

# RETURN CONDITIONS

## TRAILERS

THESE RETURN CONDITIONS form part of the terms of the Agreement numbered .....

Between

Hitachi Capital (UK) PLC (**Hitachi**) and

..... (the **Customer**) in respect of the Goods (as defined therein) (the **Agreement**).

Unless otherwise specified, capitalised words used in this Schedule shall have the same meaning given to them in the Agreement provided that references to Trailers in this Schedule shall have the same meaning as Goods in the Agreement. All references to Trailers include all ancillary equipment, e.g. refrigeration units, tail-lifts, tipping equipment, superstructure, crane and body components as appropriate.

### 1 RETURN OF TRAILER

- 1.1 Subject to reasonable prior notice, the Lessee grants an irrevocable licence to Hitachi to enter with any prospective purchaser of the Trailer (from time to time) the premises where the Trailer shall be situated in order to view the Trailer. Such licence shall be restricted to the six month period prior to the return date of the Trailer and the period referred to in clause 1.3 below.
- 1.2 On termination of the Trailer hire (howsoever arising) the Lessee shall (at the Lessee's cost) promptly deliver the Trailer to such address as Hitachi may reasonably direct or allow repossession of the Trailer by Hitachi together with all instruction and service manuals, booklets, records, excise duty certificates (including, without limitation, any TIR Certification and ATP certification and, Department of Transport Test Certificate).
- 1.3 At Hitachi's request, the Lessee shall store, insure and maintain the Trailer for a period not exceeding 60 days (at the expense of the Lessee) following termination of hire. During such period, the Trailer shall not be used, modified or in any way interfered with. At the end of the storage period the Lessee shall return the Trailer to Hitachi.

### 2. RETURN CONDITIONS

- 2.1 The Trailer shall be returned:
  - a) in good working condition with all damage repairs properly completed, and any necessary parts fitted, and any sign writing or other identification removed and paintwork reinstated. The Trailer shall be thoroughly steam cleaned and the interior valeted;
  - b) maintained in accordance with the manufacturers recommended service schedule (if any) and in full working order. The parts and lubricants used must be as recommended by the manufacturer and otherwise maintained in accordance with good working practice applicable from time to time; and
  - c) in compliance with all legal and safety requirements and be fit to use including, where appropriate, fit for use on the roads in Great Britain including a current Ministry of Transport Test Certificate appropriate for such Classes of Trailer (including, without limitation, any ATP or TIR Certification) and which at the date of return of the Trailer shall have a minimum of six months until expiry.
- 2.2 On return of the Trailer to Hitachi the Lessee shall ensure that it is in the same working order as when originally commissioned into use, save only for fair and normal wear and provided that the Trailer:
  - a) shall show no signs of evidence of damage or corrosion to the body, fittings or structure; the superstructure, sub-structure and undercarriage shall be free from cracks, distortion and fractures; doors and windows shall operate correctly. Any cargo areas including floor areas, doors and hooks where fitted will be serviceable and free from damage (including damage to any body insulation which impairs the efficiency of temperature control);

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- b) windows (if any), lenses and gauge glasses shall be present, undamaged, correctly fixed and fully functioning;
- c) is serviced, working including the road lights being in compliance with current legislation;
- d) all mechanical and electrical equipment including lighting systems shall be in proper and efficient operating condition and there shall be no part requiring immediate replacement. Gauges, electrical, hydraulic, mechanical and manual controls, switches, brake and transmission levers and other like items are complete and in full working order;
- e) the paintwork shall be of good quality and livery or similar markings (if any) shall be removed;
- f) the axles shall be in good working order and meet the manufacturer's minimum operating specifications while under full load;
- g) be free from abuse and deficiencies, fully operational with no damage;
- h) brakes shall operate properly without pulling and hold the Trailer to the standard specified by the manufacturer; brakes shall not require immediate re-lining; air/mechanically operated brake actuators shall be in working order; any hydraulic systems shall be free from leaks;
- i) accessories, ancillary equipment and attachments supplied with the Trailer when it was originally delivered to the Lessee shall be complete and fully operative and any consumable items shall have been replaced prior to the return of the Trailer;
- j) tyres are of radial construction, all tyres (including any spare) shall have a minimum tread depth of 6 millimetres; current legal requirements or 50% of the original tread depth when the tyre was new. Remoulds will be accepted on any but the steering axle(s) provided that they are no more than third life casings, re-cuts and/or re-grooves to remoulds tyres will not be accepted; neither shall there be a mismatch of tread pattern or tyre size or type between the tyres (including spare) fitted to the Trailer; all tyres shall be of acceptable premium manufacture, such as Dunlop, Pirelli, Michelin or Goodyear and all tyres shall be free from cuts, gouges, flat spots or damage to the side walls, be inflated to the correct pressures and not punctured;
- k) steering geometry shall not have been compromised in any way and the Trailer shall, upon return, be capable of being used and driven without any crabbing or wandering from a straight line when being driven across a firm and level surface; kingpins, joints and bearings shall be free from abnormal play;
- l) suspension, including springs, bags, bellows and damping components, shall not be broken or punctured and shall not be showing undue signs of fatigue or leakage; the shackles shall not be unduly worn;
- m) any computer operated loading decks must be returned with all supporting software and hardware together with manufacturers operating manuals and any other relevant instructions;
- n) the Trailer shall be fit for use on the roads in the United Kingdom where the trailer has previously been used by the lessee on such roads;
- o) where the Trailer is registered for use on the roads in the United Kingdom and/or where required by law, the Trailer shall have a current valid Department of Transport Test Certificate appropriate for its class (including, without limitation, any ATP or TIR Certification) and which, at the date of return of the Trailer, has a minimum of six months remaining until expiry; and
- p) is returned complete with tools and spare wheel (or replacements) as originally equipped;

2.3. Conditions applying to specific types of trailers, as applicable:

- a) Curtainside bodywork is free from tears; all patches shall be completed from the inside out and not outside in and shall represent no more than 2% of the total curtain area and the curtains shall be returned with all livery removed (not painted out);
- b) Alloy box bodywork and doors are free from puncture holes;
- c) Platform bodywork- deckwork boards are complete;
- d) Temperature Controlled Bodywork:
  - (i) ATP Class "C" Certificate (or any statutory substitution thereof);
  - (ii) temperature control unit shall be maintained to manufacturer's standard, overhauled as stipulated and operate efficiently; and

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- (iii) Insulation (if any) shall not have been damaged such that efficiency is reduced;
- e) Tipper Bodywork:
  - (i) bodywork shall be free from puncture holes and tailgate fully operable; hydraulic systems shall be in full working order; PTO and donkey engines will be in full working order; and
  - (ii) rollover sheeting shall be free from tears and fully functional;
- f) Tanker trailers:
  - (i) shall only have been used with suitable products, the interior shall be purged and cleaned and free from any residue in a degassed condition; there shall be no evidence of pitting nor of reduced shell thickness and a gas-free certificate shall be provided together with written notification of the last product carried;
  - (ii) walkways to be compliant with current HSE protocol; and
  - (iii) pumping equipment (if any) shall be in good condition and operate efficiently;

2.4. Hitachi has the right to appoint an independent expert appraiser, at the Lessee's cost to inspect the Trailer and all related records in order to determine whether the Trailer has been maintained in accordance with the Agreement. The Lessee shall (at its expense) repair any material deficiency identified by the expert prior to the return of the Trailer to Hitachi.

2.5. The Trailer shall be inspected by or on behalf of Hitachi by their authorised representative in the presence of the Lessee's authorised representative. During an asset inspection it may be necessary to road test the Trailer for a short distance (this will be minimal and should not cause any reporting issues for enforcement purposes. Where an Appraiser is unable to undertake such a road test for whatever reason, the Lessee will be required to pay to Hitachi an amount equal to any reduction in sales value (as calculated by Hitachi) that Hitachi may suffer as a result of not having been able to undertake such road test.

2.6. If the Trailer does not meet the return conditions, then;

- (a) the Lessee will be notified in writing of the work required and the cost to bring the Trailer up to the required standard, including the fitting of any missing items with which the Trailer was originally supplied; and
- (b) the Lessee shall be deemed to have agreed the work required and its cost unless Hitachi shall have received notice from the Lessee to the contrary within five (5) working days from the date of the notice and Hitachi shall be entitled to carry out the work necessary to bring the Trailer to the required standard at the Lessee's expense.

All disputes which arise in connection with either the satisfaction of compliance of the Trailer with the return conditions notified to the Lessee which shall not be resolved (within thirty days of the dispute) to the satisfaction of Hitachi and the Lessee shall be referred to the FTA (Freight Transport Association) who shall act as an expert. The decision of the FTA expert shall (save in the case of manifest error) be final and binding on both parties.

2.7. If the Lessee fails to pay any sum due hereunder within seven days of demand, then without prejudice to any other rights of Hitachi the Lessee shall pay to Hitachi on demand default interest from the date of such demand (both before and after judgement) until payment at the rate and in the manner set in the lease.

### 3. EXCESS USE

3.1 The Lessee shall forthwith upon receiving written demand from Hitachi pay by way of additional rent to Hitachi:

- (a) a sum calculated by reference to the Excess Use Charge Rate specified herein in respect of each engine hour/mile (as relevant) in excess of the Permitted Use Allowance as specified herein; and
- (b) on early termination of hire (howsoever arising) a sum calculated by reference to the Excess Use Charge rate in respect of each engine hour/mile (as relevant) of usage in excess of that part of the Permitted use Allowance as shall be the proportion of the Permitted Use Allowance applicable from the date of the Lease until such termination of the hire pro-rata to the unexpired period of Hire.

3.2 Excess Usage shall be determined by Hitachi having regard to the recorded use as indicated on the hub odometer (if fitted), or hour clock attached to or incorporated in the Trailer provided that if for any reason Hitachi is not able to obtain a reading or has reasonable grounds to believe that any recording taken may be inaccurate, then Hitachi shall be entitled to estimate actual usage and such estimation shall be conclusive. The Lessee shall advise Hitachi immediately if any hub odometer, milometer or hour clock or similar device fails, temporarily or permanently, or is replaced.

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3.3 The Lessee agrees that from the date of the start of the lease until the Date of Return of the Trailer, the Trailer shall only be used for the Permitted Use. If the Trailer is used for a substantially different usage to the Permitted Use or the Permitted Use Allowance is significantly extended then, if, in Hitachi’s sole opinion, this has significantly altered the value of the Trailer in comparison to the value of the Trailer which Hitachi expected to achieve on return of the Trailer the Lessee shall pay to Hitachi on demand a sum that compensates Hitachi for the Lessee’s failure to meet such obligation.

**4 DEFINITIONS**

- 4.1 Trailer: Serial/chassis number:
- 4.2 Date of return of the Trailer: On or before:
- 4.3 Permitted Use Allowance (Refrigerated trailer): Fridge Motor hours per annum
- 4.4 Excess Use Charge: £ Pence per Hour
- 4.5 Permitted Use: Road Haulage
- 4.6 Permitted Tread Depth: At least 6mm tread
- 4.7 MOT: The Trailer must have 6 months MOT on the date of return.

**SIGNED by**

**SIGNED by**

<b>Customer Signature: **</b>		<b>HITACHI CAPITAL (UK) PLC</b>  <b>Signature:</b>
<b>Full Name in BLOCK Capitals</b>		
<b>Position Held:</b>		

\*\* To be signed by the same person as the Agreement