paid or may be paid by us to the Introducer in relation to that introduction. If you require more information about the commission we have paid (or may pay), you shall contact the Introducer. If for any reason you cannot get this information from the Introducer, we will provide it to you. By signing this Agreement, you are consenting to us paying a commission to an Introducer.

15 ADDITIONAL TERMS (if any)