

DATED

NR EVANS AND SON LIMITED

and

**SUB CONTRACTORS
AGREEMENT**

**NR EVANS & SON LIMITED
LLWYN YR EOS
CROSS HANDS BUSINESS PARK
LLANELLI
CARMARTHENSIRE
SA14 6RA**



**CONTRACT TERMS AND CONDITIONS – SUB-CONTRACTORS
(NRE “Network” Depots)**

In order to operate effectively within the UK chilled haulage market, NRE recognises the need to include other hauliers in its everyday operations. NRE is committed to delivering excellent value for money to its customer base through first class service and a commitment to quality. Any haulier sub-contracted to work on NRE’s behalf must therefore work to the following terms and conditions:

1. 00000000INTERPRETATION

1.1. In these Conditions:

‘ NRE ’ means NR Evans & Son Limited (company number 1935889), Llwyn yr Eos, Cross Hands Business Park, Llanelli, Carmarthenshire, SA14 6RA.

‘ Conditions ’ means the terms and conditions set out in this document and (unless the context otherwise requires) includes any special terms and conditions agreed in Writing between NRE and the Sub-contractor

‘ Goods ’ means any goods that are to be transported by the Sub-contractor in carrying out the Services

‘ Sub-contract ’ means the Sub-contract documents for the supply of sub-contracted Services that include these Conditions

‘ Sub-contractor ’ means the person so described in the Sub-contract

‘ Services ’ means the temperature controlled haulage services to be provided by the Sub-contractor described in the Sub-contract

‘ Writing ’ includes electronic mail and comparable means of communication.

1.2. Any reference in these Conditions to a statute or a provision of a statute shall be construed as a reference to that statute or provision as amended, re-enacted or extended at the relevant time.

1.3. The headings in these Conditions are for convenience only and shall not affect their interpretation.

2. BASIS OF SUB-CONTRACT

2.1. The NRE Sub-Contractors “Code of Practice” forms a part of this agreement and is to be complied with at all times.

- 2.2. These Conditions shall apply to the Sub-contract to the exclusion of any other terms and conditions which have been given to NRE or subject to which the Sub-contract is accepted or purported to be accepted by the Sub-contractor.
- 2.3. The commencement of any work by the Sub-contractor shall constitute acceptance by the Sub-contractor of these Conditions.
- 2.4. No variation to the Sub-contract or these Conditions shall be binding unless agreed in Writing between the authorised representatives of NRE and the Sub-contractor.

3. SPECIFICATIONS OF SERVICE

- 3.1. The Services shall, subject as provided in these Conditions, be carried out as specified in the Sub-contract documentation supplied by NRE to the Sub-contractor or as otherwise agreed in Writing by NRE after the date of the Sub-contract.
- 3.2. The Sub-contractor shall not disclose to any third party or use any specifications supplied by NRE to the Sub-contractor other than for the purposes of carrying out the Services except to the extent that such specifications are or become public knowledge through no fault of the Sub-contractor, or as required for the purpose of the Sub-contract.
- 3.3. The Sub-contractor shall comply with all applicable regulations or other legal requirements concerning the performance of the Services.

4. COLLECTION AND DELIVERY

- 4.1. The Sub-contractor will receive notification of expected quantities for collection in sufficient time to plan vehicle requirements. This notification will also detail pallets by depot and relevant collection / booking times.
- 4.2. The Sub-contractor must liaise closely with NRE depots / NRE suppliers to agree actual collection times required to meet booking times.

Collections

- 4.3. On arrival at the collection point the Sub-contractor's driver must:
 - 4.3.1. collect all relevant paperwork prior to loading. This will include delivery notes, Chep paperwork, and any other paperwork required by NRE from time to time;
 - 4.3.2. check all Goods for condition and quality and sign for such Goods. No pallet should be accepted that would not be acceptable to the receiving customer (including incorrectly stacked products on the pallet, damaged product, and unsafe pallets). The Sub-contractor

- acknowledges that its signed documentation regarding condition of the Goods at collection will be binding proof of condition of the Goods; and
- 4.3.3. ensure the performance of the vehicle to the requirements on temperature detailed below under 'product integrity'. NRE does not expect the sub-contractor to check the temperature of the product being collected as it is the manufacturers' responsibility, through quality assurance, to ensure the product is loaded on to the vehicle within the temperature perimeters agreed with the manufacturer's final customer.

Deliveries

- 4.4. The Sub-contractor must obtain a signed proof of delivery (POD) at time of delivery for every delivery made as part of the Services. Permission to vary this requirement must be agreed with NRE before leaving the place of delivery.
- 4.5. If the delivery is not going to meet the agreed delivery time the Sub-contractor's driver must contact NRE **before** the agreed delivery time.
- 4.6. Any instance of shortages / overs / refusals of Goods must be notified to NRE by the Sub-contractor's driver before leaving the place of delivery.

Return of proof of delivery (POD)

- 4.7. All relevant paperwork must be returned to NRE within 24 hours of delivery, any exception to this must be agreed with NRE prior to collection of Goods. The Sub-contractor shall be liable for any claims where a POD cannot be provided.
- 4.8. Where 'Drop and Drive' (an industry standard procedure) is operated by the point of delivery, the Sub-contractor must ensure all paperwork is collected at the earliest opportunity and returned to NRE within 48 hours. If this is not possible, arrangements must be made with the recipient of each delivery to return the paperwork by post or courier within 72 hours.

Security in transit

- 4.9. All due diligence must be taken to ensure the security of the Goods. Vehicle must be sealed at the time of collection and a signature obtained confirming the seal number at both the collection and delivery points. Where the Sub-contractor is asked to do multi-collections / deliveries, instructions will be issued by the NRE depot responsible for the point of delivery in question.

5. PRODUCT INTEGRITY

- 5.1. All due diligence must be taken to ensure the temperature integrity of the load. Vehicle temperature settings must be capable of maintaining Goods

within the temperature range specified as appropriate for the consignment (namely);

Chill	0 degrees to + 5 degrees
Produce	2 degrees to 10 degrees
Frozen	maximum of –18 degrees

- 5.2. Temperature recording equipment must be fitted to the Sub-contractors vehicles used to carry out the Services (see 8.2 below).

6. RETURNS

- 6.1. Refused Goods must be returned in a timely manner and to the particular depot and at a time specified by NRE. A POD must be provided with the returned Goods.

7. PALLETS

- 7.1. All deliveries undertaken as part of the Services will require a one for one pallet exchange. Where this is not practical the relevant pallet control voucher (PCV) must be obtained.

8. CONDITIONS OF VEHICLES AND TRAILERS, EQUIPMENT AND PERSONNEL

- 8.1. All vehicles and trailers must be clean, odourless and fit for purpose in terms of both their specification and their compliance with all Operating Licence requirements. All vehicles used by the Sub-contractor will display a current tax disc at the current rate of duty and a valid Operators Licence disc. It is the Sub-contractor's obligation to ensure that its vehicles comply with this both at the collection and delivery points. NRE will not accept the use of chilled curtain sided trailers or meat railers.
- 8.2. All trailers must be capable of loading/unloading from the rear. The Sub-contractor's vehicles must have temperature tracking equipment as part of the standard specification. As a minimum standard all vehicles must have a visual indication of internal temperature with the ability to record this and make it available to NRE on request.
- 8.3. All Sub-contractor's vehicles must be fitted with two-way communications capable of communicating with NRE and its customers either directly or through the Sub-contractor's traffic office.
- 8.4. All personnel engaged on this contract by the Sub-contractor must appear smart and clean at all times.

9. RETURNABLE EQUIPMENT

- 9.1. Sub-contractor will be expected to return any equipment where required.

10. PRICE OF SERVICES

- 10.1. The price for the Services shall be as stated in the Sub-contract and, unless otherwise so stated, shall be:
- 10.1.1. exclusive of any applicable value added tax (which shall be payable by NRE subject to receipt of a VAT invoice); and
 - 10.1.2. inclusive of all other charges (including insurance and any duties, imposts or levies other than value added tax).
- 10.2. No increase in the price may be made (whether on account of increased material, labour or fuel costs, fluctuation in rates of exchange or otherwise) without the prior consent of NRE in Writing.

11. TERMS OF PAYMENT

- 11.1. The Sub-contractor shall be entitled to invoice NRE on or at any time after performance of the Services and each invoice shall quote the relevant NRE job number for each load undertaken by the sub-contractor. Invoices cannot be paid unless the relevant NRE job number is quoted on the invoice. The job number is the sub-contractors order number.
- 11.2. Unless otherwise stated in the Sub-contract, NRE shall pay the price of the Services within 45 days of receipt by NRE of a proper VAT invoice.
- 11.3. NRE shall be entitled to set off against the price of the Services any sums owed to NRE by the Sub-contractor.

12. RISK AND PROPERTY

- 12.1. Risk in the Goods shall pass to the Sub-contractor upon collection and shall remain at the risk of the Sub-contractor until delivery has been effected save that in the case of returned Goods, risk shall remain with the Sub-contractor until returned to either NRE or NRE's co-consignor.
- 12.2. Property and / or title in the Goods shall not pass to the Sub-contractor at any time.

13. WARRANTIES AND LIABILITY

- 13.1. The Sub-contractor warrants to NRE that:
- 13.1.1. the Goods collected and delivered by the Sub-contractor will not be damaged in transit;
 - 13.1.2. the Services will be carried out in accordance with any relevant specification given in the Sub-contract;
 - 13.1.3. the Services will comply with all statutory requirements and regulations relating to the Services; and

- 13.1.4.the Services will be performed by appropriately qualified and trained personnel, with due care and diligence and to such high standard of quality as it is reasonable for NRE to expect in all the circumstances.
- 13.2. Without prejudice to any other remedy, if any of the Services are not performed in accordance with the Sub-contract, then NRE shall be entitled to treat the Sub-contract as discharged by the Sub-contractor's breach and require the repayment of any part of the Price which has been paid.
- 13.3. The Sub-contractor shall indemnify NRE in full against all liability, loss, damages, costs and expenses (including legal expenses) awarded against or incurred or paid by NRE as a result of or in connection with:
- 13.3.1.any damage to Goods occasioned during transit thereof;
- 13.3.2.breach of any warranty given by the Sub-contractor in relation to the the Services;
- 13.3.3.any act or omission of any of the Sub-contractor's personnel in connection with the performance of the Services;
- 13.3.4.any breach of conditions regarding the Sub-contractor's Operating Licence;
- 13.3.5.any loss, damage or injury due to the condition of the equipment; and
- 13.3.6.any injury or damage to a third party's property caused by the Sub-contractor's equipment or personnel.
- 13.4. Neither the Sub-contractor nor NRE shall be liable to the other or be deemed to be in breach of the Sub-contract by reason of any delay in performing, or any failure to perform, any of its obligations in relation to the Goods or the Services, if the delay or failure is due to causes beyond that party's reasonable control (and causes beyond either party's reasonable control shall include Act of God, explosion, flood, tempest, fire or accident, strikes, lock-outs or other industrial actions).
- 13.5. The Sub-contractor will keep in force and renew an Operators' licence and any other licence necessary to operate the vehicles used under this contract, to comply with all relevant laws and satisfy the requirement to notify NRE of compliance from time to time.
- 13.6. To notify NRE if the Sub-contractor or any of its relevant employees ceases to hold any of the above licences.

14. INSURANCE

- 14.1. The Sub-contractor shall carry adequate insurance at all times to cover its potential liability under the terms of the Sub-contract and shall submit certified copies or other evidence of such insurance for inspection by NRE upon return of this agreement.

- 14.2. The Sub-contractor will have a public liability insurance policy which provides a minimum cover of £5,000,000 or as stipulated by NRE from time to time
- 14.3. The Sub-contractor will have Employers' Liability insurance, (including temporary drivers) to a minimum cover of £5,000,000 or as stipulated by NRE from time to time.
- 14.4. The Sub-contractor will be required to have Goods in Transit insurance. The Sub-contractor will be held liable for all claims arising from loss, damage, shortage or deterioration of any product whilst in his/her care. A Sub-contractor will have a current insurance policy which provides a minimum cover of £3000 per tonne including deterioration of stock. The policy will also provide cover to a minimum of £350,000 to any one vehicle and a minimum of £2,000,000 for any one loss.

15. TERMINATION

- 15.1. NRE shall be entitled to cancel the Sub-contract in respect of all or part only of the Services by giving notice to the Sub-contractor at any time prior to performance, in which event NRE's sole liability shall be to pay to the Sub-contractor the price for the Services in respect of which NRE has exercised its right of cancellation, less the Sub-contractor's net saving of cost arising from cancellation.
- 15.2. NRE shall be entitled to terminate the Sub-contract without liability to the Sub-contractor by giving notice to the Sub-contractor at any time if:
- 15.2.1. the Sub-contractor makes any voluntary arrangement with its creditors (within the meaning of the Insolvency Act 1986) or (being an individual or firm) becomes bankrupt or (being a company) becomes subject to an administration order or goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction); or
 - 15.2.2. an encumbrancer takes possession, or a receiver is appointed, of any of the property or assets of the Sub-contractor; or
 - 15.2.3. the Sub-contractor ceases, or threatens to cease, to carry on business; or
 - 15.2.4. NRE reasonably apprehends that any of the events mentioned above is about to occur in relation to the Sub-contractor and notifies the Sub-contractor accordingly.

16. GENERAL

- 16.1. NRE is a subsidiary company within a group of companies and accordingly NRE may perform any of its obligations or exercise any of its rights

hereunder by itself or through any other member of its group, provided that any act or omission of any such other member shall be deemed to be the act or omission of NRE.

- 16.2. The Order is personal to the Sub-contractor and the Sub-contractor shall not assign or transfer or purport to assign or transfer to any other person any of its rights or sub-contract any of its obligations under the Sub-contract.
- 16.3. Any notice required or permitted to be given by either party to the other under these Conditions shall be in Writing addressed to that other party at its registered office or principal place of business or such other address as may at the relevant time have been notified pursuant to this provision to the party giving the notice.
- 16.4. No waiver by NRE of any breach of the Sub-contract by the Sub-contractor shall be considered as a waiver of any subsequent breach of the same or any other provision.
- 16.5. 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 provisions of these Conditions and the remainder of the provision in question shall not be affected thereby.
- 16.6. The Sub-contract shall be governed by the laws of England, and the Sub-contractor agrees to submit to the exclusive jurisdiction of the English courts.

Declaration

I confirm that I have read and received a copy of the NRE Sub-contractor agreement and Code of Practice and agree these terms and conditions take precedence in all transactions between ourselves (as the Sub-contractor) and NRE. I agree to comply with all the conditions set out in this agreement.

Signed on behalf of sub contractor

Name (Print).....

Job Title.....

On behalf of
(Company name).....

Date.....

The signatory must be someone with full authority to sign these terms and conditions.

Please return the declaration, company profile and insurance details (along with copies of relevant documentation) in full to:

James Bird
N R Evans Logistics
Llwyn yr Eos
Cross Hands Business Park
Llanelli
Carmarthenshire
SA14 6RA