

RETURN CONDITIONS

COMMERCIAL VEHICLES, PASSENGER SERVICE VEHICLES, BUSES AND COACHES

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 Vehicles in this Schedule shall have the same meaning as Goods in the Agreement.

1. Return of Vehicle

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

2. Return Conditions

- 2.1 The Vehicle shall be returned:
 - (a) in good working condition with all damage repairs properly completed, and any necessary part fitted, and any sign writing or other identification removed and paintwork reinstated. The Vehicle 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 Vehicle (including, without limitation, any ATP or TIR Certification) and which at the date of return of the Vehicle shall have a minimum of six months until expiry.
- 2.2 On return of the Vehicle to Hitachi the Customer 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 Vehicle:
 - (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;
 - (b) windows, windscreens, lenses and gauge glasses shall be present, undamaged, correctly fixed and fully functioning;

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- (c) is serviced, working including the road lights being in compliance with current legislation;
- (d) 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 exhaust system, silencers and the Selective Catalytic Reduction Emissions equipment shall be secure and sound and not requiring early replacement. All emission sensors shall be fully functioning with no loss of torque to the engine. The correct standard of urea solution (Ad Blue) must have been used at all times in accordance with standard DIN (standard) 70070 and the emissions equipment shall be free from damage;
- (f) interior fittings and accoutrements shall be free from damage, abuse and deficiencies with all seating, linings, moulding, and dashboard accessories, access equipment (if any) and services being secure, complete and functioning properly; upholstery shall have been reasonably well maintained and free from unsightly repairs, stains, burns and tears; where relevant, all electrical equipment including, but not limited to fridges, microwaves, cookers and drinks machines shall have been fully maintained and shall be returned in fully operational condition; all flooring and overhead lighting shall have no damage and all musical, public address, television, video and toilet facilities shall be fully operational with no damage;
- (g) brakes shall operate properly without pulling and hold the Vehicle to the standard specified by the manufacturer; there shall be no evidence of heat discoloration or warpage caused by failure to release the parking brake; brakes shall not require immediate re-lining and the hydraulic systems shall be free from leaks;
- (h) accessories, ancillary equipment and attachments supplied with the Vehicle when it was originally delivered to the Customer shall be complete and fully operative and any consumable items shall have been replaced prior to the return of the Vehicle;
- (i) tyres are of radial construction, all tyres (including 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. Re-cuts, re-grooved and remoulds 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 Vehicle; 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;
- (j) steering geometry shall not have been compromised in any way and the Vehicle shall, upon return, be capable of being driven without any crabbing or wandering from a straight line when being driven across a firm and level surface; king pins, joints and bearings shall be free from abnormal play;
- (k) 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;
- (l) is returned complete with tools and spare wheel (or replacements) as originally equipped;
- (m) 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).
- (n) box bodywork and doors are free from damage, corrosion and puncture holes;
- (o) deckwork boards are complete;
- (p) 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
 - (iii) Insulation (if any) shall not have been damaged such that efficiency is reduced;
- (q) 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;

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- (r) 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;
- (s) platforms and dropside vehicles – floors firm and unholed; drop-sides in good condition and in working order;
- (t) vans and insulated vehicles – roofs and sides unholed and waterproof; doors or roller shutters efficient; interior free from offensive smells. Tail-lifts functioning properly;

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

2.4 The Vehicle shall be inspected by or on behalf of Hitachi by their authorised representative in the presence of the Customer's authorised. During an asset inspection it may be necessary to road test the Vehicle for a short distance; this will show that a period of unallocated driving has occurred on the Tachograph. This movement will generally 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 Customer will be required to pay to Hitachi an amount equal to any reduction in sales value (as calculated by Hitachi) that Hitachi will suffer as a result of not having been able to undertake such road test.

2.5 If the Vehicle does not meet the return conditions, then;

- (i) the Customer will be notified in writing of the work required and the cost to bring the Vehicle up to the required standard, including the fitting of any missing items with which the Vehicle was originally supplied;
- (ii) the Customer shall be deemed to have agreed the work required and its cost unless Hitachi shall have received notice from the Customer 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 Vehicle to the required standard at the Customer's expense.

All disputes which arise in connection with either the satisfaction of compliance of the Vehicle with the return conditions notified to the Customer which shall not be resolved (within thirty days of the dispute) to the satisfaction of Hitachi and the Customer 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.

2.6 If the Customer fails to pay any sum due hereunder within seven days of demand then without prejudice to any other rights of Hitachi, the Customer 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 Customer 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, milometer or hour clock attached to or incorporated in the Vehicle 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 Customer 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 Customer agrees that from the date of the start of the lease until the Date of Return of the Vehicle, the Vehicle shall only be used for the Permitted Use. If the Vehicle 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 Vehicle in comparison to the value of the Vehicle which Hitachi expected to achieve on return of the Vehicle the Customer shall pay to Hitachi on demand a sum that compensates Hitachi for the Customer's failure to meet such obligation.

4 Definitions

4.1 Vehicle Description:

Registration number: Serial/chassis number:

4.2 Date of return of the Vehicle: On or before

4.3 Permitted Use:

4.4 Permitted Tread Depth: At least 6mm tread

4.5 MOT: The vehicle must have 6 months MOT on the date of return.

SIGNED by

SIGNED by

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|------------------------------------|--|---------------------------------|
| Customer Signature: ** | | HITACHI CAPITAL (UK) PLC |
| Full Name in BLOCK Capitals | | Signature: |
| Position Held: | | |

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