

Machine Rental Terms and Conditions – 01/01/2024

All words appearing in these terms and conditions with capital initial letters shall bear the meanings indicated.

Agreement

This is a hire agreement. The Owner lets the Equipment which the Hirer agrees to hire for the Minimum Period, which begins on the day of delivery of the Equipment and thereafter until the expiry of the three months' notice of cancellation to be given in writing by either party to the other, such notice to expire not earlier than the end of the Minimum Period or thereafter at each anniversary thereof. The Company may adjust the charges hereunder from time to time by giving to the Customer 30 day's prior notice in writing. Any increase in charges other than necessary to recover actual increases in costs shall be subject to prior approval of The Customer.

Equipment

The Hirer declares and warrants (in knowledge that the Owner will rely upon such declarations and warranties if the Hirer signs this agreement) that:

- 2.1 The equipment was selected by the Hirer and is for use in business only.
- 2.2 The Hirer is aware that the Owner relies upon the Hirer to examine and inspect the Equipment immediately after delivery and to ensure that it is of merchantable quality and fit for the Hirer's purpose.
- 2.3 The Hirer will inform the Owner and the Supplier in writing within 7 days of delivery if the Hirer is not entirely satisfied with the Equipment.
- 2.4 The Machine stated in this rental agreement can be upgraded to larger/new equipment of greater value supplied by Compact and Bale Ltd, at no penalty to Hirer except the decommissioning and removal costs stated within this agreement.

Conditions Warranties and Exclusions

The Owner has not inspected the Equipment which has been selected by the Hirer using his own skill and judgment. All terms, conditions and warranties (whether express or implied by statute or otherwise) as to the description, merchantability and fitness for purpose of the Equipment are excluded. The Hirer shall keep the Owner indemnified at all times in respect all claims of whatever nature made in respect of the Equipment and its use. The Owner agrees upon request and at the cost and expense of the Hirer to assign to the Hirer the benefit of all the express warranties granted in favour of the Owner by the supplier of the Equipment or the manufacturer of them or any third party.

3.1 The Owner shall not be liable to the Hirer:

- 3.1.1 In contract or in tort for loss injury or damage arising by reason of any defects in the goods whether such defects be latent or apparent on examination other than liability for death or personal injury arising from the negligence of the Owner.
- 3.1.2 For any statement term condition warranty or representation made by any supplier dealer agent broker or other person through whom the transaction may have been introduced negotiated or conducted and persons other than those in the employment of the Owner have no authority express or implied to act as agent for the Owner or make any representations on the Owner's behalf.
- 3.1.3 Either for any loss whatever suffered by the Hirer as the result of the Equipment or any of it being unusable or to supply any replacement equipment during any period when the Equipment or part of it is unusable.
- 3.1.4 For any loss or damage incurred or sustained by the Hirer in consequence of the Owner terminating the hiring under clause 7 or in retaking possession of the Equipment.

Hirer's Covenants

The Hirer (and if the Hirer comprises more than one person each such person jointly and severally) shall during the continuance of this agreement:

- 4.1 Pay punctually and without demand deduction counterclaim or set off to the Owner the rentals and the advance payments (if any) and all other sums due from the Hirer to the Owner at the times specified for payment in this agreement and that in respect of any sums payable under this agreement time shall be of the essence and that a condition of this agreement is that failure to pay any sums due within 21 days after the due date shall be a repudiation of this agreement.
- 4.2 Maintain and service the Equipment and keep it in good order and condition at all times and notify the Owner of, and be responsible for making good, any damage or loss to the Equipment which may occur for any reason whatsoever.
 - 4.2.1 So as to protect the manufacturer's warranty, the Hirer is required to take out a maintenance agreement within 3 months of signing this agreement. Should the Hirer fail to secure such servicing agreement with Compact & Bale Ltd or another approved servicing company, the Owner shall take out its own maintenance agreement in respect of the Equipment, and the Owner shall subsequently invoice the Hirer for an annual sum equivalent to 15% of the cost of this rental agreement in respect of such maintenance agreement.
 - 4.2.2 Take out and keep in force at all times during which the Hirer is in possession of the Equipment an insurance policy (which the Hirer shall keep on foot) covering the full replacement value of the Equipment against all risks.
 - 4.2.3 Insure the Owner and the Hirer against all liability to third persons for death personal injury damage to or loss of property and any claim for loss arising directly or indirectly out of the use possession or operation of the equipment for such amount as the Owner may stipulate from time to time or in the absence of such stipulation for such amount as is prudent in all circumstances and in any event for at least the sum of £1,000,000.00.
 - 4.2.4 Pay punctually all premiums due for such insurance and to produce to the Owner on request the policy or policies together with evidence of payment of the premiums and agrees that the Owner may affect the insurance referred to in this clause if the Hirer has failed to do so (though it is not under any obligation to do so) and to reimburse the Owner on demand the cost of so doing.
- 4.3 If there is a total loss or constructive total loss or arranged total loss (in this agreement referred to as a "Total Loss") of the Equipment on the expiry of 30 days after the occurrence giving rise to such Total Loss (or on such later date as the Owner may agree) to pay to the Owner an amount equal to the sum calculated under the provision of Clause 8 below as if the Owner had lawfully terminated the hiring of the Equipment under clause 7 below on the date of such Total Loss save that in such calculations deduction of the Net Proceeds shall be replaced by the deduction of the amount of insurance money (if any) that prior to the expiry of the said 30 days had been received by the Owner under the policy or policies maintained in compliance with clause 4.4 provided that:
 - 4.3.1 Such sum shall be paid together with interest on it calculated in accordance with clause 12 below from the date of such Total Loss until the date of payment and
 - 4.3.1.1 Immediately upon the occurrence of a Total Loss the hiring of the goods shall terminate both without prejudice to this agreement which shall continue in full force and effect and to any claims or liabilities then outstanding or arising in the future by virtue of this agreement.
 - 4.3.2 If loss or damage occurs but does not amount to a Total Loss of the Equipment the Hirer agrees to:
 - 4.3.2.1 Immediately notify the Owner.
 - 4.3.2.2 To apply all insurance monies payable in making good such damage and
 - 4.3.2.3 Upon being requested by the Owner so to do at the Hirer's expense immediately to assign to the Owner all the Hirer's rights benefits and claims under any relevant policy of insurance.
 - 4.3.2.4 Be solely responsible for and fully indemnify the Owner in respect of all loss or damage to the Equipment (insofar as the Owner shall not be reimbursed by the Proceeds of the insurance in respect thereof) however caused occurring at any time or times before physical possession of the Equipment is retaken by the Owner.
 - 4.4 Be solely responsible for and fully indemnify the Owner against any loss damage or injury (including death) to persons or property caused by the Equipment or its use, save for death or injury caused by the negligence of the Owner.
- 4.5 The Hirer shall be liable for ongoing rental payments throughout the term of this agreement notwithstanding any period during which the equipment is not working, under repair or otherwise unavailable to the Hirer. Where such unavailability or damage is due to a reason beyond the Hirer's control, the Owner may elect to repair the Equipment or to supply a replacement machine of a similar specification within 5 working days of being notified of the problem in writing by the Hirer.

Ownership

The Equipment shall at all times remain in the ownership of the Owner and the Hirer will have no rights to the Equipment other than as mere bailee. The Owner may however assign and sell its right under this agreement and its rights in and to the Equipment. The Equipment must only be used by the Hirer and (unless the Owner otherwise agrees in writing) must be kept at the address of the Hirer set out in this agreement. The Hirer shall not sell, assign, charge or create any sub-lease over or otherwise dispose of or abandon nor allow the Equipment to become a fixture on any land or property.

Taxation

6.1 The Hirer will indemnify the Owner (which expression shall, for the purpose of this clause, include (if different) the Owner of the Equipment) against any loss suffered by the Owner as a result of:

- 6.1.1 Any change in nature, basis, or rates of taxation, and/or
- 6.1.2 Any failure to obtain, or subsequent cancellation, loss or non-availability for whatever reason (excluding the Owner's negligence) of, a first year allowance (at the full rate in effect at the date of this agreement) or a writing down allowance (at the full rate in effect at the date of this agreement) which is available to be offset against the Owner's liability to corporation tax in respect of the whole of its expenditure on the Equipment and/or
- 6.1.3 The Owner's liability to surrender to another member of its Group any losses incurred (as a result of the availability of the said allowance in respect of its capital expenditure on the Equipment) by way of group relief under the Taxes Act 1988. In the event of any of the above, the Owner may increase the rentals paid or payable so as to maintain the after-tax return the Owner or the Owners group of companies (calculated by the actuarial after tax method on funds invested from time to time in the lease) as though no such event had occurred. Notice of any such increase in the rentals or of additional payments to be made shall be given in writing to the Hirer and (save for manifest error) shall be conclusive and binding on the Hirer, who will pay any retrospective adjustment of rental forthwith on demand.

Default or Breach

Without prejudice to the Owner's rights to arrears of rentals or other sums due for damages for breach of this agreement, the Hirer shall be deemed to have repudiated this agreement and the Owner may at any time thereafter serve notice accepting that repudiation and terminating agreement if:

- 7.1 The Hirer fails punctually to pay on their due date any sums under this agreement or breaches any of its other terms: or
- 7.1.1 The Hirer (being an individual or where there is more than one Hirer any of them) is the subject of an interim order or has a statutory demand made upon him under the Insolvency Act 1986 (or any statutory re-enactment thereof) or has a bankruptcy petition presented in respect of him: or
- 7.1.2 The Hirer (being a company) shall have a receiver, administrative receiver, or administrator appointed, or shall enter compulsory or voluntary liquidation: or
- 7.1.3 The premises where the Equipment is kept or any other Premises of the Hirer or any goods on such premises are subject to distraint or execution: or
- 7.1.4 The Hirer shall do anything or omit to do anything which in the opinion of the Owner may prejudice the Owner's rights of ownership in the Equipment: or
- 7.1.5 The Hirer shall die: or
- 7.1.6 The Hirer shall abandon the Equipment.
- 7.1.7 Where upon the Owner's consent to the Hirer's possession of the Equipment shall determine immediately and the Owner may take possession of the Equipment wherever it may be.

Consequences of Termination

Forthwith on hiring of the Equipment being determined as above or if the hiring under this agreement is terminated upon a repudiation by the Hirer accepted by the Owner the Hirer shall pay to the Owner: -

- 8.1 All arrears of rent including appointed rent for any broken period.
- 8.2 All rentals that had the Owner's consent to the Hirer's possession of the Equipment not been determined were agreed to be paid by the Hirer to the Owner until the end of the Minimum Period referred to overleaf (less a discount for accelerated payment at the rate of 5% a year).
- 8.3 Damages for any breach of this agreement and all expense and costs incurred by the Owner in retaking possession of and selling or attempting to sell the Equipment and/or enforcing its rights under this agreement less the Net Proceeds.

PROVIDED that the Net Proceeds shall be:

The proceed of sale of the Equipment if sold less in the case of a sale by instalments any amount of them referable to the deferment of some or all the sale price as the case may be or

If the Equipment is re-hired the value of it estimated by a reputable dealer ("the Dealer") in equipment of the same nature as the Equipment appointed by the Owner on the basis of sale by a willing seller to a willing buyer subject to and with the benefit of such re-hiring or

If the Equipment has been neither sold nor re-hired the value of it as estimated by the Dealer on the basis of a forced sale for immediate cash payment less in each case all the Owner's expenses connected with the sale re-hiring or valuation (including in each case any commission payable) or incurred in recovering possession of or storing the Equipment. Nothing in this agreement shall impose on the Owner any obligation to sell or re-hire the Equipment following termination.

Return of Equipment

9.1 The Hirer agrees to pay the Owner's reasonable costs of inspecting the Equipment both prior to final collection from the Hirer's site and after delivery to the Owner's nominated site. The Hirer will incur additional costs and charges if the Equipment is damaged beyond economical repair up to and including its replacement cost at the current market rates and to continue to pay the rental charge until the Owner has replaced the Equipment using reasonable commercial endeavours to do so as quickly as possible.

9.2 Forthwith upon expiry or termination of this agreement (for whatever reason) the Hirer shall return the Equipment to the premises nominated by the Owner in the United Kingdom at the Hirer's expense. In the event that the Hirer shall fail to return the Equipment to the premises nominated by the Owner within 7 Days the Owner shall be at liberty to decommission and collect the Equipment from the premises where it is situated and to charge the Hirer for the costs of such at the rates shown overleaf.

9.3 The Hirer is liable for all costs involved with the removal of the Equipment once the rental period is complete.

Entry

The Owner may enter any premises in order to inspect the Equipment or its condition (after termination of this agreement for any reason) to retake possession of it.

Payment by Invoice

If upon entering into this agreement the Hirer has agreed to pay rental by Direct Debit or Standing Order, the Owner may agree (at the request of the Hirer made at the time or thereafter) to accept subsequent rental payments against invoice from the Owner, subject to an increase in the rental stated overleaf, such an increase to be not more than 5% of such rental.

Interest

If any of the rentals or any other sums payable under this agreement shall not be paid when due the Hirer shall pay to the Owner interest on them calculated on a daily basis and compounded quarterly from the due date until payment at the rate of 3% over HSBC Bank base rate from time to time.

Notices

Notices addressed to the Owner may be sent to Unit 7, The Hop Kilns, Goblands Farm Business Centre, Court Lane, Hadlow, Kent TN11 0LT. Notices addressed to the Hirer will be sent to the address appearing overleaf or to such other address as the Hirer has advised to the Owner in writing.

Indemnity

The Hirer shall indemnify the Owner against all loss actions claims demands proceedings (whether criminal or civil) costs legal expenses (on a full indemnity basis) insurance premiums and calls liabilities judgement damages or other sanctions whenever arising directly or indirectly from the Hirer's failure or alleged failure to carry out its duties under this agreement or by reason of any loss injury or damage suffered by any person (including without limitation the Owner) from the present of the Equipment or the delivery possession hiring transportation condition use operation removal or return of it or its sale or disposal by the Owner of any defect in the Equipment or the design manufacture testing maintenance or overhaul of it or the Owner exercising any right in respect of the Equipment or its ownership or hiring.

14.1 This agreement may be cancelled by the Hirer, at any time up to delivery of the Equipment on written notice and subject to payment of a fee equivalent to 20% of the total rental cost of this agreement. This agreement may not be terminated once the Hirer has taken delivery of the Equipment. Compact & Bale Ltd reserve the right to charge for any work carried out up to the agreement cancellation date.

Governing Law

This agreement shall be governed by the Law of England. Both the Hirer and the Owner submit to the exclusive jurisdiction of the English Courts.