

SONARDYNE INTERNATIONAL LIMITED

Free Hire Terms

1 AGREEMENT AND DEFINITIONS

1.1 Definitions:

"Customer" means the customer to whom Sonardyne is hiring Products under this Agreement, as described on Sonardyne's Quotation and matching Customer order, Confirmation.

"Intellectual Property Rights" means all patents, rights to inventions, utility models, copyright and related rights, trademarks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database right, topography rights, moral rights, rights in confidential information (including know-how and trade secrets).

"Quotation" means the Hire Quote document issued by Sonardyne in response to a Customer's request to hire Sonardyne Product(s).

"Replacement Cost" of the Products shall be as specified in the Quotation. "The Products" shall be as indicated in the Quotation and shall include each and every component, part, record, manual and handbook for them and all replacements or additions to them from time to time. The Products shall be and at all times remain the property of Sonardyne.

1.2 Sonardyne agrees to hire to the Customer the Products on these terms and conditions for the period (the "Hire Term"). The Hire Term shall be as specified in the Quotation.

2 TERM AND RENTAL

2.1 The Hire Term shall be specified in the Quotation.

2.2 All delivery shall be specified in the Quotation.

3 CUSTOMER OBLIGATIONS

The Customer agrees:-

3.1 INSPECTION

3.1.1 To inspect the Products upon delivery and to notify Sonardyne in writing within 48 hours of any defect in them. If no such notification is received it shall be conclusively presumed that they are complete and in good order, and fully satisfactory to the Customer.

3.1.2 To allow Sonardyne or its duly authorised representative, upon reasonable notice given at any time, access to inspect the Products.

3.2 USE OF PRODUCTS

3.2.1 To use the Products in a skilful and proper manner and in accordance with any operating instructions issued for them by Sonardyne, and to ensure that the Products are operated and used by properly skilled and trained personnel.

3.2.2 To clean and keep the Products at its own expense at all times in good condition (fair wear and tear excepted) making available to Sonardyne full records thereof.

3.2.3 To make no alteration to the Products and not to remove any existing components or identification markings from the Products, unless it is removed in the ordinary course of repair and maintenance in which case as soon as practicable, a replacement shall be fitted.

3.2.4 To be responsible for the safe usage of the Products and to comply with all statutory and other obligations of all kinds in relation to the Products and the use of them and at its own expense to add to or install with the Products any safety or other equipment required by any applicable law or regulation to be so added or installed for the safe use of the Products.

3.2.5 To protect the Products against distress, execution or seizure.

3.2.6 To use and operate the Products in accordance with applicable regulations, including all licencing and permitting requirements.

3.3 LOSS

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- 3.3.1 For the duration of the Hire Term to be liable for any loss, theft or destruction of or damage to the Products, howsoever caused, up to the Replacement Cost of the Products against all risks (including whilst in transit). The Products shall remain on hire until the date of receipt of written notification of loss by Sonardyne from the Customer.
- 3.3.2 To be liable for the cost of reinstatement up to the Replacement Cost of the Products if damage occurs which does not amount to a total loss to the Products to an as Hired Condition, fair, wear and tear excepted.

3.4 INSURANCE

To procure any necessary insurance coverage against all liability to third persons for death, personal injury and damage to, or loss of property arising directly or indirectly, out of the use, possession, or operation of the Products for such amount as Sonardyne may stipulate or, in the absence of any such stipulation, for such amount as is prudent in all the circumstances.

3.5 DEALINGS WITH OR AFFECTING THE PRODUCTS

Not to sell or offer for sale, assign, mortgage or pledge, any of the Products which are on hire to the Customer or to allow the creation of any charge or lien over them.

3.6 INDEMNITY

To indemnify Sonardyne against all losses and liabilities (including legal expenses on a full indemnity basis) arising from the Customer's breach of this Agreement, or from the possession or use by the Customer of the Products or their repossession.

3.7 RETURN OF PRODUCTS

To deliver up the Products on the expiration or termination of the Hire Term to Sonardyne's registered office or at such other address as Sonardyne shall require, or at Sonardyne's option to allow Sonardyne and its representatives access to the Customer's premises to remove the Products.

3.8 ALTERATION

If Sonardyne shall accept any variation to the hire requested by the Customer due to suspension by the Customer's instruction or lack of proper instruction by the Customer or if Sonardyne incurs costs owing to interruption, delay, overtime, unusual hours, mistakes or work for which Sonardyne is not responsible, then Sonardyne shall charge Customer to recover any extra expense thereby incurred by Sonardyne.

4 CONDITIONS, WARRANTIES AND EXCLUSIONS

- 4.1 Sonardyne warrants only that the Products shall be in good working order when despatched at the start of the Hire Term.
- 4.2 Sonardyne does not supply the Products with any representation, condition or warranty concerning the condition, performance, or quality or fitness for purpose of the Products and all such representations, conditions, warranties of any form whatsoever statutory or otherwise are excluded, save as restricted by law or as provided in writing by Sonardyne.
- 4.3 Sonardyne shall have no liability to the Customer in contract or in tort or otherwise for loss, injury, damage or expense, including, without limitation, loss of earnings, profits or anticipated savings by reason of any defect in the Products or any service by Sonardyne or if the Products become unusable, however caused, and Sonardyne will not in any event be liable to replace any of the Products so that, in the event that the Products become unusable or are in any way defective then any remedy available to the Customer shall be a free Product replacement subject to the Customer giving immediate notice to Sonardyne of all relevant circumstances. Notwithstanding any other provision to the contrary under this Agreement, in no event shall Sonardyne be liable for indirect or consequential loss or damage, whether in contract or in tort or howsoever arising.
- 4.4 Sonardyne shall have no liability for any advice given by Sonardyne personnel which is not contracted to be provided under this Agreement.

5 DEFAULT OR BREACH

Without prejudice to Sonardyne's other rights and remedies Sonardyne may terminate the hire if the Customer shall:-

- 5.1 Be in breach of any of its obligations;

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- 5.2 Engage in or allow any act or thing which may prejudice or endanger Sonardyne's property or rights in the Products;
- 5.3 Be wound up or have to take any steps towards winding up or be subject to any insolvency proceedings or actions or other analogous situation; or
- 5.4 Have a petition for the appointment of an administrator presented against them.
- 5.5 Notwithstanding the above and without prejudice to Sonardyne's other rights and remedies Sonardyne may terminate the hire at its discretion and convenience by providing three days written notice

6 CONSEQUENCES OF TERMINATION

- 6.1 Immediately upon the hiring of the Products being terminated as in Clause 5, the Customer shall pay to Sonardyne damages for any breach of this Agreement and all expenses and costs incurred by Sonardyne in retaking possession of and selling or attempting to sell the Products and/or enforcing its rights under this Agreement.

7 INTELLECTUAL PROPERTY AND CONFIDENTIALITY

- 7.1 All Intellectual Property Rights in the Products shall at all times remain vested in Sonardyne or the owner thereof. The hire of the Products by the Customer does not transfer any rights whatsoever to the design of or Intellectual Property Rights in the Products, nor does the Customer have any licence to duplicate, manufacture or copy the Products or any of the supporting documentation supplied by Sonardyne.
- 7.2 All drawings, designs, data, samples and technical and other materials ("Confidential Information") whatsoever supplied by Sonardyne at any time remain Sonardyne's exclusive property, must be returned upon demand, must be treated as confidential and not be disclosed to any person or party, and must not be loaned, copied or otherwise used without the consent in writing of Sonardyne; except that any obligations contained in this clause shall not prevent any disclosure of Confidential Information which is required by law or court order.

8 GENERAL

- 8.1 The Customer shall not engage in any activity which could constitute bribery or corruption and shall comply with all applicable laws, statutes, regulations and codes relating to anti-bribery and anti-corruption.
- 8.2 Any delay or failure of Sonardyne to exercise any right or remedy shall not constitute a waiver of it or them and any of Sonardyne's rights or remedies may be enforced separately or concurrently with any other right or remedy now or in the future accruing to Sonardyne to the effect that such rights are cumulative and not exclusive of each other.
- 8.3 Any written communication from Sonardyne to the Customer shall be sufficiently served if sent by facsimile, prepaid post or letter delivered by hand to the address of the Customer as referred to in the Quotation and if sent by post shall be deemed to have been received by the Customer forty eight (48) hours after the time of facsimile transmission or posting and at the date of delivery if delivered otherwise than by post to the Customer's said address.
- 8.4 The continuance of this Agreement shall not be affected in any way by the loss, theft, total loss or any damage to or any defect in the Products whether latent or patent save as provided in clause 3.3.
- 8.5 All the obligations of the Customer under this Agreement shall be discharged at the Customer's cost and expense.
- 8.6 Sonardyne may assign its rights or obligations under this Agreement. This Agreement may not be assigned by the Customer.

9 GOVERNING LAW AND JURISDICTION

The laws of England and Wales shall govern this Agreement, and any dispute under this Agreement shall be subject to the exclusive jurisdiction of the English courts.

END OF TERMS