

AGREEMENT TO HIRE MOTOR VEHICLE/S

This Agreement is made and entered in to this Day of, 2017 by and between a company duly incorporated under companies Act No. in the Democratic Socialist Republic of Sri Lanka and (hereinafter called and referred as the “the owner” which terms or expression as herein used shall where the context so requires or admit mean and include the said and its successors and assigns of the -PART OF RHE FIRST PART.

AND

..... Of Ministry¹ of in the said republic (hereinafter called and referred as the “the Hirer” which terms or expression as hereinafter used shall mean and include the said and his/her hirer, successors and assigns) of the PART OF RHE SECOND PART.

WHEREAS the Hirer is desirous of hiring from the owner the motor vehicle/s belonging to the owner and described in the first schedule to the agreement (hereinafter referred to as the “Vehicle/s”) and the owner has agreed with the hirer to hire vehicle/s to the hirer subject to and upon certain terms and conditions which have been accepted by the Hirer and the parties hereto desire to embody all of same in a formal written agreement.

NOW THIS AGREEMENT THEREFORE WITNESSETH that in consideration of the parties hereto doing, observing and performing all of the respective terms, conditions, covenants, stipulations and obligations contained in this Agreement to be done, observed and performed respectively by either of them, the parties hereto hereby agree as follows:-

1. HIRE OF VEHICLE

Subject to and upon the terms and conditioned in this Agreement the Owner shall provide the vehicle/s to the Hirer on hire and the Hirer shall hire the vehicle/s as from the **Date** and during the entirety of the definite and ascertained period of Sixty Months (60) commencing from the Date And ending on the Date (herein after referred to as “the period, terms and conditions of the Agreement”

2. INSUARANCE AND LISENCES

- (a) The Owner shall at its own cost keep the vehicle/s comprehensively insured throughout the period with an insurer chosen by the Owner at its absolute discretion. The hirer shall acquaint himself with the scope of the insurance cover taken by the owner.

¹ If it is a Ministry - the Secretary to the Ministry

If it is Department - the head of the Department/the name of the Dept. as the case may be

If it is Statutory Board - name of the Statutory Board

- (b) The Owner shall keep the vehicle/s licensed throughout the period by having a valid revenue license and Applicable charges (eg. Emission tax etc.) in respect of the vehicle/s from a relevant authority.

3. HIRE CHARGE

- (a) The Hirer shall pay to the Owner on or before the 30th day of each and every month within the period, a monthly hire charge of **Rupees <<Hire Charge In Words>> (excluding VAT) in** respect of each above mention month or the said sum of money plus such amount as shall be computed at the rate of Rupees <<Rate per km In Words>>+ (excluding VAT) (Rs. <<Rate per km In Nos >>+ (excluding VAT) per each kilometer in respect of every kilometer in excess of **Three thousand kilometers (3,000 km)** in the event that the vehicle/s has/have during such month run in excess of **Three thousand kilometers (3,000 km)** provide however that the hirer shall not be entitled to any reduction whatever in the monthly hire charge in the event of the vehicle/s running less than the said of **Three thousand kilometers (3,000 km)** in any particular month, it being a condition of this agreement that the agreement is being entered in to on the basis that the Hirer shall use the vehicle/s each month for running of **Three thousand kilometers (3,000 km)** per month at the minimum.

4. MAINTENANCE OF VEHICLE/S

- (a) The Hirer shall ensure that the vehicle is maintained in good order and condition throughout the period. The Owner shall take further agreement for the vehicle to be regularly serviced and maintained and for all repairs necessary to the vehicle/s to be promptly attended to and be done only by the Owner or any other company nominated by the owner for that purpose.
- (b) All such routing services, all the maintenance and repairs of the vehicle, shall be borne by the Owner.
- (c) The Owner shall bear the cost of expenses on accidental respies and other related fees. If the repairs/maintenance work takes more than 24 hours, the owner shall provide a replacement vehicle of a similar type and condition.

5. USE OF VEHICLE/S

- (a) It shall be the responsibility of the Hirer to ensure that the vehicle/s is driven only by drivers who are qualified to do so and that the vehicle/s is driven by

such drivers, with due diligence and care, so as to avoid any harm or damages to the vehicle/s.

- (b) The Hirer shall not do any act nor allow or suffer any omission which may directly or indirectly negate, nullify or render invalid the Insurance policy over the vehicle/s obtained by the owner in accordance with Clause 2(a) of this agreement.
- (c) The Hirer shall not use or suffer the vehicle/s to be used for any illegal purpose and in the event of the owner, as the registered Owner as the registered Owner of the vehicle/s being charged before a court, tribunal, forum, person or body for or in connection with or relating to any offence whatsoever arising from or in respect of the vehicle/s and/or
- (d) the use of the vehicle/s during the period, including but not limited to a fatal or other accident, the hirer shall forthwith thereupon keep the Owner freed, absolved and indemnified there from and any and all liabilities arising there from by appearing before such court, tribunal, forum, person or body and accepting full responsibility for such offence as the Hirer and the person in possession and custody of the vehicle/s at the time of the commission or such offence.
- (e) The hirer shall keep the owner also freed and indemnified at all times from all claims whatsoever whether in civil law or any other statutory or common law or otherwise howsoever that may arise from or in respect of in connection with the vehicle/s and/or the use of the vehicle/s during the period and the Hirer shall bear all costs of the litigation and other expenses of the Owner in any action, suit or proceedings that may be brought, instituted or commenced in that respect before any court, tribunal, forum, person or body against the owner whether jointly with the Hirer or otherwise and the Hirer shall meet in full any judgment, order, decree or award made against the Owner pursuant thereto.

6. TERMINATION OF AGREEMENT

- (a) The hirer may terminate this Agreement with the consent of the owner after giving three months' notice in writing, if the vehicle is not maintained properly by the owner/hirer or immediately in case of a major mechanical fault which recuse very often, provided however, that such mechanical failure is not caused by negligence and misuse by the hirer.
- (b) The Owner and Hirer may however determine the Agreement to have been prematurely terminated prior to the expiry of the period under mutual agreement for any valid reason. In that event either party shall give three months prior notice to the other party. The Hirer shall upon such premature termination of the Agreement deliver the vehicle/s to the owner in good order and condition and pay all dues of the Owner

