



Registration of a Charge

Company name: **TENNANT UK CLEANING SOLUTIONS LIMITED**

Company number: **SC042491**



X5JT4T7V

Received for Electronic Filing: **15/11/2016**

Details of Charge

Date of creation: **01/11/2016**

Charge code: **SC04 2491 0012**

Persons entitled: **KENNET EQUIPMENT LEASING LIMITED**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **GATELEY PLC**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 42491

Charge code: SC04 2491 0012

The Registrar of Companies for Scotland hereby certifies that a charge dated 1st November 2016 and created by TENNANT UK CLEANING SOLUTIONS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 15th November 2016 .

Given at Companies House, Edinburgh on 16th November 2016

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

MASTER ASSIGNMENT AGREEMENT

DATE

15 November

2016

BETWEEN

- (1) **Tennant UK Cleaning Solutions Limited** a company incorporated and registered in Scotland (company number SC042491) whose registered office is at Capella Building (Tenth Floor), 60 York Street, Glasgow G2 8JX (**the Assignor**); and
- (2) **Kennet Equipment Leasing Limited**, a company incorporated and registered in England and Wales (company number 02569928), whose registered office is at Kennet House, Temple Court, Temple Way, Coleshill B46 1HH (**Kennet**).

RECITALS

This agreement sets out the basis upon which the Assignor will offer to assign to Kennet the benefit of Agreements, the Equipment supplied under those Agreements together with Security Documents and the Related Rights.

1. DEFINITIONS

In this Deed the following definitions will have the following meanings:

Customer Agreement

an agreement substantially in the form set out in Schedule 1 made between the Assignor and a Customer under which the Assignor agreed to lease the Equipment to the Customer.

Customer

a person who enters into a Customer Agreement as hirer or lessee.

Equipment

the equipment comprised in and agreed to be hired to a Customer under a Customer Agreement (which shall include all upgrades and additions to the equipment, replacement parts fitted to it and any equipment supplied in substitution for the equipment).

Maintenance Payment

the payments payable by the Customer in respect of the service and maintenance of the Equipment, whether or not those payments are expressed to form part of the Rentals.

Maintenance Provider

any person engaged by the Assignor to provide service and maintenance in respect of the Equipment under the terms of a Service Agreement.

Offer

an offer by the Assignor to Kennet substantially in the form set out in Schedule 2 to sell to Kennet relating to the whole of the Assignor's rights, title and interest in a Customer Agreement

Offer Price

the price at which the Assignor, taking into account the age of the Equipment, offers to sell to

	Kennet the benefit of a Customer Agreement together with the Equipment and the Related Rights.
Related Rights	<p>(i) the benefit of the Rentals and other sums payable under a Customer Agreement;</p> <p>(ii) the benefit of all the Assignor's contractual and other rights against the Customer under a Customer Agreement;</p> <p>(iii) the benefit of all the Assignor's rights against the Supplier together with the Assignor's rights in all guarantees and/or warranties given in respect of the Equipment;</p> <p>(iv) the benefit of all the Assignor's rights against the Maintenance Provider;</p> <p>(v) all of the Assignor's right title and interest in the Security Documents; and</p> <p>(vi) the benefit of any insurances held in respect of the Equipment and all claims made under those insurances.</p>
Rentals	the rentals and other sums payable by the Customer under a Customer Agreement.
Security Document	any security and any guarantee or indemnity given by any party in respect of the obligations of the Customer under or in connection with a Customer Agreement.
Service Agreement	an agreement, which relates to the provision of maintenance services in respect of the equipment.
Supplier	the supplier of the Equipment (including the Assignor where the Assignor has supplied the same).

2. ASSIGNMENT OF THE AGREEMENTS AND TRANSFER OF TITLE TO THE EQUIPMENT

- 2.1 The Assignor may from time to time make Offers to Kennet to assign to Kennet the benefit of a Customer Agreement together with the Equipment supplied under it and the Related Rights connected to that Customer Agreement.
- 2.2 Each Offer must be accompanied by:
- 2.2.1 the original, or a bona fide true copy of, the Customer Agreement properly completed and signed by or on behalf of a Customer;
 - 2.2.2 a statement of Offer Price;
 - 2.2.3 the original, or a bona fide true copy of, any acceptance certificate signed by the Customer and acknowledging delivery of the Equipment;
 - 2.2.4 the, or a bona fide true copy of, original of any Security Document; and
 - 2.2.5 any other document or information Kennet may reasonably require.
- 2.3 Kennet shall notify the Assignor of each Customer Agreement which is acceptable to it, and the conditions, if any, on which Kennet is prepared to purchase each Customer Agreement. The Assignor may not make, and Kennet will not accept, any Offer which comprises a

Customer Agreement which would be more than 12 months old at the date on which any assignment of that Customer Agreement would be completed in accordance with the terms of clause 2.8.

- 2.4 The Assignor will permit Kennet and any person authorised by or acting for Kennet to inspect and audit all records relating to the collection of amounts by the Assignor from Customers including, without limitation, the right to inspect the Assignor's bank statements for each account into which receipts from Customers are collected.
- 2.5 Kennet will only agree to purchase a Customer Agreement and the Assignor will only issue an invoice to Kennet for the Offer Price in relation to Customer Agreement when Kennet is satisfied that the Equipment has been properly delivered and, where appropriate, installed in accordance with the terms of that Customer Agreement.
- 2.6 If Kennet wishes to accept an Offer (in whole or in part) it may only do so in writing and any other proposed method of acceptance shall be of no effect. Payment by Kennet of the Offer Price to the Assignor shall constitute conclusive proof of acceptance.
- 2.7 Kennet may, in its discretion, ask the Assignor to provide in a form previously agreed a copy of a notice to the Customer advising it of the assignment of the Customer Agreement.
- 2.8 Immediately on payment of the Offer Price for a Customer Agreement there will be assigned to Kennet:-
 - 2.8.1 the benefit and burden of that Customer Agreement;
 - 2.8.2 title to, and risk in, the Equipment (subject to the provisions in the Customer Agreement relating to risk); and
 - 2.8.3 the Related Rights.
- 2.9 Upon assignment of a Customer Agreement under clause 2.8:-
 - 2.9.1 the Assignor shall continue to perform all the Assignor's obligations as if it continued to be the owner under the Agreement;
 - 2.9.2 all Rentals shall, whether falling due after the date of assignment of that Customer Agreement, be for Kennet's benefit;
 - 2.9.3 notwithstanding anything to the contrary in this Agreement, all Maintenance Payments under the Customer Agreement shall, whether falling due on, before or after the date of assignment of the Customer Agreement, be for the Assignor's benefit subject to and provided always that the Assignor is providing the service and maintenance service to the Customer in accordance with the requirements of the Customer Agreement;
 - 2.9.4 all Rentals received by the Assignor shall be held in trust by the Assignor for Kennet and shall be paid to Kennet on the payment terms agreed between Kennet and the Assignor; and
 - 2.9.5 for the avoidance of doubt, Kennet shall not be in any way responsible for the maintenance of the Equipment, responsibility for which will remain with the Supplier or any Maintenance Provider responsible under the Service Agreement (if any) relating to the Equipment.

3. WARRANTIES BY THE ASSIGNOR

- 3.1 The Assignor represents and warrants to Kennet in relation to each Customer Agreement (and any Security Document or any other securities, indemnities and guarantees) and the Equipment acquired or to be acquired by Kennet following the acceptance of any Offer that:
 - 3.1.1 the Offer Price is equal to the market value of the Equipment and the agreement;
 - 3.1.2 no Rentals due under the Agreement are overdue;
 - 3.1.3 the Assignor has not received any notification or known, at any time prior to the acceptance of the Offer by Kennet that the Customer under the relevant

Customer Agreement is insolvent or has been the subject of an order, resolution or other process for its administration or winding up or had a receiver, administrator or administrative receiver appointed in respect of all or any part of its assets or undertaking, save that this representation and warranty shall not apply if such notification or knowledge was disclosed to and accepted by Kennet in writing at any time prior to the acceptance of the Offer by Kennet;

- 3.1.4 the Customer Agreement and each Security Document is subsisting and has not been terminated, discharged or become unenforceable;
- 3.1.5 the Assignor's rights under the Customer Agreement and/or any Security Document are fully assignable without the need for consent to be first obtained from any person;
- 3.1.6 each Customer Agreement and any Security Document is in the Assignor's control;
- 3.1.7 no variation has been made or agreed to be made to the Customer Agreement or to any Security Document that has not been disclosed in writing to Kennet;
- 3.1.8 all invoices issued by the Supplier to the Assignor in relation to the Equipment have been paid in full and the Assignor has no outstanding liability in respect of the purchase of the Equipment;
- 3.1.9 none of the Equipment is the subject of any agreement or option for sale or purchase, whether in favour of the Customer or any other person;
- 3.1.10 no matter exists which would or might enable the Customer, guarantor, indemnifier or security holder to raise any set-off, compensation or counterclaim in any action for breach of the Customer Agreement or otherwise give the Customer or such other persons the right to withhold or delay in making payment of Rentals due by them to the Assignor and its assignees;
- 3.1.11 there has been no breach of the terms of the Customer Agreement by the Customer which remain unremedied;
- 3.1.12 the Customer has not made any claim which remains outstanding in connection with the Equipment nor has the Customer rejected the Equipment for any reason whatsoever;
- 3.1.13 none of the Equipment has been sublet and the Customer is in physical possession of the Equipment;
- 3.1.14 details of the Rentals are set out in the Customer Agreement and the Offer and are accurate and complete and the Assignor has no reason to believe that such sums will not be recoverable by Kennet in full accordance with the terms of the Customer Agreement and the collection of payment outlined in clause 2.9;
- 3.1.15 the Equipment is in good condition and repair and in full working order;
- 3.1.16 the Equipment is, to the best of the Assignor's knowledge and belief, fully insured by the Customer in accordance with the terms of the Customer Agreement;
- 3.1.17 there is no current dispute between the Assignor and the Customer;
- 3.1.18 any cancellation period provided under the Customer Agreement or otherwise by operation of law or other statutory regulation has expired;
- 3.1.19 the Customer is still carrying on business at the address shown in the Customer Agreement;
- 3.1.20 the Assignor has not given any guarantee or warranty to the Customer other than the standard warranty issued by the Supplier or manufacturer of the Equipment;
- 3.1.21 the execution of the Customer Agreement complies with all statutory and regulatory requirements, in particular (but without limitation) statutory and regulatory requirements about the form and content of such Agreements, the

provision of copies and the amount of the rentals payable on or prior to delivery of the Equipment and the maximum or minimum period of hire of such Equipment.

- 3.2 The warranties set out in clause 3.1 are deemed to be given by the Assignor on the date on which any Offer is made and on the date that that any assignment takes effect under clause 2.8.
- 3.3 The Assignor agrees to indemnify Kennet against all claims, demands, costs, losses, liabilities and expenses of any kind (including legal and other costs on a full indemnity basis) which may result from or which Kennet may suffer, incur or sustain arising in any way out of:
- 3.3.1 any breach by the Assignor of any of the warranties set out in clause 3.1;
 - 3.3.2 any failure by the Assignor to observe the terms and conditions of this Agreement;
 - 3.3.3 any dispute with a Customer resulting from a failure by the Assignor to comply with this Agreement or with the terms of any Customer Agreement;
 - 3.3.4 loss or damage to the Equipment while it is at the Assignor's risk;
 - 3.3.5 any statements or representations made or warranties given by the Assignor to any Customer or by the assignor, by any of the Assignor's staff or by the Supplier.
- 3.4 As a separate and independent indemnity from the indemnities contained in Clause 3.3, the Assignor agrees to pay, and shall indemnify Kennet against all stamp, documentary and registration taxes and charges (including, without limitation, any penalties for late payment and/or interest) that may from time to time be payable in relation to this Agreement and/or to any assignment made under the terms of this Agreement.

4. **MANAGEMENT PROVISIONS**

- 4.1 The Assignor agrees that it will:-
- 4.1.1 adopt such underwriting processes in respect of Customer Agreements as is agreed in writing between Kennet and the Assignor from time to time;
 - 4.1.2 not without Kennet's prior written consent vary, or attempt to vary, the terms of a Customer Agreement or a Security Document or terminate any Customer's right to possession of Equipment;
 - 4.1.3 immediately notify Kennet in writing if the Assignor becomes aware of any dispute arising in relation to the terms of a Customer Agreement, a Security Document or the condition of Equipment; and
 - 4.1.4 if requested by Kennet join in any action brought by Kennet against a Customer and in any defence against proceedings brought against Kennet in relation to a Customer Agreement.
- 4.2 Without in any way affecting any of its rights under Clause 4.1, Kennet may commence, conduct and defend legal proceedings in relation to any Customer Agreement and/or any Security Document in its own name and not in the name of the Assignor.

5. **PUT OPTION**

- 5.1 In the earlier of:
- 5.1.1 the expiry by early termination of the fixed or minimum period of any Customer Agreement; or
 - 5.1.2 the termination (whether by Kennet or the relevant Customer) of any Customer Agreement on a date falling after the expiry date of the minimum period of that Customer Agreement, Kennet shall have the option to offer the Assignor (or a third party nominated by the Assignor and acceptable to Kennet) to right to purchase the Equipment the subject of that Customer Agreement for a purchase price of 5% of the respective customer's monthly rental. Kennet may

exercise its option under this Clause 5.1 by issuing to the Assignor (or such third party as the case may be) an offer document for that amount in respect of that Equipment.

5.2 Any sale of the Equipment to the Assignor (or, as the case may be, a third party purchaser) pursuant to the exercise of the option set out in Clause 5.1 will be on terms that:

- 5.2.1 the Equipment is sold on as is, where is basis and without the benefit of any condition, representation or warranty (whether express, implied or statutory), all of which are excluded;
- 5.2.2 risk in the Equipment passes on the earlier of the date upon which payment of the purchase price is made in full and the date on which possession of the Equipment is taken by the Assignor (or, as the case may be, a third party purchaser). Title to then Equipment will only pass to the Assignor when the purchase price is paid in full;
- 5.2.3 collection of the Equipment is the responsibility of and is to be made at the expense of the Assignor (or other such third party purchaser);
- 5.2.4 the Assignor (or any such third party purchaser) is to take all prudent steps to ensure that the Equipment will be kept, maintained and operated without risk to property, life, health and safety and Kennet shall have no liability for any loss or damage arising out of the misuse or failure of, or otherwise arising in connection with, the Equipment.

6. NOTICE OF ASSIGNMENT

6.1 Kennet may at its discretion:-

- 6.1.1 give notice of assignment to such Customers, guarantors, security holders and/or indemnifiers, as the case may be, as Kennet sees fit;
- 6.1.2 require the Assignor to execute such formal assignments of any Agreements and/or Security Documents; and
- 6.1.3 take and require the Assignor to take any other action reasonably required to vest in Kennet title to the Agreements and/or the Equipment and/or the Related Rights in Kennet.

6.2 The Assignor irrevocably appoints Kennet (and any person nominated by Kennet to act as Kennet's agent for this purpose) as the Assignor's attorney to sign all documents and do all things necessary to give effect to this Agreement, or Kennet's rights under it, in order to effectively vest in Kennet the full legal and beneficial title to the Customer Agreements, the Equipment and the Related Rights.

7. CONFIDENTIALITY

7.1 Neither the Assignor nor Kennet shall disclose to a third party the arrangements set out in this Agreement, except where that disclosure is:

- 7.1.1 made by the Assignor to a Customer under Clause 2 of this Agreement or reasonably necessary in order to preserve or protect the Assignor's rights under a Customer Agreement;
- 7.1.2 made by Kennet to a Customer under Clause 6 of this Agreement or reasonably necessary in order to preserve or protect Kennet's rights under a Customer Agreement;
- 7.1.3 made to a Supplier as a result of the requirement to enforce any term of this Agreement dealing with relations with Suppliers;
- 7.1.4 made to the disclosing party's professional advisers;
- 7.1.5 information which is in the public domain (and has not come into the public domain as a result of any breach of this condition);

7.1.6 otherwise required by Law.

8. GENERAL

- 8.1 This Agreement constitutes the entire agreement between the Assignor and Kennet in relation to the purchase by, and assignment to Kennet of Customer Agreements, Equipment and Related Rights.
- 8.2 Any variation of this Agreement must be made in writing and signed by Kennet and the Assignor.
- 8.3 The Assignor may not assign the benefit or burden of this agreement without Kennet's prior written consent, but Kennet may assign the benefit and/or burden of this Agreement without the Assignor's consent.
- 8.4 A person who is not a party to this Agreement shall have no right to enforce any term of this Agreement under the Contracts (Rights of Third Parties) Act 1999.
- 8.5 This Agreement is governed by and will be construed in accordance with the Laws of England and Wales. The parties submit to the jurisdiction of the English Courts.
- 8.6 This agreement may be terminated by any of the parties by giving written notice to the others.

IN WITNESS WHEREOF Kennet Equipment Leasing Limited and Tennant UK Cleaning Solutions Limited have signed this agreement as a deed on the date appearing on the first page of this Agreement.

SIGNED as a DEED by Kennet Equipment

Leasing Limited acting by a director in the

presence of:

Witness
signature_____

Witness
name_____

Witness
address_____

Occupation_____

SIGNED as a DEED by Tennant UK Cleaning
Solutions Limited acting by a director in the

presence of:

Witness
signature

Witness
name

Witness
address

Occupation

SCHEDULE 1
Form of Customer Agreement



**TENNANT UK CLEANING SOLUTIONS LTD.
LONG TERM EQUIPMENT RENTAL AGREEMENT**

This Long Term Equipment Rental Agreement (the "Agreement") is effective this 20th day of August 2015 (the "Effective Date"), and is made by and between WM Morrison Supermarkets PLC ("Renter"), located at Kenmore Road, Junction 41 Industrial Estate, Wakefield, WX2 0XF and Tennant UK Cleaning Solutions Ltd. ("Tennant"). Renter and Tennant are each a "Party" and collectively are the "Parties."

- 1. Rental.** Renter agrees to rent the "Equipment" (defined in Annex A) from Tennant on the terms and conditions set forth in this Agreement. Terms for the rental of specific Equipment will be set forth in the form of Annex A attached hereto, each a "Rental Contract." The Parties may have as many or as few Rental Contracts as they agree to enter into. This Agreement, including all Rental Contracts agreed by the Parties, contains the entire arrangement between the Parties and no modifications of this Agreement or any Rental Contract shall be effective unless in writing and signed by an authorised representative of both Parties.
- 2. Term.** This Agreement begins on the Effective Date above and shall continue as long as the term of any Rental Contract remains effective. After five (5) years from the Effective Date, Tennant may decide to not enter into any new Rental Contracts. If there are no Rental Contracts in effect, this Agreement may be terminated by either Party for any reason upon sixty (60) days advance written notice to the other Party. At the end of the fixed rental term a secondary rental period may be offered by Tennant for a term and price to be agreed by both parties at that time.

Each Rental Contract will include a start date and fixed term (the "Rental Term") for the rental of the Equipment identified therein. After the end of an applicable Rental Term, the Renter will prepare the Equipment for shipment or collection in accordance with Tennant's reasonable instructions and return the Equipment to Tennant in good working order. If the Equipment is not so returned to Tennant within fourteen (14) days of the end of the Rental Term, (a) all of Renter's obligations under the applicable Rental Contract will continue until the Equipment is so returned, (b) Tennant may in its sole discretion reasonably adjust the Rental Payments to meet the current conditions, and (c) the Rental Payments will be adjusted pro rata to account for any partial months of rental.

- 3. Pricing and Rental Payments.** Each Rental Contract will include a "Base Monthly Rent" that the Renter agrees to pay Tennant monthly during the Rental Term. Base Monthly Rent is determined by Tennant using information such as (a) Equipment model and configuration, (b) monthly operating time, (c) conditions of use, and (d) location, among others. Pricing information is attached hereto on Annex B. The Rental Payments are due whether or not Renter receives an invoice from Tennant; however, Tennant will use commercially reasonable efforts to provide Renter with a timely invoice.

At the start of the second and each subsequent year of each Rental Contract, the service element of the Rental Payment rates (specified in Annex B) will be subject to an annual price review on the 1st February. Any price increase will be capped at a maximum of 3% and such increases will be accumulative from year to year. Rental Contracts that start between the 1st of August and 31st of December will not be subject to an increase until the second 1st of February to occur following the start date. All machines must be covered by a Tennant approved maintenance contract at all times. If Tennant has not received the entire Rental Payment within thirty (30)

days after the due date, it will have the right to exercise any or all of its remedies as set forth in Article 14 of this Agreement, subject to Renter's receipt of an invoice.

4. **Equipment Selection, Location and Training.** At Renter's reasonable request, Tennant will advise Renter on suitable options of equipment for use at a given site or sites specified by Renter. For this purpose, Renter will provide Tennant with information about the site(s) as it may need to perform its analysis. Renter will make the ultimate decision of which equipment to rent for any specific site among the models and specifications offered by Tennant.

In its sole discretion Tennant may from time to time replace any rented Equipment with like new or used Equipment that is of equal or greater functionality and condition.

Renter may re-locate the Equipment from the site specified in the Rental Contract with advance written notice from Renter to Tennant, promptly responding to any reasonable requests for information that Tennant may have about the move. However, Renter may not re-locate any Equipment outside the country in which it is then-currently located without the advance written approval of Tennant, such approval not to be unreasonably withheld or delayed. Tennant reserves the right in its sole discretion to make any reasonable changes to the Rental Contract that a move to the new location would justify – for example, a move to a location where the Equipment would be used in heavier conditions or would be a burden for Tennant to properly service and repair. Costs of transport and any risk of damage to the Equipment will be borne by Renter.

Tennant will provide instruction and training at a location acceptable to Tennant, taking into account the reasonable business needs of Renter, and to a reasonable number of employees and/or agents of Renter on how to operate the rented Equipment (i.e. driving techniques, operation, and routine daily maintenance) after delivery. In the event a location is unreasonably isolated, leading to a substantial cost for Tennant to perform the training, Tennant and Renter will in good faith agree a solution regarding timing and costs of such training.

5. **Title, Risk of Loss, and Security Interest.** Each piece of Equipment is and remains at all times Tennant's sole property. Renter's only right is to use the Equipment in accordance with the terms and conditions of this Agreement. All deliveries will be shipped by Tennant from the manufacturing facility of its choice pursuant to "Carriage Insurance Paid" (CIP), Incoterms 2010. Risk of loss and damage shall pass to the Renter upon delivery of the Equipment to the location listed on each applicable Rental Contract. Tennant will select the carrier and may make partial shipments.
6. **Taxes.** Sales, use, and all other applicable taxes and duties measured by sales or receipts are not included in the Rental Payments, but will be added to Renter's invoice if applicable. Renter shall be responsible for all taxes, duties, and similar charges payable under applicable laws on any Equipment rented and Renter will not permit a tax lien to attach to any of the Equipment.
7. **Use, Maintenance, and Repair.** Renter will use the Equipment for lawful purposes, in the manner for which it was intended, and within the parameters of any applicable manuals and instructions. Renter will keep the Equipment in good repair, condition and working order, ordinary wear and tear excepted. Renter will not alter or modify the Equipment in any way that would impair the value or originally intended use. Additions or upgrades to the Equipment will become Tennant's property unless they can be easily removed without damage.

Renter is responsible for performing routine maintenance according to the schedule and procedures set forth in the Operator manuals. The Equipment must be used, maintained, and stored properly,

cleaned regularly and operated within the limits recommended in the Operator manual and only by Renter's duly trained and authorised employees and agents.

In accordance with the specifications on Annex C attached hereto, Tennant will perform periodic standard maintenance arising from normal wear and tear from ordinary use of the Equipment which is required to ensure the proper functioning of the Equipment throughout the Rental Term ("SMART Maintenance"). Tennant will determine the proper maintenance intervals based on the configuration and expected use of each piece of Equipment rented. If Renter notifies Tennant of the need for any repairs or maintenance not included in, or specifically excluded from, the SMART Maintenance contract, Tennant will use commercially reasonable efforts, but cannot guarantee, to confirm the request within two (2) hours of Renter's request and to provide service within one (1) business day. Such work will be performed and invoiced by Tennant at the rates specified in Annex C (1).

8. **Service Reports.** From time to time Tennant will prepare and provide to Renter service reports regarding the performance and service costs of the Equipment rented. Tennant will also work with Renter to schedule periodic business review meetings for the Parties to meet and discuss performance under this Agreement and other relevant issues that may arise between them.
9. **Loss or Damage.** If any piece of Equipment is lost, stolen, or damaged, Renter will promptly notify Tennant of such event. Renter is responsible for any loss of, or damage to, the Equipment from any cause at all, whether or not insured, from the time each is delivered by Tennant. Renter's obligations for monthly Rental Payments and other applicable fees under this Agreement will continue for any such lost or damaged Equipment until Tennant recovers from Renter full compensation for the loss.
10. **Indemnity.** Tennant is not responsible for any injuries, damages, penalties, claims, or losses, including legal costs and expenses, incurred by Renter or any other person caused by Renter's use of the Equipment, unless as a direct result of Tennant's sole negligence. Renter agrees to reimburse Tennant for and defend Tennant against any claims for such injuries, damages, penalties, claims, or losses, including legal costs and expenses. These indemnities continue even after this Agreement has terminated.
11. **Limitation of Liability.** Tennant is not responsible to Renter or any third party for (a) injury to persons or property unless such injury is the direct result of Tennant's sole negligence or (b) any damages caused by Renter's failure to comply with applicable laws, regulations, or statutes. Neither Party is responsible to the other Party or any third party for indirect, incidental, special, punitive, or consequential damages arising out of its acts omissions, performance, or non-performance hereunder.

If, notwithstanding the above, Tennant is liable to any person, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, under or in connection with this Agreement, then Tennant's liability is limited in aggregate for all claims to the value of the Rental Payments paid under the Rental Contract for the Equipment that triggered the obligation for the twelve (12) month period immediately prior to the most recent claim.
12. **Insurance.** Renter agrees that, for the term of this Agreement and at its cost, it will maintain public liability insurance covering it against any liability to any party, including Tennant, arising out of or in connection with this Agreement, including in relation to personal injury, death, and Equipment damage, for not less than One Million Pounds (£1,000,000) per occurrence. Failure to obtain or maintain such insurance for the Rental Term is a default under this Agreement.
13. **Default.** Renter will be in default under this Agreement if any of the following happen: (a) Tennant does not receive any Rental Payment when due and Renter fails to rectify after thirty (30) days

following written notice from Tennant; (b) Renter becomes insolvent, is liquidated or dissolved, merges, transfers substantially all its stock or assets, stops doing business, or assigns rights or property for the benefit of creditors; (c) a petition is filed by or against Renter under any bankruptcy or insolvency law; (d) Renter breaks any promise made in this Agreement and does not correct the default within thirty (30) days after Tennant sends Renter written notice of the default; or (e) Renter defaults on any other agreement between Renter and Tennant (or any of Tennant's affiliates).

14. **Remedies.** Immediately upon the occurrence of a default, Tennant may at any time take any or all of the following actions, one at a time or at the same time, unless prohibited by law: (a) terminate this Agreement, but Renter will remain liable for all obligations which have not yet been met; (b) require that Renter make the Equipment available to it and in good working condition, for Tennant to remove, crate, and ship back to itself; (c) immediately re-take possession of the Equipment without the order of any court, and Renter will not make any claims against Tennant for trespass, damage, or any other reason; and/or (d) take any other legal actions. Renter agrees that Tennant will preserve all of its rights against Renter even if it does not choose to enforce them at the time Renter defaults.
15. **Limited Warranty.** To the fullest extent permitted by applicable law, Tennant makes no express warranty (other than as set out in this Agreement) and excludes all implied representations, warranties, terms and conditions, and guarantees of any kind whatsoever (whether implied by common law, statute, or otherwise) and the application or availability of any statutory rights (including any statutory guarantees that any goods or services supplied under this Agreement are of satisfactory condition, quality, durability or suitability, or are fit for any particular purpose or use intended by Renter), except as expressly contained in this Agreement.
16. **Assignment.** Renter will not sublet, lend, assign, or pledge this Agreement, the Equipment or any interest in either. Tennant may, without notifying Renter, sell, assign, or transfer this Agreement and its interests in the Equipment and/or this Agreement. Renter agrees that if Tennant does so, the new owner will have the same rights and benefits that Tennant now has. Renter agrees that the rights of the new owner will not be subject to any claims, defenses, or set-offs that Renter may have against Tennant. If Renter is given notice of a new owner, it agrees to respond to any requests about this Agreement and, if directed, to remit all Rental Payments and other amounts due under this Agreement to the new owner.
17. **Intellectual Property.** All drawings, data, designs, tooling, equipment, procedures, engineering changes, inventions, trade secrets, copyrights, patents, patent applications, trademarks, trade dress, and all other information, technical or otherwise, which was developed, made, or supplied by or for Tennant in the production of any piece of Equipment or the performance of any service rendered hereunder, including any and all derivative works, will be and remain the sole property of Tennant (or its licensors, if any) and Tennant may use them for any purpose and for any other person or entity, including Tennant. Renter will not reverse engineer any Equipment.
18. **Export.** Renter understands and acknowledges that Tennant UK Cleaning Solutions Ltd is a direct, wholly-owned affiliate of Tennant Company, a U.S. company, and is therefore subject to certain U.S. laws and regulations. In this regard, Renter will not disclose, export, re-export, or divert any Equipment supplied by Tennant or any technical information, document, or material to any country or person to whom such disclosure, export, or diversion is restricted by U.S. law unless all necessary and appropriate authorisation has been obtained from the U.S. government.
19. **Confidentiality.** Neither party shall at any time divulge, disclose or otherwise furnish, directly or indirectly, to any third party any confidential information unless explicitly permitted herein or required by law. This Article shall not apply to any information which the receiving party can

demonstrate (i) is or becomes public knowledge other than by breach of the Agreement by the receiving party; or (ii) is in the possession of the receiving party without restriction in the relation to the disclosure before the date of receipt from the disclosing party; or (iii) is received from a third party who lawfully acquired it and who is under no obligation restricting its disclosure; or (iv) is independently developed without access to the confidential information.

- 20. Force Majeure.** Neither Party shall be liable for any delay or failure to perform where such timely performance is beyond the reasonable control of such party, including, without limitation, acts of God, acts of governmental authorities, changes in applicable law, fire, flood, labour dispute, shortage, insurrection, war, terrorism, or inability to obtain export or import licenses.
- 21. No Agency.** The relationship of Renter and Tennant under this Agreement is that of an independent contractor. By virtue of this Agreement, neither party hereto constitutes the other party hereto as its agent, partner, joint venture, franchisee, or legal representative and neither party has express or implied authority to bind the other party in any manner whatsoever, except as expressly provided for in this Agreement.
- 22. Governing Law and Venue.** The validity, performance, construction, and effect of the Agreement shall be governed by and construed under English law. The application of the United Nations Convention on Contracts for the International Sale of Goods is excluded. Each dispute between the Parties in connection with the Agreement and/or these terms and conditions shall be settled by the competent English Court, which will have exclusive jurisdiction in respect of any such disputes.
- 23. Waivers.** To the extent Renter is permitted by law, it waives any rights it now has or later may have which would require Tennant to provide it with notice of default, intent to accelerate amounts becoming due or acceleration of amounts becoming due, or which may otherwise limit or modify any of Tennant's rights or remedies. Any action Renter takes against Tennant for any default, including breach of warranty or indemnity, must be started within one (1) year after the event that caused it. Tennant will not be liable for specific performance of this Agreement or for any losses, damages, delay, or failure to deliver the Equipment.
- 24. Counterparts.** This Agreement may be executed in any number of counterparts, each of which when executed and delivered (electronically transmitted or otherwise) will be deemed to be an original, and both of which together constitute one and the same document.

Signature Page for that certain Long Term Equipment Rental Agreement, effective the 20th day of August 2015, between WM Morrison Supermarkets PLC ("Renter") and Tennant UK Cleaning Solutions Ltd. ("Tennant").

TENNANT UK CLEANING SOLUTIONS LTD.

WM MORRISON SUPERMARKETS PLC

By: _____

By: _____

Printed Name: **Jon Corns**

Printed Name: _____

Title: **Country Manager – UK & Eire**

Title: _____

Date: **20th August 2015**

Date: _____

Annex A:
Rental Contract Number _____

This Rental Contract is to be signed by authorised representatives of Tennant UK Cleaning Solutions Ltd. and the Renter specified below. This Rental Contract is made pursuant to the terms of that certain Long Term Equipment Rental Agreement (the "Agreement") dated the ____ of August 2015 between WM Morrison Supermarkets PLC and Tennant UK Cleaning Solutions Ltd and shall become part of the Agreement.

Renter name	WM Morrison Supermarkets PLC
Address:	Kenmore Road
	Junction 41 Industrial Estate
City	Wakefield
Post code:	WF2 0XF
Contact person:	Ian Jack
Positon:	National Procurement & Asset Manager
Phone number:	01924 870000
E-Mail Address:	ian.jack@morrisonsplc.co.uk
Purchase order number:	_____

This Rental Term is for a period of 60 months, starting from the date ____.

The Base Monthly Rental set forth below is the determined based factor defined in the Agreement. The Equipment covered by this Rental Contract and the service included is specified on the attached spreadsheet & Annex C of the Agreement.

Base Monthly Rental:	£_____ + VAT
-----------------------------	---------------------

For WM Morrison Supermarkets PLC

Date: _____

Name: _____

Position: _____

For Tennant UK Cleaning Solutions Ltd.

Date: _____

Name: _____

Position: _____

Annex B

Pricing Information

Machine rental rates are fixed for five (5) years, the service element will be adjusted annually in line with section three (3) of the **Long Term Equipment Rental Agreement**.

Models:

5680 to Morrison specification - **£243.49** per calendar month of which £101.07 is the service element

T2 to Morrison specification - **£92.31** per calendar month of which £45.56 is the service element

T1 cable machine - **£68.35** per calendar month of which £45.89 is the service element

S10 – **£179.67** per calendar month of which £85 is the service element

Annex C

SMART Maintenance

CONTENTS

1. Contract overview
2. Definition of the machines covered
3. Service cover detail
4. Breakdown calls
5. Preventative Maintenance
6. Operator Training
7. Customer required daily maintenance
8. Machine abuse and misuse
9. Consumables - ordering and delivery
10. Replacement machines to cover extended downtime
11. Service Reports
12. Warranty
13. SMART maintenance rebate/penalty process
14. Exclusions

- **Annex C (1)** - Pricing matrix for items not included in SMART maintenance
- **Annex C (2)** - SMART maintenance rebate/penalty process

1. Contract Overview

This agreement lays out the terms and conditions associated with the provision of maintenance to WM Morrison's fleet of Tennant cleaning machines covered by a Long Term Equipment Rental contract. The service provided will be Tennant's SMART maintenance service which includes:-

- Machine Breakdown response
- Planned maintenance
- Parts and consumables supply
- Operator training
- Replacement machines to cover extended downtime
- Service reports
- Customer reporting

2. Definition of the machines covered

This agreement covers only Tennant machines identified on the Long Term Rental list. No machines are to be moved or location amended on the asset list without WM Morrison's staff completing the machine movement form. The asset list will be maintained by Tennant and confirmed back to WM Morrison.

3. Service cover detail

Service and parts items included in this agreement:

- Call out
- Labour
- Parts (except those detailed as exclusions below)
- Consumables
- Damage (not major damage or serious repeat damage)
- Misuse/operator error *
- Maintenance, repair and replacement of batteries and chargers.

The extent of cover provided for misuse and abuse, and the agreed mechanism for managing any misuse and abuse which is not included is detailed in Annex C (8).

The cost of maintenance and supply of certain items is excluded from this agreement: -

- Pads
- Brushes for Scrubber Dryers
- Detergents, floor cleaning chemicals, floor waxes, or other floor treating chemicals.
- Water
- Fuel

Items which are expressly banned from supply to WM Morrison

:- Black pads

4. Breakdown calls

The SMART maintenance service contract includes the callout, onsite labour hours and parts for machine breakdown service calls and preventative service visits. Engineering coverage is available 24/7, 364 days a year. All calls must be logged directly with the Tennant UK Service Desk between the hours of 08.00 and 17.00, 364 days a year. No cover is available on Christmas day.

For breakdowns logged with the Tennant UK (TUK) Service Desk before 10am the target is for a same day fix (classified as before next day clean 6am)

For breakdowns logged with the TUK Service Desk after 10am – TUK will do its utmost to achieve the same day fix (classified as before next day clean 6am) but the target will be the same as a breakdown logged before 10am the following day.

5. Preventative Maintenance

If after an 85 day period a machine has not been visited for a breakdown TUK will organise a specific site visit to carry out a Preventative Maintenance check on that machine in order to ensure that no machine goes more than 90 days without a maintenance visit.

6. Operator Training

This contract includes 1-1 operator training during our normal on site visits.

Additional training can be purchased at WM Morrison's labour rate shown in Annex C (1).

7. Customer Required Daily Maintenance

Wm Morrison staff are responsible for performing the basic machine daily maintenance as shown on the maintenance chart in the Operations Manual and as per Tennant operator training. Failure to perform the daily maintenance will result in unnecessary downtime of the machine and could therefore result in additional costs to WM Morrison.

8. Machine abuse and misuse

Machine abuse is described as damage caused by accidents or failure to follow the Operator's daily maintenance checklist. Machine misuse is described as using the machine to perform tasks not described in the Operators Manual. This contract covers basic misuse and abuse, but it does not cover serious damage or repeated minor damage and operator errors. Charges may be raised for these but this will be discussed with WM Morrisons before invoicing for this.

9. Consumables -ordering and delivery

Consumables are included in the SMART maintenance contract; orders should be placed via the Tennant UK Service Desk.

10.Replacement machines to cover extended downtime

If Tennant UK are unable to return a machine to a condition that is fit to clean within the timeframe specified in Annex C (4) Tennant will contact the WM Morrisons VMU manager to discuss options. If required Tennant will organise the delivery of a loan machine of an equivalent size.

11.Service reports

After each visit, the Tennant Service Technician will complete:-

- The Tennant Service Report (via his Toughbook) detailing the work carried out on site and any comments related to the visit.

The Tennant engineer is required to have the WM Morrison Store Manager sign off his paperwork. In the event that the Technician cannot obtain a signature within 15 minutes of completing the job then the Technician is to record on the paperwork that the Manager is not available or obtain a signature from an alternative member of staff.

The Tennant Technician will also replace or update the service label to ensure that the date the machine was last serviced is clearly visible.

12.Warranty

Since this contract covers service labour and replacement parts, all warranty replacement is priced into the contract and no price adjustments will be made due to warranty failure.

13.SMART maintenance under usage/over usage process

SMART maintenance requires a partnership approach between Tennant and WM Morrison to optimise the operation and maintenance of Tennant machines and thereby reduce the costs incurred by Tennant UK. SMART maintenance rewards WM Morrison by providing a rebate if they are successful in reducing breakdowns and consumable usage. Details of this mechanism are included in Annex C (2).

In the event that WM Morrison exceed the agreed breakdown and consumables usage Tennant will recover costs using the same mechanism.

14. Exclusions

The following shall be excluded from SMART Maintenance: (i) accident, unauthorised use of, or modifications to, the Equipment and any un-authorised service work; (ii) exposure to the forces of nature (lightning, fire, shock, water damage of any kind, extreme temperatures); (iii) changes or customisations to the Equipment not authorised in advance by Tennant or performed by un-authorised technicians; (iv) Renter's failure to maintain the Equipment in accordance with Tennant's guidelines, including but not limited to failure to attend to visual or audible notifications or alarms on the equipment; (v) Renter's failure to supervise use of the Equipment; (vi) use in a different application and usage type than that

agreed upon and specified in the Rental Contract; (vii) battery charger malfunction due to electrical surge or interruptions; (viii) faults or disruptions resulting from the use of products or accessories not compatible with the Equipment.

Annex C (1)

Pricing matrix for items NOT included in SMART maintenance

Call out charge - £60

Labour rate (per hour) - £38.87

Annex C (2)

SMART maintenance rebate/penalty process

SMART maintenance aims to create an effective working partnership between Tennant UK and WM Morrison that eliminates the need for individual chargeable jobs to be invoiced and processed separately by including Damage and Misuse costs. In order to incentivise WM Morrison to control Damage and Misuse and limit Tennant UK's liability a target is agreed for the number of calls (Breakdown and Planned Maintenance) and also for the consumable usage per machine. These targets are detailed below:-

Calls per machine per year - 7

Consumable cost per machine per year - £208.56

These calls do not include machine installs, telefixed jobs or jobs wholly covered by Warranty.

The actual usage of calls and consumables is calculated and compared to the target. In the event that the actual figure exceeds the target plus 10% then WM Morrison are liable for an over usage charge. In the event that the actual figure is more than 10% below the target then WM Morrisons are eligible for an under usage rebate payment. The figures are tracked and reported monthly but calculation and invoicing/crediting of rebates is done quarterly. The details of those penalties/rebates are laid out below.

Calls per machine

For every call above or below the 10% tolerance an under/over usage payment is applied.

Under usage/over usage payment - £52 per call

Consumables usage

For every 1% usage above or below the 10% tolerance an under/over usage payment is applied.

Under usage/over usage payment - £117.76 per 1%

These values are subject to an annual price review on the 1st February to allow for cost variations in the price of consumables, general service costs and any change in machine mix within the fleet. Any price increase will be capped at a maximum of 3% as per the contract price review mechanism.

SCHEDULE 2
Form of Offer

OFFER

To: Kennet Equipment Leasing Limited

This Offer is made pursuant to the terms of a Master Assignment Agreement dated 2016 and made between Kennet Equipment Leasing Limited and Tennant UK Cleaning Solutions Limited (the "Agreement"). All words and expressions used in this Offer have the meanings given to them in the Agreement.

We offer to assign to you the following Customer Agreements on the terms set out in the Agreement:

Account no.	Customer name	Equipment description	Invoice value (£)	Term of Agreement (in months)	Number of rentals	Amount of rentals (£)

We attach (i) the original or a bona fide true copy of each Customer Agreement, (ii) a statement of the Offer Price, (iii) the original or a bona fide true copy of the acceptance certificate signed by the Customer, (v) the original of any Security Document and (vi) any other documents you have indicated that you require.

We confirm that the warranties set out in clause 3 of the Agreement are correct as at today's date in respect of the above Customer Agreements and that they will be correct on the date on which you accept this Offer.

Date

For and on behalf of Tennant UK Cleaning
Solutions Limited