

TERMS AND CONDITIONS

Hire

1. We, ITW Limited, acting through our trading division, ITW FEG Leasing UK ('ITW Leasing', which expression includes our successors and assigns), agree to hire to you, the Lessee named overleaf and you agree to take on

hire for business purposes, the equipment described overleaf ('the Equipment,' which expression includes all accessories, additions and renewals to the 'Equipment' and all replacements supplied by us or at the request of the insurer of the Equipment, or otherwise with our consent) on the terms and conditions of this Agreement.

Period

2. This Agreement and the Minimum Period of Lease shall commence on the date of this Agreement or such later date as we may in our discretion allow and, subject to the provisions below, shall continue for the Minimum Period of Lease overleaf and thereafter, until terminated in accordance with these terms and conditions. We are entitled to postpone delivery of the Equipment until the cancellation period (if any) has expired. We shall use reasonable endeavours to keep to, but shall not be bound by, any delivery date.

Rentals

3. (a) You must pay the Advance Rental on signing this Agreement.
(b) You must pay the Rentals to us by Direct Debit by their due dates stated overleaf.
(c) Prompt payment is essential. Without prejudice to our other rights, you shall be deemed to have repudiated this Agreement and we may end this Agreement under Clause 10 if any payment is not made within seven days of its due date. Any payment by post shall be at your risk.

Acceptance of Equipment

4. (a) You must furnish the carrier with a receipt marked 'unexamined' and must notify us and the carrier:
(i) of non-delivery of the Equipment, within twenty one days of the date of despatch of the Equipment if consigned by rail and within five days of such date if consigned by road;
(ii) of damage to the Equipment, within three days of delivery of the Equipment;
(iii) of any shortage, within seven days of delivery of the Equipment.
(b) Time is of the essence in respect of the periods referred to in this Clause 4 as these periods are fixed by, and determine the liability of, the carrier and our rights against the carrier in the event of default.
(c) Unless you notify us as above, or within fourteen days of delivery of the Equipment in the event of any defect in the Equipment not referred to above, the Equipment will be deemed to be in good order and condition and entirely to your satisfaction.
(d) These provisions shall not affect such of your statutory rights as may not be excluded or restricted.

Care of the Equipment

5. (a) The Equipment will remain our sole property. You may not do or permit anything to be done to the Equipment which may prejudice or jeopardise our rights in, or ownership of, the Equipment.
(b) You must retain possession and control of the Equipment at the Equipment Location stated overleaf.
(c) You may not fix the Equipment to any premises, nor sell, charge, lease, pledge or otherwise dispose of the Equipment or permit any of the foregoing to occur. You may not create or permit any lien or hypothec to be created on the Equipment or distress or execution (or in Scotland, a poinding) to be levied on the Equipment.
(d) You must ensure that the Equipment is at all times kept safe and without risk to health and installed and used in accordance with the manufacturer's instructions, and laws, bye-laws and regulations applying to the Equipment and in accordance with the Health and Safety at Work etc. Act 1974.
(e) You must make prompt payment of all insurance premiums, charges, fees, rents, taxes, outgoings and imposts payable in respect of the Equipment or the premises upon which it is situated and furnish us with proof of payment on demand.
(f) You must permit us or our agent at all reasonable times to

inspect the Equipment and to affix nameplates to it.

Maintenance and Warranty Option

6. (a) Where you elected (as indicated overleaf), to take the Full Warranty Option:

(i) We will, during the Minimum Period of Lease, service and maintain the Equipment in full working order and condition (except for fair wear and tear, and damage or loss arising from or relating to insurable risks) and supply parts and labour in that connection, for no additional payment by you. You will, however, be responsible for payment for repairs and replacements (including labour and parts) relating to any damage caused to the Equipment by misuse or abuse or arising out of failure to observe instructions set out in the service manual or other instructions relating to the Equipment or its use.

(ii) After expiry of the Minimum Period of Lease you must maintain the Equipment in good order and condition (fair wear and tear excepted) at your own expense. You may contract with ITW Leasing for service and maintenance of the Equipment.

(b) Where you elected (as indicated overleaf), not to take the Full Warranty Option:

You must throughout the period of this Agreement service and maintain the Equipment at your expense and keep it in good working order and condition (save for fair wear and tear arising from its normal use) and at your expense replace any parts with parts of at least equal quality. You will be liable for all loss and damage to the Equipment, including any arising out of events beyond your control.

(c) In all cases (namely whether sub-clause (a) or (b) above applies) you shall, after expiry of the Minimum Period of Lease, be obliged to maintain the Equipment in accordance with sub-clause (b) above and shall be liable for loss and damage, as stated in sub-clause (b).

Insurance

7. (a) You must, at your own expense, insure and keep insured the Equipment to its full replacement value with insurers of repute chosen by you ("the insurer") under a comprehensive policy (without excess or restriction) against fire, theft, accidental damage and other risks against which it is commercially prudent to insure and procure that our interest as owner is noted on the policy and that we are endorsed as the loss-payee on the policy.

(b) You must hold on trust for us all monies payable under the policy and appoint us to receive the same.

(c) You must immediately notify us if the Equipment is lost, stolen, damaged, or destroyed. You may not compromise any claim and you agree that we may negotiate directly with the insurer.

(d) If the Equipment is damaged, but in the opinion of the insurer it is capable of economic repair, the policy proceeds will be used to make good the damage and you must pay to us any deficiency on demand. In the event of damage to the Equipment which, in the view of the insurer, amounts to a total loss or in the event of the destruction, loss or theft of the Equipment, we may within thirty days of notification of such event, end this Agreement and you shall be liable to make payment to us in accordance with Clause 11. If we do not then end this Agreement, we shall replace the Equipment with equipment of a similar type and quality which shall then be held by you as the Equipment under and subject to the terms of this Agreement. No Rentals are payable during the period from the expiry of the said thirty days until the Equipment has been replaced and the Minimum Period of Lease shall be extended accordingly.

Variation of Rentals

8. We may vary the Rentals at any time:

(a) by giving you at least seven days' notice in writing following a change during the period of this Agreement:

(i) in corporation tax, writing down or capital allowances or Value Added Tax;
(ii) in the rate of inflation in excess of 5% p.a., as reflected in the Retail Prices Index (as selected by us) as compared with the position on the date of this Agreement; or
(iii) in any relevant taxation practice or legislation which affects our return on the hire of the Equipment under this Agreement;

(b) as follows:

(i) in any of the events stated in Clause 8(a)(i) or (iii), by such amount(s) as we consider necessary to place us in the position we would have been in if such event had not occurred; and
(ii) in the event stated in Clause 8(a)(ii) by a percentage

equal to the percentage increase over 5%. In the event of a dispute relating to the amount of any variation, the same will be referred to our auditors whose decision will, in the absence of manifest error, be final and binding on the parties.

Termination

9. You or we may end this Agreement by giving to the other at least one month's written notice to expire at the end of, or at any time after (but not before), the expiry of the Minimum Period of Lease. You must then immediately at your cost return the Equipment to us at our address overleaf or the address designated by us for this purpose.

10. (a) You shall be deemed to have repudiated this Agreement and

we may (in addition, and without prejudice to, our other rights and subject to Clause 10(b)) end this Agreement if:

(i) you fail to pay any Rental within seven days of its due date or to remedy any other breach of this Agreement (not otherwise specified in this Clause 10) within the period specified in a written notice by us requiring you to do so;

(ii) a bailiff or other officer attaches, seizes or impounds any of your goods pursuant to a court order;

(iii) you fail to have any judgment obtained against you set aside within fourteen days;

(iv) you are presented with a creditors demand under the Insolvency Act 1986 or a petition is presented for the making of a bankruptcy order against you or you become apparently insolvent within the meaning of the Bankruptcy (Scotland) Act 1985;

(v) you convene a meeting of creditors or enter into an assignment or arrangement with your creditors or discontinue the business which you carried on at the date of this Agreement;

(vi) you are in partnership and the partnership is dissolved or, if you are a Company, you convene a meeting to consider a resolution for winding up, or an administrator is appointed or a winding up order is made, in respect of you;

(vii) we become aware that any material statement made by you before entering into this Agreement is false; or

(viii) you abandon the Equipment or, we, on any other ground, consider our rights in or to the Equipment to be in jeopardy.

(b) If this is a regulated agreement we shall give you a default notice before ending this Agreement.

Our Rights on Termination

11. If we end this Agreement under Clause 7(d) or Clause 10, we shall be

entitled to repossess the Equipment and you must pay to us:

(i) all arrears of Rentals, together with all interest, costs, charges and expenses which we have incurred under this Agreement;

(ii) any costs we may incur in restoring the Equipment to good working order and condition;

(iii) a sum equal to the Rentals payable in respect of the unexpired Minimum Period of Lease, less a discount calculated at one half of HSBC Bank Base Rate (in force when this Agreement is ended) from the date this Agreement is ended until the date each Rental would have fallen due, but for termination.

Retaking the Equipment

12. On expiry of the Minimum Period of Lease or on the ending of this

Agreement under Clause 9 or 10, we may retake possession of the Equipment and for that purpose enter the Equipment Location (or premises

where the Equipment is believed to be). If this is a regulated agreement,

we may only retake possession of the Equipment following the appropriate

written notice to you and may only enter such premises with your consent

given at the time or after obtaining a court order.

Administration Charges and Expenses

13. We may charge reasonable administration charges at our rates from time

to time in force for any Rentals not paid by Direct Debit, any cheques and

other amounts due which are unpaid, returned or recalled and any letter

which we or any debt collection agent on our behalf may send you in

respect of any breach by you of this Agreement. We will notify you of such charges in writing from time to time.

14. You must pay all expenses (including legal costs on a full indemnity basis)

incurred by us in enforcing our rights under this Agreement, ascertaining

the whereabouts of, or repossessing, the Equipment and in repossessing,

insuring and/or storing the Equipment after its repossession.

15. Without prejudice to our other rights, if any Rental or other sum payable

under this Agreement is not paid by its due date:

(a) you must pay default interest on such sum (including but not limited to any sum payable under Clause 11) from its due date until receipt of payment by us, both before and after any judgment, at 3% over HSBC Bank Base Rate in force on the date such sum is first demanded in writing;

(b) if such sum is due or payable to a third party we may, but shall not be obliged to, effect payment of the same on your behalf and you shall reimburse us in such sum on demand.

Exclusions and Indemnity

16. (a) Unless we have agreed with you otherwise in writing (i) no dealer or supplier of the Equipment or negotiator of this

Agreement is or shall be deemed to be our agent for any purpose, and (ii) you acknowledge and represent to us that you have not indicated to any person referred to in sub-clause (i) any special purpose for which the Equipment is required.

(b) Having regard to the fact that you selected the Equipment, we do not warrant that it is fit for your purpose.

(c) You indemnify us against all claims, loss, injury, damages (including consequential, special, direct or indirect damages) and all legal and other costs (on a full indemnity basis) arising out of the use or presence of the Equipment, except for injury or death caused by our own negligence or fault.

(d) Clauses (b) and (c) do not apply if you neither entered into this Agreement in the course of a business nor held yourself out as doing so.

Miscellaneous

17. Any waiver or indulgence which we may grant you shall not affect our strict rights under this Agreement.

18. You may not transfer, assign, charge or pledge any of your rights or obligations under this Agreement. We may transfer or assign any of our

rights and/or obligations under this Agreement, subject to any restrictions imposed by law.

19. Any notice to be given under this Agreement must be in writing and delivered

by hand or posted to the relevant party's address stated overleaf or its last

known address and if sent by first class post shall be deemed to have been

received forty-eight hours after posting.

20. For UK taxation purposes and regardless of the accounting treatment

adopted by you, you will not be entitled to claim any writing down or capital

allowances in respect of the Equipment.

21. If the Lessee consists of more than one person your liability shall be joint

and several. This means that each of you will be liable for the Lessee's

obligations under this Agreement.

Rebate of Rentals

22. (a) In consideration of, and subject to, your complying strictly with

the terms of this Agreement, you may after the ending of the Minimum Period of Lease by expiry of time, and having given

us at least 14 days' prior written notice, act as our agent solely for the purpose of effecting the sale of the Equipment provided that:

(i) you do not make any warranty or representation

(except for any implied by law) in relation to the sale or the Equipment;

(ii) the sale is at arms length to an independent third party not connected or associated with you; and

(iii) the sale is at the then open market price of the Equipment and on terms that payment of the full

purchase price of the Equipment will be made

directly to us, by bankers draft or bank transfer, immediately on completion of the sale.

(b) In consideration of your having taken special care of the Equipment and for effecting the above sale, we will pay to you, by way of rebate of Rentals, 85% (inclusive of VAT) of the net VAT-exclusive purchase price of the Equipment, after deduction of all costs of, or incidental to, the removal, storage insurance and sale of the Equipment and after deduction of any amount owing by you to us on any account or agreement whatsoever.

(c) Where you entered into this Agreement in the course of a business or held yourself out as doing so, we shall be entitled at any time in our discretion to withdraw or terminate the appointment set out in this Clause 22 and your entitlement to a rebate of Rentals without incurring any obligation or liability to you as a result of such withdrawal or termination.

Interpretation

23. In the interpretation of this Agreement,

(a) unless the context otherwise requires:

(i) reference to one gender shall include the other genders;

(ii) words in the singular shall include the plural and vice versa; and

(iii) words and expressions to which meanings have been given on the first page of this Agreement shall bear those meanings in these provisions.

(b) Headings shall not affect the interpretation of any provision.

(c) If any provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed to be severable from, and shall not affect, the remaining provisions.

24. This Agreement shall be governed by English law and you submit to the

non-exclusive jurisdiction of the English Courts. In the

interpretation of this

Agreement in Scotland, words and expressions not in current use in

Scotland shall be given their nearest equivalent meanings.

25. This Agreement shall not come into force unless and until it has been

signed by you and by us, or on our behalf.

USE OF YOUR INFORMATION

In considering your application we may use a credit scoring or other automated

decision making system. It is important that you give us accurate information. We will

search your records at credit reference agencies and they will add to your record

details of our search and your application. This will be seen by other organisations

carrying out later searches. We will add to your record with credit reference agencies

details of your agreement with us, the payments you make under it, any default or

failure to keep to its terms and any change of address without notice where payment

is overdue.

We and other organisations may use and search your records to help make decisions

about credit and credit related services, such as insurance, for you and members of

your household, trace debtors, recover debt, prevent fraud, and to manage your

accounts. We, credit reference agencies and fraud prevention agencies may also use

the records for statistical analysis about credit, insurance and fraud. We may also use

information about you to carry out market research.

Please telephone us on 01733 405409 if you want to have details of those credit

reference and fraud prevention agencies from whom we obtain, and with whom we

record, information about you. You have a legal right, on payment of a fee, to receive

a copy of the information we hold about you if you apply to us in writing.