

## INDUSTRY-WIDE GENERAL CONDITIONS FOR THE LEASE OF COMPANY EQUIPMENT WITHOUT AN OPERATOR (IGCLE)

### **Article 1:** General

**1-1** The industry-wide general conditions for the lease of company equipment without an operator were prepared by a specialised committee comprising users (FFB, FNTP) and leasing professionals (DLR).

**1-2** In order to be contractually binding, these general conditions must be mentioned expressly in the lease agreement.

The contracting parties must address any specific issues in the specific conditions of the lease agreement.

**1-3** The specific conditions of the lease agreement set out, as a minimum:

- a definition and identification of the equipment leased,
- the place of use and the lease start date,
- transportation conditions,
- price conditions.

They may also indicate:

- the foreseeable duration of the lease,
- availability conditions.

**1-4** The equipment made available by the lessor to the lessee must be compliant with prevailing regulations.

### **Article 2:** Place of employment

**2-1** The equipment is to be used exclusively on the worksite indicated or within a limited geographic zone.

Any use outside the worksite or zone indicated without the prior and explicit consent of the lessor may justify the termination of the lease.

**2-2** The lessor or its representatives will be authorised to access the worksite during the term of the lease.

They must report beforehand to the site supervisor equipped with the necessary personal protection equipment and must comply with the worksite rules and safety requirements.

These representatives, who will service and maintain the equipment, remain under the responsibility and liability of the lessor.

**2-3** The lessee must undertake all formalities with respect to the competent authorities to obtain the permits required to move the leased equipment around on the site and/or to park it on public roadways.

**2-4** The lessee must obtain all of the necessary permits to enable the lessor or its representatives to enter the worksite.

### **Article 3:** Availability

#### **3-1 Equipment**

The equipment, its accessories and all other items required for its normal use must be provided to the lessee in good working order.

The lessee is entitled to refuse the equipment if the lessor does not provide the documentation required by regulations, as well as all necessary technical instructions.

Legal guardianship of the equipment is transferred to the lessee when it takes possession, in accordance with article 10-1.

#### **3-2 Condition of the equipment when made available**

A joint inspection may be conducted at the request of either of the parties.

If this joint inspection reveals that the equipment is not fit for its usual purpose, the said equipment will be considered as failing to comply with the order.

If absent for the delivery, the lessee must provide the lessor with written reservations, within half a day following the delivery, relating to any visible defects and/or any non-compliance with the order.

#### **3-3 Date of availability**

The lease agreement may state, at the discretion of the parties, a delivery or collection date. The party appointed to perform the delivery or collection must provide the other party with reasonable notice of its arrival.

### **Article 4:** Duration of the lease

**4-1** The lease starts on the day that the leased equipment and its accessories are made available to the lessee under the conditions set out in article 3. It ends on the day that the leased equipment and its accessories are returned to the lessor under the conditions set out in article 14.

These dates are set out in the lease agreement.

**4-2** The foreseeable duration of the lease, from a given start date, may be expressed in any unit of time. Any amendment to this duration must be subject to a new agreement between the parties.

**4-3** In the event that the exact duration of the lease cannot be defined, the lease agreement may be concluded without a set end date. In such cases, the notice periods for returning or reclaiming equipment set out in article 14 will apply.

**4-4** Incidents pertaining to the equipment and likely to interrupt the duration of the lease are addressed in article 9.

### **Article 5:** Conditions of use

#### **5-1 Nature of use**

**5-1-1** The lessee must inform the lessor of the specific conditions in which the leased equipment will be used so that the lessor can specify the usage and safety rules set out by applicable regulations and by the manufacturer and/or lessor.

**5-1-2** The equipment must be entrusted to duly qualified personnel who hold the required permits.

The equipment must be maintained in good working order and used in compliance with the usage and safety rules mentioned in section 5-1-1.

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**5-1-3** The lessee undertakes to refrain from sub-leasing and/or lending the equipment without the lessor's consent.

However, in the context of emergency interventions, the lessor may not oppose the use of the leased equipment by other companies. The lessee will nevertheless remain bound by the obligations of the contract.

Furthermore, in the context of worksites subject to coordinated health and safety protection, the general health and safety protection coordination plan (PGCSPS) may make provision for the use of the equipment by other companies. The lessor may not oppose such use, but the lessee will nevertheless remain bound by the obligations of the contract.

**5-1-4** Any usage that is not compliant with the lessee's prior declaration of use or with the intended use of the leased equipment will entitle the lessor to terminate the lease agreement, in accordance with the provisions of article 19, and to demand the return of the equipment.

### **5-2 Duration of use**

The leased equipment may be used at the lessee's discretion, in compliance with the specific conditions, for a nominal daily duration of 8 hours.

The lessee is obliged to inform the lessor in the event of any additional use, which may give rise to additional hire charges to be defined in the specific conditions.

### **Article 6:** Transportation

**6-1** Transportation of the leased equipment, both for delivery and return, takes place under the responsibility of the party transporting the equipment or having it transported.

**6-2** The party having the equipment transported may have recourse against the carrier. It is therefore the responsibility of this party to check that all risks, including damage caused to and by the equipment, are sufficiently covered by the carrier's insurance and, failing this, to take the necessary measures to insure the leased equipment.

**6-3** The cost of transportation of the leased equipment, both for delivery and return, is to be borne by the lessee, unless otherwise stated in the specific conditions.

In the event that transportation is carried out by a third party, it is the responsibility of the commissioning party to prove that payment has been made. Failing this, accounts between the lessor and the lessee will be readjusted accordingly.

**6-4** Liability for loading and/or unloading and/or stowage lies with the party that performs these tasks.

The agent who loads and/or unloads the leased equipment must, if necessary, have authorisation from his employer to drive the equipment.

**6-5** In all cases, if damage is observed upon the arrival of the equipment, the recipient must immediately formulate legal reservations with respect to the carrier and inform the other party so that fallback provisions can

be implemented without delay and so that insurance claim statements can be submitted to the insurance companies within the required deadlines.

### **Article 7:** Installation, assembly and disassembly

**7-1** Installation, assembly and disassembly operations (when required) are performed under the responsibility of the party performing the operations or having them performed.

**7-2** The performance conditions (lead time, price, etc.) are set out in the specific conditions.

**7-3** Installation, assembly and disassembly operations will not modify the duration of the lease, which remains as defined in article 4.

### **Article 8:** Maintenance of the equipment

**8-1** The lessee must perform all typical servicing, cleaning, inspection and auxiliary operations (lubrication, fuel, oils, antifreeze, pressure and condition of tyres, etc.) at regular intervals, using the components recommended by the lessor.

**8-2** The lessor is required to replace wear parts in accordance with environmental regulations.

**8-3** The lessee must make the equipment available to the lessor for a sufficient time and in an accessible location to enable the lessor to perform these operations. The dates and durations of these interventions are to be established by mutual agreement. Unless stipulated to the contrary in the specific conditions, the time required for the lessor to service the equipment forms an integral part of the duration of the lease as defined in article 4.

### **Article 9:** Faults and repairs

**9-1** The lessee must inform the lessor, by any written means available, in the event of a fault resulting in the immobilisation of the equipment during the term of the lease.

**9-2** Once the lessor has been informed, the contract is suspended for the duration of the immobilisation of the equipment with regard to payment, but remains in effect with regard to all other obligations, with the exception of the provisions set out in article 10-1.

**9-3** However, any faults lasting less than or equal to two hours will not modify the conditions of the contract, which remain as set out in article 4.

**9-4** The lessee may terminate the contract immediately if equipment is not replaced within one working day following the lessor having been notified, unless otherwise stipulated in the specific conditions.

In the event of termination, the lessee must return the equipment.

**9-5** The lessee must not perform any repairs, unless it has obtained prior written authorisation from the lessor.

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### **Article 10:** Obligations and responsibilities of the parties

**10-1** The lessee will have legal guardianship of the leased equipment for the duration of the time that the equipment is made available; it is therefore liable for the equipment, subject to the provisions pertaining to transportation.

The lessee is relieved of guardianship of the equipment:

- during the time required for repairs if these take place at the lessor's instigation
- in the event of theft, on the day that a report is submitted to the competent authorities. The lessee undertakes to send a copy of the report to the lessor.
- in the event of loss, on the day that a statement is made by the lessee to the lessor.

The lessee is responsible for the use of the leased equipment and everything relating to taking into account:

- the nature of the terrain and underlying ground,
- the rules governing public land,
- the environment.

However, the lessor or its agent may be liable in the event that either of them is negligent.

**10-2** The lessee may not:

- use the leased equipment for any purpose other than that for which it is intended,
- use the equipment under conditions other than those for which the lease has been established,
- contravene the safety rules set out by prevailing regulations and by the manufacturer and/or lessor.

**10-3** The lessee may not be held liable for the detrimental consequences of hidden defects in the leased equipment or non-apparent wear rendering the equipment unfit for its intended use.

### **Article 11:** Damage caused to third parties (civil liability insurance)

#### **11-1 Motorised land vehicles**

##### **The lessor's obligations:**

When the leased equipment is a motorised land vehicle as defined in article L. 110-1 of the French Highway Code, the lessor must have taken out an automotive insurance policy in accordance with articles L. 211-1 et seq. of the French Insurance Code. This policy must cover damage caused to third parties by the leased equipment if it is involved in a traffic accident.

The lessor must provide, upon the lessee's first request, a photocopy of its current insurance certificate.

##### **The lessee's obligations:**

The lessee undertakes to declare to the lessor, within 48 hours, by registered letter with acknowledgement of receipt, any accident caused by the vehicle or in which the vehicle is involved, so that the lessor can submit its claim to its insurer within five days.

The lessee will be liable for the consequences of the late submission or non-submission of a claim.

The automotive liability insurance taken out by the lessor does not exempt the lessee from taking out corporate civil liability insurance, so as to insure against, in particular, damage caused to third parties by leased motorised land vehicles when they are involved in situations other than traffic accidents.

#### **11-2 Other equipment**

The lessee and the lessor must be covered, each for their own liability, by corporate civil liability insurance against damage caused to third parties by the leased equipment.

### **Article 12:** Damage to the leased equipment (breakdown, fire and theft insurance)

**12-1** In the event of damage, the lessor invites the lessee to conduct an amicable and joint statement, which must be completed within five working days.

**12-2** The lessee may insure against its liability for damage caused to the leased equipment in three different ways:

**12-2-1** By subscribing to an insurance policy covering the leased equipment.

This insurance may be specific to the equipment in question or may be an annual policy covering all equipment leased by the lessee. It must be taken out at the latest on the day that the leased equipment is made available and must be maintained for the duration of this lease agreement.

The lessee must inform the lessor of the existence of such an insurance policy. At the start of the year or at the latest when the equipment is made available, the lessee must send the insurance certificate for the policy taken out, stating in particular the insurance company's undertaking to pay compensation to the lessor, the policy reference numbers, and the coverage and excess amounts.

Any compensation limitations, exclusions and excesses arising from the insurance policy taken out by the lessee are non-invocable with respect to the lessor in relation to the obligations imposed by the contract.

**12-2-2** By accepting, with regard to equipment breakdown cover, a waiver of recourse offered by the lessor and its insurer, in return for an additional charge.

In this case, the lessor must clearly inform the lessee of the precise limitations of the cover taken out, in particular pertaining to:

- guarantee amounts,
- excesses,
- exclusions,
- the conditions of the waiver of recourse of the insurance policy against the lessee. Any limitations not mentioned in the contract are thus non-invocable with respect to the lessee.

**12-2-3** By standing as its own insurer subject to the acceptance of the lessor.

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If the lessor does not accept, the lessee must:

- either take out an insurance policy covering the leased equipment in accordance with the provisions set out in article 12-2.1,
- or accept the lessor's conditions, as set out in article 12-2.2.

**12-3** In the event that the lessee insures the equipment via an insurance company or at its own expense, the prejudice is assessed:

- for repairable equipment: depending on the value of the repairs.
- for non-repairable or stolen equipment: based on the full replacement value, minus a coefficient for wear set by an appraiser or, failing this, defined in the specific conditions.

### **Article 13:** Regulatory inspections

**13-1** The lessee must make the leased equipment available to the lessor or any appointed person for the purpose of regulatory inspections.

**13-2** In the event that a regulatory inspection reveals that the equipment is not fit for purpose, this would have the same consequences as the immobilisation of the equipment (see article 9).

**13-3** The cost of regulatory inspections must be borne by the lessor.

**13-4** The time required to conduct regulatory inspections forms an integral part of the duration of the lease, within the limit of half a working day.

### **Article 14:** Returning the equipment

**14-1** Upon expiry of the lease agreement, for whatever reason and following any mutually agreed extensions to the duration, the lessee must return the equipment in good working order taking into account normal wear and tear inherent to the duration of use, cleaned and, where applicable, with a full tank of fuel. Failing this, the lessee will be invoiced for the cost of filling the tank.

The equipment must be returned, unless otherwise agreed by the parties, to the lessor's warehouse during its opening hours.

**14-2** If transportation for the return of the equipment is carried out by the lessor or its representative, the lessor and the lessee must agree, in any written form, the date and place of recovery of the equipment. Legal guardianship is transferred to the lessor upon recovery of the equipment and, at the latest, at the end of a 24-hour period starting from the agreed recovery date.

In the event of requests made on a Friday or the day before a public holiday, recovery of the equipment will take place at the latest on the next working day.

The lessee must make the equipment available to the lessor in an accessible location.

**14-3** The return or recovery note, which signifies the end of the lease, is drawn up by the lessor. It states, in particular:

- the date and time of return,

- any reservations deemed necessary, notably pertaining to the condition of the returned equipment.

**14-4** Any equipment or accessories that are not returned or declared stolen or lost will be invoiced to the lessee at the full replacement value, following the expiry of the return period set out in the letter of formal notice.

**14-5** In the event that the equipment requires work to bring it back up to standard as a result of damage attributable to the lessee, the lessor may invoice the lessee for this work following a joint inspection in accordance with article 12.

### **Article 15:** Lease price

**15-1** The lease price is generally set per unit of time, to be re-stated for each lease, with each unit of time started being payable, limited to one day.

**15-2** The consequences of cancelling a reservation are set out in the specific conditions.

**15-3** Any work carried out by technical personnel, such as fitters, for the lessee is governed by article 7.

**15-4** In the event that the initial duration of the lease is amended, the parties may renegotiate the price of the said lease.

### **Article 16:** Payment

**16-1** Payment conditions are set out in the specific conditions.

Non-payment of any sum due will give rise, following a letter of formal notice to which no response is forthcoming, to the termination of the contract in accordance with article 19.

### **16-2 Late payment penalties**

Any invoice remaining unpaid at its due date will give rise to late payment penalties at the rate set in the specific conditions and, failing this, in accordance with article L. 441-6 of the French Commercial Code.

### **Article 17:** Adverse weather conditions

In the event of adverse weather conditions duly noted and resulting in the leased equipment not being used, the lease price is invoiced at a reduced rate to be negotiated between the parties.

### **Article 18:** Deposit

The deposit to be paid by the lessee for the obligations undertaken is stated in the specific conditions.

### **Article 19:** Termination

In the event that one of the parties fails to perform its obligations, the other party will be entitled to terminate the lease agreement without prejudice to any damages that it may claim. Termination will take effect after a letter of formal notice has been sent and to which no response is forthcoming. The equipment must be returned in accordance with the provisions of article 14.

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**Article 20:** Eviction of the lessor

**20-1** The lessee undertakes to refrain from selling, pledging or using as collateral the leased equipment.

**20-2** The lessee must inform the lessor immediately if a third party attempts to exercise any rights over the leased equipment, whether this be in the form of a claim, obstruction or foreclosure.

**20-3** The lessee may not remove or modify either the ownership plates affixed to the leased equipment or the registration documents held by the lessor. The lessee may not add any wording or markings to the leased equipment without the lessor's authorisation.

**Article 21:** Operating losses

As a matter of principle, any operating losses, whether direct and/or indirect, cannot be covered.

**Article 22:** Settlement of disputes

If any amicable settlement cannot be reached between the parties, any disputes are to be submitted to the court of competent jurisdiction, which may be specified in advance in the specific conditions.

**On behalf of the FNTP (French national federation of public works)  
Mr Jacques Allemand  
Chairman of the equipment commission**

**On behalf of the FFB (French construction federation)  
Mr François Asselin  
Vice-Chairman - Chairman of the contracts commission**

**On behalf of the DLR (French national federation of distributors, lessors and repairers of construction, public works and handling equipment)  
Mr Michel Gable  
Chairman**

Signed in Paris on 7 January 2009  
(in three original copies)