

Order Schedule 22 (Lease Terms)

1. Introduction

1.1 The Buyer has decided to lease Equipment under the DPS Contract using DPS Schedule 7 (Order Award Procedure) and has stated its requirement using DPS Schedule 6 (Order Form Template and Order Schedules) including specified Joint Schedules and Order Schedules, this Order Schedule 22 (Lease Terms), the Core Terms and each Equipment Order Form.

2. Definitions

2.1 In this Schedule, the following words shall have the following meanings and they shall supplement Joint Schedule 1 (Definitions):

"Actual Delivery Date"	the date on which a piece of Equipment is actually delivered to the Buyer;
"Additional Charges"	the amounts so specified in Order Schedule 5 (Pricing Details) or an Equipment Order;
"Delivery Place"	the place for delivery specified in the Equipment Order;
"Deposit"	the deposit amount set out in the Equipment Order;
"Due Delivery Date"	the date specified as the due date for delivery of a piece of Equipment in the Equipment Order;
"Equipment"	those devices, machines, tools and/or vehicles set out in DPS Schedule 1 - Specification and ordered by the Buyer as may be supplemented in the Order Contract or in an Equipment Order;
"Equipment Order"	the agreement specifying the piece of Equipment or the pieces of Equipment that the Buyer will hire from the Supplier under the Order Contract which will be in the form prescribed by the Buyer or in an equivalent form as agreed by the Parties from time to time;
"Equipment Specific Maintenance"	(a) topping up between routine maintenance visits of consumables; (b) repairs outside of normal routine maintenance but excluding costs occasioned by wilful damage,

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neglect, accident damage or top ups of consumables between routine maintenance visits; and

(c) replacements of any components which wear out due to fair wear and tear during the Lease Period, except where such replacement is occasioned by the lack of care or abuse of the piece of Equipment by the Buyer;

"Excess" has the same meaning given to it in Clause 8.9.1;

"Lease Payments" the Deposit, Rentals and Additional Charges (exclusive of any applicable VAT) payable to the Owner by the Buyer under the Order Contract for the full and proper performance by the Supplier of its obligations under the Order Contract which price must not be greater than the prices provided for in the DPS Contract from time to time;

"Lease Period" in relation to a piece of Equipment, the period commencing on the Actual Delivery Date for that piece of Equipment and ending on the Return Date for that piece of Equipment unless extended or terminated early in accordance with this Order Contract;

"Lease Terms" the terms and conditions of supply and lease set out in this Order Schedule 22;

"Net Book Value" the value of a piece of Equipment from time to time being its purchase price less an amount equal to the depreciation of the piece of Equipment, calculated on a straight-line basis, at the time a valuation is made;

"Owner" the person who has title to the Equipment and who is listed as the Owner in the Equipment Order;

"Purchase Option" the Buyer's option to purchase the Equipment as more fully described in paragraph 9;

"Purchase Option Price" the price of the Purchase Option set out in the Equipment Order;

"Rental" the amount specified in the Equipment Order;

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"Return Date"	the date so specified in the Equipment Order or as varied by the application of paragraph 5.5;
"Termination Sum"	<p>for any piece of Equipment, the aggregate of:</p> <ul style="list-style-type: none">a) any Rentals due but unpaid up to the date of termination;b) any other sum due or to become due to the Supplier hereunder by reason of any breach by the Buyer prior to the date of termination of any of its obligations under the Lease Terms; andc) the termination rental charges calculated in accordance with the Order Contract or, if lower, 50% of the Rentals that would have been payable under the Lease Terms but for the termination; and
"Total Loss"	any event which, in the opinion of the insurers of the piece of Equipment, renders the piece of Equipment incapable of economic repair if it is lost, stolen or destroyed.

3. Exclusion of certain Core Terms

3.1 When the Parties have entered into an Order Contract which incorporates the Lease Terms, the following Core Terms are modified in respect of the Order Contract (but are not modified in respect of the DPS Contract):

3.1.1 Clause 3.1.2 does not apply to the Order Contract;

3.1.2 Clause 3.2 does not apply to the Order Contract;

3.1.3 Clause 8.7 does not apply to the Order Contract;

3.1.4 Clause 10.2 does not apply to the Buyer extending the Lease Period of any Equipment;

3.1.5 Clause 10.3.2 does not apply to the Buyer terminating the hire of any Equipment; and

3.1.6 Clause 11.3 does not apply where the Buyer must pay a Termination Sum or any amount under paragraph 11.

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4 Equipment Orders

- 4.1 Each Equipment Order is subject to and incorporates the Lease Terms so that no other terms and conditions which the Supplier tries to impose under any quotation, confirmation of order, delivery note, invoice or similar document are part of the Order Contract.
- 4.2 The Parties agree that any other terms or conditions (whether or not inconsistent with the terms of this Order Contract) contained or referred to in any correspondence or any documentation submitted by the Supplier which is not part of the DPS Contract or which are elsewhere implied by custom, practice or course of dealing do not apply.
- 4.3 The Supplier must send a confirmation of the Equipment Order to the Buyer by electronic means (or in any other method as the Parties may agree from time to time) within [forty-eight (48)] hours of receipt of the Equipment Order and the confirmation will confirm the order details including:
 - 4.3.1 a description of the piece of Equipment ordered;
 - 4.3.2 details of any optional extras ordered and any conversion work to be carried out;
 - 4.3.3 the anticipated delivery details; and
 - 4.3.4 the name and address of the Supplier.
- 4.4 For the avoidance of doubt, each Equipment Order survives the expiration or termination of the DPS Contract.

5 Hiring Equipment

Lease

- 5.1 In consideration of the payment of the Lease Payments, the Supplier will hire the Equipment to the Buyer in a timely manner and in accordance with the Order Contract and the requirements notified to the Supplier in the Equipment Order.
- 5.2 The Deposit is a deposit against default by the Buyer of payment of any Lease Payments or any loss of or damage caused to the Equipment. The Buyer must, on the Actual Delivery Date, pay the Deposit to the Supplier. If the Buyer fails [without due cause] to make any Lease Payments in accordance with the Equipment Order, or causes any loss or damage to the Equipment (in whole or in part), the Supplier can apply the Deposit against that default, loss or damage. The Buyer must pay to the Supplier any sums deducted from the Deposit within ten (10) Working Days of a demand for the same. The Supplier must refund the

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Deposit (or balance of the Deposit) within [five (5)] Working Days after the end of the Lease Period.

- 5.3 The Supplier must advise the Buyer on the selection and specification of the Equipment and, where applicable, any conversion work to be carried out in respect of them so as to ensure that the Equipment will be of sufficient quality and suitable for the requirements of the Buyer.
- 5.4 Before the Due Delivery Date of any piece of Equipment the Buyer can amend or cancel and remove that piece of Equipment from the Equipment Order by notifying the Supplier. If the Buyer does cancel all or part of an Equipment Order:
- 5.4.1 for standard specification pieces of Equipment, the Buyer can cancel any Equipment Order or part of any Equipment Order which has not been delivered. The Buyer will pay the Supplier's reasonable and proven costs already incurred on the cancelled Equipment Order as long as the Supplier takes all reasonable steps to minimise these costs, including an attempt to redeploy the ordered Equipment to an alternative customer. [Where the Equipment is a vehicle, cancellation terms for converted vehicles or vehicles above 3.5 tonnes should be agreed by the Buyer and Supplier prior to award of the Order Contract];
- 5.4.2 in all other circumstances (including where the Equipment is not standard specification or less than [thirty (30) days] notice is given), the Supplier will take all reasonable steps to allocate the piece of Equipment to an alternative buyer. If the Supplier is unable to re-allocate the piece of Equipment, the Buyer must pay the Supplier any cancellation charges reasonably, properly and proven to be incurred by the Supplier provided that the Supplier can prove to the reasonable satisfaction of the Buyer that the Supplier has taken all reasonable efforts to minimise such charges; and
- 5.4.3 where the amendment or cancellation of an Equipment Order is directly or indirectly due to the Supplier's failure to comply with its obligations under the Order Contract, the Buyer has no liability to the Supplier in respect of the amendment or cancellation.
- 5.5 If the Buyer wants to keep any piece of Equipment after the expiry of the current Lease Period then the Buyer must give written notice to the Supplier [1 Month] prior to the end of the Lease Period and the Supplier must confirm its agreement (which the Supplier cannot unreasonably refuse). The Rentals payable in relation to any extensions of a Lease Period are (unless otherwise agreed between the Parties) calculated:

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- 5.5.1 where the extension is for **twenty-eight (28)** days or less, proportionately based on the original Rental for the piece of Equipment and the Parties shall agree (such agreement not to be unreasonably withheld or delayed) the revised Agreement Mileage for that vehicle as soon as reasonably practicable; or
- 5.5.2 where the extension is for more than **twenty-eight (28)** days, using the same method that was used to calculate the original Rentals.

Delivery and Installation

- 5.6 The Supplier must give the Buyer confirmation of the anticipated Due Delivery Date for each piece of Equipment within **five (5)** Working Days of receipt of the Equipment Order.
- 5.7 The Supplier will deliver the Equipment to the Delivery Place or as otherwise reasonably directed by the Buyer.
- 5.8 If the Buyer has specified that the Supplier must install the Equipment at the Delivery Place, the Supplier must at the Buyer's expense install the Equipment at the Delivery Place. The Buyer must make sure that a duly authorised representative of the Buyer is present at the installation of the Equipment.
- 5.9 The Supplier will, at the Supplier's cost, deliver the Equipment to the Buyer in a good working and clean condition on the Due Delivery Date.
- 5.10 [If the Equipment is a vehicle, on delivery, the mileage of each piece of Equipment must not exceed one hundred (100) miles unless, due to the nature of the piece of Equipment, it is impractical to do so in which event the Supplier must minimise the delivery mileage and the Supplier must ensure that any delivery mileage is deducted for the purposes of calculating any Excess/under Mileage. On delivery, each piece of Equipment must contain not less than a quarter of a tank of fuel.]
- 5.11 The Supplier can only deliver Equipment before the Due Delivery Date if the Buyer agrees to early delivery before the Supplier attempts delivery.
- 5.12 Any defects to a piece of Equipment notified to the Supplier by the Buyer must be rectified within **fourteen (14) days** at no cost to the Buyer.
- 5.13 A piece of Equipment is only delivered once a duly authorised representative of the Buyer signs a delivery note (which quotes the Supplier's order number and full details of the piece of Equipment) to confirm delivery of the Equipment but that signature is not evidence that the Equipment complies with the requirements of the Equipment Order.

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- 5.14 If, for any reason, the Buyer is unable to take delivery of a piece of Equipment on or after the Due Delivery Date the Supplier must, at its own expense, store or arrange for the storage of the Equipment for a reasonable time and must safeguard the Equipment until actual delivery.
- 5.15 The Supplier must make sure (at its own cost) that each piece of Equipment is delivered in a new and unused condition unless the Buyer requests otherwise. The Buyer can at its sole discretion reject a piece of Equipment which is not in the condition requested and/or in respect of which the delivery note does not include the required information.
- 5.16 If the Supplier does not deliver a piece of Equipment by the agreed time or specified date then the Buyer can withhold payment of the Lease Payments for that piece of Equipment until the time when the Supplier actually delivers it.
- 5.17 If the Supplier becomes aware that a piece of Equipment cannot be delivered by the agreed Due Delivery Date or if a piece of Equipment is not actually delivered by its Due Delivery Date, the Supplier shall inform the Buyer of the revised delivery date. Where the Buyer has indicated that the timing of delivery is critical, the Supplier must provide an alternative piece of Equipment of the same specification or one with equivalent specification by the Due Delivery Date until the time as the piece of Equipment is actually delivered. If the Supplier cannot supply an alternative piece of Equipment by the Due Delivery Date, the Supplier must meet and promptly refund to the Buyer all and any additional costs incurred by the Buyer for provision of a piece of Equipment of the same specification or one with equivalent specification.
- 5.18 To facilitate delivery and, if applicable, installation, the Buyer must provide all requisite materials, facilities, access and suitable working conditions to enable delivery and, if applicable, installation to be carried out safely and efficiently.

6 Title, Possession And Risk

- 6.1 The Equipment is the property of the Owner at all time and the Buyer will not have any right, title or interest in or to the Equipment apart from the right to possess and use the Equipment in accordance with the Order Contract.
- 6.2 The Buyer accepts a piece of Equipment by signing a delivery form and the Lease Period for that piece of Equipment starts unless the Buyer notifies the Supplier that the piece of Equipment is not in accordance with the agreed specification or otherwise not in conformity with the requirements of the Equipment Order by telephone and confirmed in writing, email or facsimile within **seventy-two (72)** hours of delivery.

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- 6.3 Once the Buyer notifies the Supplier of non-acceptance, the Parties will agree a course of action to take.
- 6.4 Except where non-acceptance is due to default of the Buyer, in the event of non-acceptance the Supplier will, at its own expense make an equivalent alternative piece of Equipment available for use by the Buyer until the time that the Supplier actually delivers an acceptable piece of Equipment to the Buyer. If non-acceptance is due to the default of the Buyer, the Buyer can cancel the part of the Equipment Order relating to that piece of Equipment but must pay reasonable cancellation charges to the Supplier.
- 6.5 From the time of acceptance of a piece of Equipment, the Buyer bears the risk of loss or damage to the Equipment however caused and whether insured or not, provided that the Buyer does not bear the risk of loss or damage:
- 6.5.1 caused by the negligence of the Supplier, its Subcontractors or its agents; or
 - 6.5.2 while the Supplier has possession of the Equipment, including for any maintenance.
- 6.6 The Supplier must give, and must make sure that the Owner gives, the Buyer quiet possession of the Equipment and the Supplier warrants that the Buyer can peaceably hold the Equipment throughout the Lease Period free of any interference from the Supplier, the Owner or any person acting through the Supplier.

7 Supplier's Obligations

Warranty

- 7.1 The Supplier warrants that the Equipment substantially conforms to its specification (as made available by the Supplier), and will be of satisfactory quality and fit for any purpose held out by the Supplier.
- 7.2 The Supplier must use all reasonable endeavours to remedy, free of charge, any material defect in the Equipment which manifests itself within **[twelve (12)]** Months from the Actual Delivery Date, provided that:
- 7.2.1 the Buyer notifies the Supplier of any defect in writing within **[ten (10)]** Working Days of the defect occurring **[or of becoming aware of the defect]**;
 - 7.2.2 the Buyer permits the Supplier to make a full examination of the alleged defect;

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- 7.2.3 the defect did not materialise as a result of misuse, neglect, alteration, mishandling or unauthorised manipulation by any person other than the Supplier's authorised personnel;
 - 7.2.4 the defect did not arise out of any information, design or any other assistance supplied or furnished by the Buyer or on its behalf; and
 - 7.2.5 the defect is directly attributable to defective material, workmanship or design.
- 7.3 To the extent that the Equipment comprises or contains equipment or components which were not manufactured or produced by the Supplier, the Buyer is only entitled to any warranty or other benefit that the Supplier has received from the manufacturer.
- 7.4 The Supplier must transfer to the Buyer, so far as is possible, the benefits of any manufacturers' warranties relating to the fitness and performance of the Equipment.
- 7.5 If the Supplier does not remedy any material defect in the Equipment in accordance with Clause 7.2, the Supplier must, at the Buyer's request, accept the return of part or all of the Equipment and make an appropriate reduction to the Rentals payable during the remaining term of the agreement and, if relevant, return any Deposit (or any part of it).

Maintenance

- 7.6 Where the Buyer selects the maintenance option in the Equipment Order, the Supplier is responsible for the costs of:
- 7.6.1 normal routine maintenance in accordance with manufacturers' maintenance recommendations as amended from time to time; and
 - 7.6.2 any Equipment Specific Maintenance, provided that the costs have been duly authorised by the Supplier and a service outlet approved by the Supplier carries out the maintenance.
- 7.7 If the Supplier replaces any components which wear out due to fair wear and tear, the replacement component must be new and of the same or equivalent specification.
- 7.8 If the Parties agree that the Buyer will pay any additional maintenance or repair costs, the Supplier must advise the Buyer of the costs as soon as practicable which must then be subject to approval in writing by the Buyer and the Supplier must submit an invoice to the Buyer within **twenty-one (21)** days of the cost being incurred.

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Indemnity

- 7.9 The Supplier indemnifies the Buyer against all reasonable Losses incurred whilst the Equipment is unavailable for use by the Buyer due to a Default or due to the negligence of the Supplier, its servants or agents.

Equipment Collection

- 7.10 At the Supplier's cost, the Supplier must collect the Equipment from the agreed collection point at the expiry or termination of the Lease Period within **five (5)** Working Days after the expiry or termination of the Lease Period.
- 7.11 The Supplier must agree a note of the condition of the Equipment with the authorised representative of the Buyer at the time of collection and state the condition and mileage on an inspection form.
- 7.12 If Supplier does not collect the Equipment at the agreed time and collection point, the Supplier indemnifies the Buyer against all Losses due to the failure to collect the Equipment as agreed.

Relief Equipment

- 7.13 If, whilst in the United Kingdom, a piece of Equipment becomes not fit for any of the purposes for which Equipment of its type is commonly used and the Equipment Order states that the Buyer requires relief Equipment, the Supplier must make relief Equipment available for the Buyer's use within the conditions specified in the Order Contract for a period up to **twenty-eight (28)** days for any one event.
- 7.14 The Supplier must provide relief Equipment that is, where reasonably possible, a comparable model to the piece of Equipment which has become unfit for purpose.
- 7.15 The Buyer must return the relief Equipment as directed by the Supplier within **two (2)** Working Days of being informed that the original Equipment is fit for all of the purposes for which Equipment of its type is commonly used.
- 7.16 The Buyer must use and insure the relief Equipment on the terms specified within this Order Contract.
- 7.17 Where a piece of Equipment is withdrawn from service under paragraph 7.13 above, if the Supplier does not provide relief Equipment to the Buyer within **five (5)** Working Days of withdrawal, the Rentals in respect of that piece of Equipment are suspended and do not resume until relief Equipment has been provided or the Equipment has been returned to the Buyer. The suspension of Rentals is calculated on a daily basis.

8 Buyer's Obligations

Modifications

- 8.1 The Buyer must not alter, tamper with or modify any Equipment without the Supplier's written consent, which cannot be unreasonably withheld or delayed.

Limits of Use

- 8.2 While a piece of Equipment is in its control, the Buyer must:

- 8.2.1 keep and operate the Equipment in a suitable environment, use it only for the purposes for which it is intended, and operate it in a proper manner by trained competent staff in accordance with any operating instructions provided by the Supplier;
- 8.2.2 take such steps (including compliance with all safety and usage instructions provided by the Supplier) as may be necessary to make sure, so far as is reasonably practicable, that the Equipment is at all times safe and without risk to health when it is being set, used, cleaned or maintained by a person at work;
- 8.2.3 not overload the Equipment or use it for sub-hire or reward activities, any use for which it was not intended or any form of sporting competition;
- 8.2.4 make sure that only persons qualified to do so operate the Equipment and that each operator holds any necessary permits, including a valid operator's licence or a valid driving licence where appropriate;
- 8.2.5 not without the prior written consent of the Supplier, attach the Equipment to any land or building so as to cause the Equipment to become a permanent or immovable fixture on the land or building. If the Equipment does become affixed to any land or building then the Equipment must be capable of being removed without material injury to the land or building and the Buyer must repair and make good any damage caused by the affixation or removal of the Equipment from any land or building;
- 8.2.6 not do or allow to be done anything which will or might jeopardise the right, title and/or interest of the Owner or the Supplier in the Equipment and, where the Equipment has become affixed to any land or building, the Buyer must take all necessary steps to ensure that the Supplier can enter the land or building and recover the Equipment both during the Lease Period and for a reasonable period after the Lease Period,

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including by procuring from any person having an interest in the land or building, a waiver in writing and in favour of the Supplier of any rights the person may have or acquire in the Equipment and a right for the Supplier to enter onto the land or building to remove the Equipment;

8.2.7 not allow the Equipment to be confiscated, seized or taken out of its possession or control under any distress, execution or other legal process, but if the Equipment is confiscated, seized or taken, the Buyer must notify the Supplier and the Buyer must at its sole expense use its best endeavours to procure an immediate release of the Equipment;

8.2.8 not do or allow anything to be done which could invalidate the insurances referred to in paragraph 8.9; and

8.2.9 not use the Equipment for any unlawful purpose.

8.3 The Buyer must make sure that at all times the Equipment is identifiable as being the Owner's property and wherever possible must make sure that a visible sign is attached to the Equipment labelling it as the Owner's property.

8.4 The Buyer must not sell or offer to sell the Equipment and can only part with possession or control of the Equipment to an authorised user in the employment of the Buyer.

8.5 The Buyer must not allow to exist any lien nor assign mortgage pledge or otherwise deal with the Equipment in a manner inconsistent with either the Supplier's interest or the Owner's interest in the Equipment.

8.6 The Buyer must keep the Supplier fully informed of all material matters relating to the Equipment.

8.7 The Buyer must at all times keep the Equipment in the possession or control of the Buyer and keep the Supplier informed of its location.

8.8 The Buyer must allow the Supplier or its duly authorised representative to inspect the Equipment at all reasonable times and, to enable the Supplier to do so, the Buyer must allow the Supplier entry to the Delivery Place or any premises at which the Equipment may be located, and must grant reasonable access and facilities for such inspection.

Insurance

8.9 The Buyer must (unless self-insuring):

8.9.1 insure the Equipment from the Actual Delivery Date and keep the Equipment insured during the Lease Period and until the agreed date of collection by the Supplier, or its nominated

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agent to the full replacement value of the Equipment under a fully comprehensive policy of insurance in the name of the Buyer bearing endorsements recording the interest of the Supplier and any other persons the Supplier nominates as loss payee. The insurance policy referred to above may be subject to such uninsured amount ("**Excess**") as may be applicable from time to time and the Buyer indemnifies the Supplier against any Losses with the Excess;

- 8.9.2 punctually pay all premiums due under the insurance policy and otherwise comply with all the terms and conditions thereof and produce to the Supplier on demand the policy, evidence of the adequacy of the insurance and evidence that all premiums have been duly paid. If the Buyer does not pay any premium the Supplier can do so and the Buyer must reimburse the Supplier;
- 8.9.3 apply all money received in respect of such insurances in the repairing of damage to or in restoring or replacing the Equipment; and
- 8.9.4 on termination of the lease of a piece of Equipment for Total Loss, pay the Termination Sum together with all other sums due on termination. If the Buyer pays the Supplier all amounts due on termination for Total Loss the Supplier must pay to the Buyer a refund of Rentals of an amount equal to any insurance proceeds the Supplier receives.

Maintenance

- 8.10 The Buyer must ensure that at all times the Equipment is maintained and operated in accordance with the manufacturer's recommendations and warranty stipulations and that the Equipment is kept clean and in a good state of repair.
- 8.11 The Buyer must maintain operating and maintenance records of the Equipment and make copies of those records readily available to the Supplier, together with any additional information relating to the Equipment as the Supplier may reasonably require.
- 8.12 If any piece of Equipment is involved in an accident which is not a Total Loss the Buyer must have repairs carried out promptly at the Buyer's own expense by either a retailer holding the franchise for the Equipment or an accredited insurance repair specialist approved by the Supplier. The Buyer is responsible for ensuring that those repairs are properly carried out.

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Fines and Penalties

8.13 The Buyer is liable for all fines, fees or penalties incurred by any operator of a piece of Equipment provided under the Order Contract. The Supplier must in all cases send to the Buyer any notice or other communication the Supplier receives in respect of fines, fees or penalties.

Taking Overseas

8.14 The Buyer must not take or allow any Equipment to be taken out of the United Kingdom without the previous written consent of the Supplier, which cannot be unreasonably withheld or delayed.

8.15 If the Supplier grants consent the Buyer must pay a repatriation insurance premium to an association approved by the Supplier to make sure that the Equipment can, if necessary, be returned to the United Kingdom without cost to the Supplier.

8.16 The Buyer must make sure that any Equipment is not taken outside of the United Kingdom for a period of more than **twenty-eight (28)** days without the previous written consent of the Supplier which cannot be unreasonably withheld or delayed.

Actions upon Termination of Lease or Expiry of Lease Period

8.17 On expiry of the Lease Period or in the event of early termination of the lease in respect of any Equipment the Buyer must:

8.17.1 make the Equipment available for collection by the Supplier on the date assigned for collection. The Supplier will be bound by all obligations under this Order Contract until the time when the Supplier actually collects the Equipment which the Supplier shall do promptly;

8.17.2 complete an inspection form with the Supplier on the Return Date and ensure that the Equipment is returned and that the Equipment is in a condition consistent with its age and mileage making due allowance for fair wear and tear;

8.17.3 remove all personal effects and any other items belonging to the Buyer;

8.17.4 if the Supplier notifies the Buyer that the Equipment is not in the condition required under paragraph 8.17.2, pay to the Supplier the amount that the Buyer and the Supplier agree as the cost of rectification. In the event of any dispute regarding the condition of the Equipment, an independent assessment must be carried out by a properly qualified and experienced consultant appointed by the Supplier and the Buyer. Any

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consultant must act as an expert and not as an arbitrator and their decision is final;

8.17.5 in the event of a dispute the Equipment or other form of evidence acceptable to the Buyer must be held by the Supplier until an independent assessment has been made in accordance with Clause 8.17.4 above. The costs of the independent consultant must be borne equally between the Buyer and the Supplier provided that both Parties act reasonably at all times during the dispute; and

8.17.6 in the event of damage to any Equipment the Supplier must forward an invoice to the Buyer within **twenty-one (21)** days following the Return Date. In the case of dispute the Buyer will notify the Supplier of what is in dispute within **twenty-one (21) days** of receipt of invoice or pay the invoice in accordance with the payment terms. Any such dispute must be resolved in accordance with Clause 34 of the Core Terms.

9 Purchase Option

- 9.1 Subject to paragraph 9.2, the Supplier must make sure that the Buyer has the option, exercisable by not less than **twenty (20)** Working Days' written notice to the Supplier, to purchase the Equipment from the Owner on the last Working Day of the Lease Period at the Purchase Option Price.
- 9.2 The Buyer can only exercise the Purchase Option if the Buyer has paid in full all amounts due to the Supplier under the Order Contract up to the date of exercise of the Purchase Option.
- 9.3 On completion of the purchase of the Equipment under this paragraph 9, the title to the Equipment as the Owner had on the Actual Delivery Date will transfer to the Buyer. The Equipment will transfer to the Buyer in the condition and at the location in which it is found on the date of transfer.

10 Termination Of A Lease

- 10.1 Without affecting any other right or remedy available to them, the Supplier can terminate the hire of any piece of Equipment with immediate effect by giving written notice to the Buyer if:

10.1.1 the Buyer fails to pay any amount due under this Order Contract on the due date for payment and remains in Default not less than **40** Working Days after being notified in writing to make such payment;

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10.1.2 there is a material default of any other term of these Lease Terms by the Buyer which is irremediable or (if such breach is remediable) fails to remedy that breach within a period of **30** Working Days after being notified in writing to do so; or

10.1.3 there is a consistent repeated failure by the Buyer to comply with any of the terms of the Order Contract in such a manner as to reasonably justify the opinion that its conduct is inconsistent with them having the intention or ability to give effect to the terms of the Order Contract.

10.2 The hire of a piece of Equipment terminates automatically if a Total Loss occurs in relation to the Equipment.

10.3 At any time, the Buyer can terminate the hire of any piece of Equipment by giving 10 days' written notice to the Supplier.

11 Consequences Of Expiry Or Termination

11.1 Where the lease of any piece of Equipment is terminated for any reason, the Supplier's consent to the Buyer's possession of the Equipment will terminate and the Supplier can, by its authorised representatives, without notice and at the Buyer's expense, retake possession of the Equipment and for this purpose may enter the Delivery Place or any premises at which the Equipment is located.

11.2 Where paragraph 10 applies, the standard early termination charges apply and the Supplier must invoice the Buyer as appropriate within **twenty one (21)** days following the termination.

The following table indicates the number of Month's rental that the Supplier can invoice to the Buyer as a result of the lease of a piece of Equipment being terminated early based on the length of the Equipment lease and at which point during the Lease Period the lease of the Equipment is early terminated.

YEAR OF TERMINATION	SCHEDULED LEASE PERIOD			
	2 YEA RS	3 YEA RS	4 YEA RS	5YEARS
YEAR 1	2 mont hs	5 mont hs	6 mont hs	7 months
YEAR 2	1 mont h	3 mont hs	4 mont hs	5 months

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YEAR 3		1 month	2 months	3 months
YEAR 4			1 month	2 months
YEAR 5				1 month

11.3 Where paragraph 10 applies or where the lease of a piece of Equipment is terminated for any other reason (including Total Loss but excluding termination pursuant to Clause 10 of the Core Terms) the Buyer must, within **thirty (30)** days of the termination pay the Supplier the Termination Sum by way of agreed liquidated damages.

11.4 The Supplier agrees that any payments made pursuant to paragraphs 11.2 or 11.3 above is the Supplier's sole and exclusive remedy in respect of the termination which resulted in the payment of money as provided for in those paragraphs.

11.5 Where the Buyer terminates the Order Contract under Clause 10 of the Core Terms and then makes other arrangements for the supply of the Equipment, the Buyer can recover the cost reasonably incurred of making those other arrangements and any additional expenditure incurred by the Buyer from the Supplier. The Buyer must take reasonable steps to mitigate any additional expenditure. Where the Order Contract is terminated under Clause 10 of the Core Terms, the Buyer will not make any further payments to the Supplier until the Buyer has established the final cost of making those other arrangements.

12 The Owner

12.1 If the Owner and the Supplier are not the same person, the Owner can enforce:

12.1.1 paragraph 6.1; and

12.1.2 each of the following paragraphs of the Lease Terms as if it was the Supplier:

12.1.2.1 paragraph 7.15;

12.1.2.2 paragraph 7.16;

12.1.2.3 paragraph 8;

12.1.2.4 paragraph 10.1.2; and

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12.1.2.5 paragraph 11.1.

Annex A

Order Schedule [22] (Lease Terms) – Equipment Order Form Template

[Buyer guidance: This Equipment Order Form, when completed and executed by both Parties, forms an Equipment Order. An Equipment Order can be completed and executed using an equivalent document or available electronic purchase order system. If an electronic purchasing system is used instead of signing as a hard-copy, the text below must be copied into the electronic order form]

ORDER REFERENCE: **[Insert]** Buyer's Equipment Order number]

DATE OF ORDER: **[Insert]** Date the order is placed]

THE BUYER: **[Insert]** Buyer's name]

BUYER CONTACT **[Insert]** business address and contact number]

INVOICE CONTACT **[Insert]** business address for equipment invoicing]

THE SUPPLIER: **[Insert]** name of Supplier]

SUPPLIER ADDRESS: **[Insert]** registered address]

SUPPLIER ACCOUNT

MANAGER: **[Insert]** registered address]

THE DELIVERABLES

[Buyer guidance: Insert the details for the Equipment and/or services which are the subject of the Order Contract. For example:

[CCS guidance: It may be helpful to Buyers if a list of Equipment from the Specification is included here for Buyers to choose from. Also please include a list of available support or maintenance services that Buyers can choose from]

Equipment: **[Insert]** Description of Equipment]

Quantity: **[Insert]** Number of items]

Owner: **[Insert]** Name of the owner of the Equipment]

Services: **[Insert]** Description of any additional services]

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Delivery Place: **[Insert]** all addresses where the Equipment is to be delivered and/or the services are to be performed]

Time and Date of Delivery **[Insert]** the Due Delivery Date]

LEASE PERIOD

The Lease Period shall be the period of **[Insert[] months / quarters / years]** from the Actual Delivery Date until the Return Date which is **[Insert[] months / quarters / years]** after the Actual Delivery Date.

[Buyer guidance] Extension periods are agreed in accordance with paragraph 6.5 of the Lease Terms]

PRICE AND PAYMENT

Deposit payable by the Buyer **[Insert]** Deposit payable (including any applicable discount but excluding VAT)]

Rentals payable by the Buyer **[Insert]** Rentals payable (including any applicable discount but excluding VAT)]

[Buyer guidance] where the Buyer requests and the Supplier provides the requested services then the Buyer shall pay the corresponding charges]

Additional Charges for services **[Insert]** additional charges payable by the Buyer (including any applicable discount but excluding VAT):

Purchase Option Price **[Insert]** the Purchase Option Price (excluding VAT)]

Payment Method **[Insert]** payment method(s) and necessary details]

Invoicing and Payment

The Supplier shall issue invoices **[Delete]** monthly]/[quarterly] and the Buyer shall pay the Supplier within thirty (30) days of receipt of a valid invoice, submitted in

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accordance with this Equipment Order Form and the provisions of the Order Contract.

Termination Rental Charges

The termination rental charge shall be calculated as follows:

SPECIAL TERMS

[Buyer guidance specify whether any clauses apply to this Equipment Order in addition to the Lease Terms that are needed.]

Special Term 1**Special Term 2**

BY SIGNING AND RETURNING THIS ORDER THE SUPPLIER AGREES that they have read the Lease Terms and by signing below agree to be bound by the terms.

For and on behalf of the Buyer:

Name and Title	
Signature	
Date	

For and on behalf of the Supplier:

Name and Title	
Signature	
Date	