

PARTIES TO THE AGREEMENT:

- (A) Spacepath Communications Ltd (registered no. 08886520) who's registered office is situated at Unit 4, Bartley Point, Osborn Way, Hook, Hampshire, RG27 9GX (together with its assigns and successors in title), hereinafter referred to as "the Owner"; and
- (B) "The Hirer" as specified on the Loan Agreement.

1. DEFINITIONS

- 1.1 "the Equipment" means the equipment specified on the Loan agreement to which this agreement relates together with all replacements and renewals of such equipment and the component parts thereof and all accessories, additions, containers, handbooks and suchlike, References to the Equipment shall (where the context so permits) be construed as including a reference to any component thereof.
- 1.2 "the Rentals" means those amounts as are specified on the Loan agreement without any deduction, set-off, or counterclaim whatsoever.
- 1.3 "the Hire Period" means the period specified on the Loan agreement and commencing on the Commencement Date.
- 1.4 "the Commencement Date" means the earlier of the date upon which the Equipment is delivered to the Hirer or its agents or the date upon which the Equipment is made available for collection by the Hirer or its agents.
- 1.5 "the Loan agreement" means the document prepared by the Owner specifying in particular the Equipment, the Rental and the Hire Period and which forms a part of this agreement.

2. HIRE

- 2.1 The Owner agrees to hire to the Hirer and the Hirer agrees to hire from the Owner the Equipment for the Hire Period at the Rentals subject to the terms and conditions set out herein.

3. CONDITIONS OF HIRE

- 3.1 The hire of the Equipment will commence on the Commencement Date.
- 3.2 At the Commencement Date the Hirer shall inspect the Equipment and the Loan agreement will be signed by the Hirer or by a person authorised on behalf of the Hirer.
- 3.3 Signature of the Loan agreement by the Hirer or by a person authorised to sign on the Hirer's behalf shall constitute acceptance of the Equipment and of the terms and conditions set out herein.

4. RENTALS

- 4.1 The Hirer shall pay to the Owner during the Hire Period the Rentals in the amounts and at the intervals specified in the Loan agreement without previous demand or invoice.
- 4.2 Subject to clause 4.1 above, the Owner shall (where appropriate) be entitled to invoice the Hirer at any time after the Hirer has accepted a written quotation of the Owner or the Owner has accepted any written order of the Hirer, and the Hirer shall pay to the Owner the amount specified on the invoice within 30 days of the Owner's invoice.
- 4.3 If the Hirer fails to make any payment on the due date then, without prejudice to any other right or remedy available to the Owner, the Owner shall be entitled to:
 - 4.3.1 terminate this agreement and any other agreement made between the Owner and the Hirer or suspend any further deliveries to or work for the Hirer;
 - 4.3.2 appropriate any payment made by the Hirer in relation to any goods or services supplied under any other contract between the Hirer and the Owner towards full or partial payment of amounts due under this Agreement as the Owner shall think fit (notwithstanding any purported appropriation by the Hirer);
 - 4.3.3 charge the Hirer interest at the rate of 4% per annum above the Base Rate for the time being of RBS on all sums which from time to time may be due from the Hirer to the Owner hereunder and remain for the time being unpaid, such interest being calculated from the due date until actual payment compounded monthly and to be payable before as well as after any judgment obtained in respect thereof.
- 4.4 The time of all payments due pursuant to this agreement shall be of the essence and the Owners right to terminate pursuant to clause 4.3.1 shall continue until such time as all overdue amounts (including interest) have been paid in full and shall not be deemed to be waived or otherwise impaired by the Owner's continuance to perform its obligations under this Agreement notwithstanding any breach by the Hirer of clause 4.3.1.

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- 4.5 The payment of all sums must be made to the Owner at the address specified on the Loan agreement and payment by post is at the Hirer's risk.
- 4.6 The Hirer is solely responsible for the payment of all taxes, charges or other amounts that may be levied in respect of the payment for the Rentals or for the delivery of or use of the Equipment and shall indemnify and hold harmless the Owner against any such amounts which the Owner is required to pay.

5. USE OF THE EQUIPMENT

- 5.1 The Hirer may use the Equipment for the purposes of its business and for social, domestic and pleasure purposes. The Equipment is not to be used, and the Hirer will not permit it to be used, for any purposes for which it is not expressly designed. Further, the Hirer will not use or permit the Equipment to be used or operated in a manner contrary to any instruction notified by the Owner or to any statutory provision or regulation or in any way contrary to law.
- 5.2 The Hirer agrees that it will not:
- 5.2.1 without the prior consent of the Owner effect any modification to or make any alterations additions or repair to the Equipment;
- 5.2.2 remove or interfere with any identification marks or plates affixed to the Equipment nor attempt or purport to do so nor permit the same;
- 5.2.3 deface the Equipment nor add any painting, sign writing, lettering or advertising to or on the Equipment.

6. DUTIES OF THE OWNER

- 6.1 The Owner shall during the continuance of this agreement:
- 6.1.1 (unless the Hirer elects to collect or arrange collection of the Equipment from the business premises of the Owner) arrange delivery of the Equipment to a place agreed between both parties (at a pre-agreed charge) anywhere in the United Kingdom mainland;
- 6.1.2 in the event of any of the Equipment becoming temporarily unusable (other than as a result of accident, damage, theft or vandalism) endeavour to make available replacement equipment (not necessarily of the same type and age) for collection by the Hirer within 48 hours (or so soon thereafter as is practicable) after receipt of notification from the Hirer requesting the same. The Owner may at its own discretion from time to time withdraw any Equipment and substitute other equipment of similar make and type. Save as otherwise expressly provided for any replacement equipment shall be subject to the terms of this agreement to the same extent as the Equipment.

7. DUTIES OF THE HIRER

- 7.1 The Hirer shall during the continuance of this agreement:
- 7.1.1 ensure that the Equipment is operated properly and safely by persons who are competent to operate the same and in accordance with any instructions or guidance issued from time to time by the manufacturer of the Equipment or by the Owner;
- 7.1.2 indemnify the Owner against all fines, penalties and liabilities arising in respect of any non-compliance or contravention of any law or regulation, together with the cost or expense relating thereto incurred by the Owner;
- 7.1.3 not take or allow any of the Equipment to be taken out of the United Kingdom mainland without receiving prior written authority of the Owner and, in the event of that authority being given, only on such terms as the Owner deems fit;
- 7.1.4 where the Hirer has been given permission by the Owner for the Equipment to be taken out of the United Kingdom; it is the Hirers responsibility to obtain any required export approvals/licenses for any regions where these are required;
- 7.1.5 collect from and return to the Owner, or from and to such place as the Owner shall advise, any replacement equipment made available to the Hirer in accordance with clause 6.1.2 hereof. The replacement equipment shall be returned within 24 hours after the Hirer has been notified by the Owner that the original Equipment is ready for collection, failing which the Hirer will pay additional Rentals for the replacement equipment at a rate determined by the Owner for the period during which the replacement equipment is retained by the Hirer;
- 7.1.6 bear the cost of the repair or rectification of any damage to the Equipment resulting from negligence or improper use of the Equipment by the Hirer or any person permitted by the Hirer to use the Equipment;

- 7.1.7 pay all costs incurred by the Owner in respect of the supply and fixing of any accessories, extras or additions which may be required by law or which are fixed to the Equipment at the request of or by the Hirer;
- 7.1.8 take all necessary steps at its own expense to retain and recover possession or control of any Equipment of which the Hirer loses control;
- 7.1.9 permit the Owner or its authorised representatives at all reasonable times to enter upon any premises where the Equipment may from time to time be to inspect and test the condition of the Equipment;
- 7.1.10 notify the Owner of any change in the Hirer's address and upon request by the Owner promptly inform the Owner of the whereabouts of the Equipment; and 7.1.11 in respect of the condition and maintenance of the Equipment (including any replacement equipment supplied pursuant to Clause 6.1.2 hereof) be solely responsible at its own cost for:
 - (a) regularly cleaning and maintaining the Equipment;
 - (b) subject to clause 5.2.1, promptly repairing damage to the Equipment; and
 - (c) arranging (where appropriate) the regular servicing of the Equipment and keeping accurate records of the same.

8. INSURANCE

- 8.1 The Hirer will throughout the term of this agreement keep the Equipment (including any replacement equipment provided under clause 6.1.2 above) insured with an insurance company of good repute or with Lloyds underwriters against loss or damage from all risks. The Hirer shall notify its insurers that the Equipment is on hire from the Owner and request the insurers to endorse a note of such interest on the Policy of insurance naming the Owner as loss payee, shall on demand and before commencement of this agreement show the Owner the policy of insurance, premium receipts and insurance certificate and shall not use or allow the Equipment to be used for any purpose not permitted by the terms of the policy of insurance or do or allow to be done any thing or act whereby the insurance may be invalidated. If the Hirer shall make default in the payment of any premium in respect of the insurance the Owner may pay such premium in which event the Hirer shall repay the amount thereof to the Owner on demand. The Hirer shall indemnify the Owner against all loss or damage to the Equipment not recoverable under the policy of insurance.
- 8.2 Where any event or accident shall occur which is a risk covered by the Hirer's insurance hereunder the Hirer shall immediately notify the Owner thereof, shall not compromise any claim without the consent of the Owner, shall allow the Owner to take over conduct of the negotiations (except in relation to claims by the Hirer for personal injuries, loss of use of the Equipment or loss or damage to property unconnected with the Equipment) and shall at the expense of the Hirer take such proceedings (in the sole name of the Hirer or jointly with the Owner) as the Owner shall direct holding all sums recovered, together with any monies received by the Hirer under its policy of insurance, on trust for the Owner and paying or applying the same as the Owner directs and as herein provided. If any Equipment is declared a total loss, the hire thereof shall terminate. In such event the Owner shall apply any proceeds of insurance received by it at its option:
 - 8.2.1 towards a replacement of equivalent value which replacement shall be deemed to be included in this agreement for all purposes and the Hirer shall continue to be liable to any Rental as if such loss had not taken place, or
 - 8.2.2 in or towards payment to the Owner of the sum necessary to compensate the Owner for the loss suffered as a result of the loss of that Equipment.
- 8.3 The Owner shall have the right itself to repair or have repaired any Equipment which suffers damage. If the Owner does not choose to do so the Hirer shall be liable to reinstate or repair (subject to clause 5.2.1) at its own expense any of the Equipment which has not become a total loss. In any event, in the case of any damage to the Equipment the Hirer shall continue to pay Rental in respect of such Equipment during reinstatement or repair whether by the Owner or the Hirer.
- 8.4 The Hirer will be liable to pay to the Owner any amount deducted by the insurers by way of excess or in respect of damage caused to the Equipment prior to the date of total loss and (subject to the application of insurance proceeds under clause 8.2.2 above) shall indemnify the Owner against all and any loss suffered by it in consequence of the total loss of all or any part of the Equipment.

9. GENERAL LIABILITY

- 9.1 The Hirer shall be solely responsible for and hold the Owner fully indemnified against all claims, demands, liabilities, losses, damages, proceedings, costs and expenses which may be brought against or incurred by the Owner as a result of any accident involving the Equipment (other than death or personal injury resulting from the negligence of the Owner or its employees or agents).

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- 9.2 The Owner does not hire the Equipment subject to any condition or warranty express implied or statutory in connection with the fitness for any purpose or age of the Equipment and any conditions and warranties are hereby expressly excluded insofar as permitted by Statute and (save for the Owner's liability for death or personal injury caused by the negligence of the Owner or its employees or agents in which event the Owner's liability shall not be limited) the Owner will not be responsible for any liability, claims, loss, damage or expense of any kind or nature caused directly or indirectly by the Equipment or its use.
- 9.3 The Hirer shall be solely responsible for and hold the Owner fully indemnified against all claims, demands, liabilities, losses, damages, proceedings, costs and expenses suffered or incurred by the Owner as a result of any breach or default on the part of the Hirer in the discharge of its obligations under this Agreement.

10. OWNERSHIP

- 10.1 The Equipment shall at all times remain the property of the Owner and the Hirer shall have no rights to the Equipment other than as mere bailee and the Hirer shall not do or permit or cause to be done any matter or thing whereby the rights of the Owner in respect of the Equipment are or may be prejudicially affected.
- 10.2 The Owner may assign and sell its rights under this agreement and its rights in and to the Equipment.
- 10.3 The Hirer shall not sell, assign, charge or create any encumbrance, security interest or sub-lease over or otherwise dispose of or abandon the Equipment, nor allow the Equipment to become a fixture on any land or property.

11. TERMINATION

- 11.1 If the Hirer shall fail to pay any Rental or other sum under this agreement (or any other agreement made between the Owner and the Hirer) or shall commit a breach of any other terms whether express or implied of this agreement (or of any other agreement as aforesaid) or shall do or allow to be done any act or thing which in the opinion of the Owner may jeopardise the Owner's rights in the Equipment or any part thereof, then in each and every such case the Hirer shall be deemed to have repudiated this agreement and the Owner may thereupon or at any time, pursuant to clause 4.4 or otherwise within three months thereafter forthwith terminate the hire constituted by this agreement.
- 11.2 If any of the following events shall occur, namely:
- 11.2.1 if any distress, execution or other legal process shall be levied on or against the Equipment or any part thereof or against any premises where the same may be against any of the Hirer's goods or other property or the Hirer shall permit any judgment against it to remain unsatisfied for seven days; or
- 11.2.2 if the Hirer, being an individual, shall die, shall suffer an interim order (within the meaning of the Insolvency Act 1986) to be made against him or enter into a voluntary arrangement or suffer the making of a Statutory Demand or the presentation of a petition for a bankruptcy order; or similar or analogous order is made or proceedings commenced or action taken in any jurisdiction outside the United Kingdom in consequence of debt; or
- 11.2.3 if the Hirer, being a body corporate, shall enter into any liquidation, shall call any meeting of its creditors or shall have a receiver or receiver and manager of all or any of its undertaking or assets appointed, or shall suffer the appointment or the presentation of a petition for the appointment of an Administrator under the provisions of Part II of the Insolvency Act 1986, or shall be deemed by virtue of s123 of the Insolvency Act 1986 to be unable to pay its debts, or any similar or analogous order is made or proceedings commenced or action taken in any jurisdiction outside the United Kingdom in consequence of debt, then in each and every such case the hire constituted by this agreement shall ipso facto and without notice terminate and no payment subsequently accepted by the Owner without knowledge of such termination shall in any way prejudice or affect the operation of this clause.
- 11.3 Without prejudice to the foregoing, the Owner at its sole discretion may at any time and without giving any reason therefore by seven days notice in writing to the Hirer for all purposes terminate this agreement.
- 11.4 The Hirer shall upon any termination under clauses 4.3.1, 4.4, 11.1, 11.2 or 11.3 above pay to the Owner:
- 11.4.1 all arrears of Rental then due and all other sums accrued due and unpaid at the date of termination, together with interest thereon payable under clause 4.3.3 hereof; and
- 11.4.2 the cost of all repairs required as at the date of termination; and

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- 11.4.3 compensation for the loss suffered by the Owner as a result of such termination, such loss being determined by the Owner; and
- 11.4.4 any other sums which are or become due to the Owner or to which the Owner is or may be entitled by way of damages.
- 11.5 The termination of this agreement shall not affect the rights of the Owner or the liabilities of the Hirer subsisting at the date of termination of this agreement.
- 11.6 On termination of the hire howsoever or whenever occasioned or on expiry of the Hire Period, the Hirer shall no longer be in possession of the Equipment with the Owner's consent and shall (unless otherwise agreed with the Owner) forthwith return the Equipment to the Owner at such address as the Owner may direct in good working condition and at the Hirer's expense and risk. Without prejudice to the foregoing or to the breach by the Hirer of this agreement or any other rights hereunder, the Owner or its authorised representatives may at any time after such termination or expiry of the Hire Period without notice retake possession of the Equipment and for such purpose may enter upon any premises belonging to or in the occupation or control of the Hirer and the Hirer shall be responsible for all costs, charges and expenses to be incurred in retaking possession of the Equipment as aforesaid. The Hirer shall also bear the reasonable costs incurred by the Owner at any time in ascertaining the whereabouts of the Equipment and/or the Hirer.

12. CONTINUATION PAYMENT

- 12.1 Without prejudice to the provisions of clause 11.6 hereof, as from the due expiration of the Hire Period and until such time as the Equipment shall have been returned or where the Equipment is returned damaged the Equipment is duly repaired the Hirer shall pay by way of recompense for the continued use of the Equipment and for the Owner's inability to hire the equipment to other person's, a daily sum (payable in arrears) at the same rate per day (pro rata if the rate in the Loan agreement is expressed as other than per day) as the Rental payments were previously due in respect thereof in addition to any amounts payable by the Hirer to the Owner for the repair of any damaged Equipment pursuant to clause 7.1.5 or for any costs, liabilities, expenses, damages or other loss suffered by the Owner as a result of the late return of the Equipment and/or the Equipment being returned damaged pursuant to clause 9.3.
- 12.2 This clause shall not confer upon the Hirer any right to the continued use or possession of the Equipment.

13. VALUE ADDED TAX

- 13.1 All sums due from the Hirer to the Owner shall be increased to include VAT at the rate or rates for the time being in force.

14. OWNER'S INTERVENTION

- 14.1 If the Hirer fails to comply with or commits a breach of any provision of this agreement, the Owner may without in any way being obliged to do so or responsible for so doing and without prejudice to the ability of the Owner to treat that non-compliance as an event entitling it to terminate this agreement under clause 11 hereof effect compliance on behalf of the Hirer whereupon the Hirer will become liable to pay immediately any sums expended by the Owner together with all costs and expenses including legal costs in connection therewith.

15. FORCE MAJEURE

- 15.1 Although the Owner will use all reasonable endeavours to discharge its obligations under this agreement in a prompt and efficient manner, it does not accept responsibility for any failure or delay caused by circumstances beyond its control.

16. FORBEARANCE

- 16.1 No forbearance, indulgence or relaxation on the part of the Owner shown or granted to the Hirer in respect of any of the provisions of this agreement shall in any way affect, diminish, restrict or prejudice the rights or powers of the Owner under this agreement or operate as or be deemed to be a waiver of any breach by the Hirer of the terms and conditions of this agreement.

17. CONCURRENT REMEDIES

- 17.1 No right or remedy herein conferred upon or reserved to the Owner is exclusive of any other right or remedy herein or by law or equity provided or permitted but each shall be cumulative of every

other right or remedy given hereunder or now or hereafter existing and may be enforced concurrently therewith from time to time.

18. WAIVER OF SET OFF

18.1 The Hirer hereby waives all and any future claims and rights of set off against any instalment of Rental or any payment due hereunder and agrees to pay the Rental and other amounts hereunder regardless of any equity, set off or cross-claim on the part of the Hirer against the Owner.

19. NOTICES

19.1 All notices or other communications hereunder to any party hereto shall be in writing and shall be deemed to be duly given or made when delivered (in the case of personal delivery), when despatched and proper receipt of successful transmission obtained (in the case of facsimile copy or e-mail) or on the second day following the day of posting (in the case of a posted letter) to such party addressed to it at its address specified on the Loan agreement or at such address or at such facsimile or e-mail number as such party may hereafter specify for such purpose by notice in writing.

20. GENERAL

- 20.1 Where there are two or more parties to this agreement as Hirer their liability shall be joint and several. In this agreement and where the context so admits or requires the masculine gender shall include the feminine or neuter (and vice versa) and expressions in the singular shall include the plural.
- 20.2 If any provision of these conditions is held by any competent authority to be invalid or unenforceable in whole or in part the validity of the other provision in question shall not be affected thereby.
- 20.3 This agreement shall be governed by the Laws of England and Wales. The Hirer irrevocably submits to the exclusive jurisdiction of the English Courts.
- 20.4 The headings in this agreement are for convenience only and shall not affect interpretation
- 20.5 No term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Agreement.