

SUB-CONTRACTOR AGREEMENT

This Sub-Contractor Agreement including its appendices sets out the basis on which You agree to do business with Us. This Sub-Contractor Agreement may not be altered or varied in any way except by Our express written agreement. This Sub-Contractor Agreement cannot and does not override any statutory provisions imposed by law or the application of any applicable international conventions.

The waiver by Us of any breach of this Sub-Contractor Agreement shall not prevent the subsequent enforcement of that term and shall not be deemed a waiver of any subsequent breach. Other than Your usual conditions for the carriage of goods (see 2.2, 2.3 and 2.4 below), this Sub-Contractor Agreement constitutes the entire agreement between Us and You and supersedes any and all prior agreements, representations and understandings relating to the subject matter of this Sub-Contractor Agreement. Nothing in this Sub-Contractor Agreement shall limit Your liability in respect of fraudulent misrepresentation.

A person (corporate or otherwise) who is not a party to this Sub-Contractor Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Sub-Contractor Agreement, but this does not affect any right or remedy of a third party that exists or is available apart from that Act.

1 Definitions

In this Sub-Contractor Agreement:

1.1 **We/Us/Our/Consigning Party** means Jeffery Lake trading as Route One Distribution;

1.2 **You/Your/Sub-Contractor** means you (individual, corporate or otherwise) who is a party to this Sub-Contractor Agreement and who contracts with Us to collect and/or transport and/or store and/or deliver the Consignment;

1.3 **Consignment** means goods whether single or multiple units or in bulk despatched at any one time from one Consignor in a single load from one address to one Consignee at any one other address;

1.4 **Consignee** means the person (corporate or otherwise who may or may not be the Customer) to whom the Consigning Party contracts to collect and/or transport and/or store and/or deliver the Consignment;

1.5 **Consignor** means the person (corporate or otherwise who may or may not be the Customer) who supplies the Consignment to the Sub-Contractor for carriage;

1.6 **Customer** means the person (corporate or otherwise) with whom We have an existing Contract or business relationship for the carriage of goods;

1.7 **Contract** means the Agreement between the Customer and the Consigning Party for the carrying out of the transport service including all documents expressly incorporated therein;

1.8 **Alternative Dispute Resolution (or ADR)** means any procedure agreed by the parties for the resolution of disputes other than those involving formal arbitration or litigation;

1.9 **CMR** means liability under the Convention on the Contract for the International Carriage of Goods by Road as enacted into English law by the Carriage of Goods by Road Act 1965.

1.10 The expressions We, Us, Our, Consigning Party, You, Your and Sub-Contractor shall include their principals, agents and servants excluding any sub-contracted carrier permitted under 2.13 below.

2 Points of Agreement

The Sub-Contractor agrees:

2.1 to do business with Us in a spirit of goodwill, cooperation, professionalism, courtesy and utmost good faith at all times and in all matters;

2.2 that where the Sub-Contractor does not operate under written conditions of carriage the Sub-Contractor hereby agrees that they will fully indemnify Us for all loss of or damage to any Consignment and/or transportation equipment in the Sub-Contractor's care custody or control and/or in the care custody or control of any other carrier permitted under 2.13 below;

2.3 to provide Us in advance with written details of any conditions of carriage under which they carry goods and which may limit the Sub-Contractor's liability in any way and to notify Us in advance of any changes to their usual conditions of carriage;

2.4 that:

- a) where the Sub-Contractor has not provided Us with specific advance written notice of any usual conditions of carriage under which the Sub-Contractor carries goods then any conditions of carriage under which they operate shall be completely set aside and the Sub-Contractor will fully indemnify Us for all loss of or damage to any Consignment and/or transportation equipment in the Sub-Contractor's care custody or control and/or in the care custody or control of any other carrier permitted under 2.13 below;
- b) where the Sub-Contractor has provided Us with specific advance notice of any usual conditions of carriage under which the Sub-Contractor carries goods the Sub-Contractor hereby agrees to indemnify

Us in accordance with their usual conditions of carriage for loss of or damage to any Consignment and/or transportation equipment in the Sub-Contractor's care custody or control and/or in the care custody or control of any other carrier permitted under 2.13 below;

2.5 We shall endeavour to provide the Sub-Contractor with all information reasonably available for the Sub-Contractor to accurately quote for and safely and legally collect and/or transport and/or store and/or deliver the Consignment;

2.6 that where urgency or insufficient information being available to Us prior to collection of a Consignment means that no carriage charge price is quoted to and accepted by Us in advance or where a material change to circumstances or instructions takes place while the Sub-Contractor is en route to collect the Consignment or once the Consignment has been loaded and/or transported the carriage charge and any necessary waiting time charge shall be mutually agreed using similar rates to those used between the parties in the 12 preceding months or failing agreement using this method then using available transport industry recognised trade rates that best fit the circumstances;

2.7 where a delay (or an issue that cannot be immediately, professionally, politely and easily resolved by the Sub-Contractor) occurs before or during the loading, transportation or unloading process, the Sub-Contractor shall make reasonable attempts to contact Us by telephone and if necessary by text message. If it has not been possible to contact Us after at least two attempts by telephone and after having also sent Us a suitable text message, the Sub-Contractor may then proceed as they best see fit in the prevailing circumstances bearing in mind 2.1 above and 2.8 below;

2.8 the Sub-Contractor shall take all reasonable steps and precautions to protect the Consignment against theft and/or loss and/or damage and to keep the Consignment in the same condition as it was in when the Sub-Contractor received it;

2.9 the Sub-Contractor will make all reasonable efforts to deliver within the timescale specified for delivery bearing in mind at all times that the safety and security of the Sub-Contractor, the public and the Consignment and adherence with the law and the Highway Code shall be of the utmost importance;

2.10 unless otherwise agreed in advance, the Sub-Contractor shall always obtain a signed, timed and dated receipt for the Consignment "in good condition" i.e. a proof of delivery note signed, dated and timed by the Consignee in accordance with 2.11 below and shall supply a clear and complete original or electronically scanned or photographic or photostat copy of the signed, dated and timed delivery note to Us with all reasonable haste and in any case by 4.00 p.m. the next working day - it is imperative that the first name and surname of the signatory is clearly printed adjacent to their signature and that the consignment is signed for as being received "in good condition";

2.11 the Customer's own proof of delivery stationery shall be used or where this is not supplied with the Consignment the Consigning Party's stationery shall be used and where neither of these are available then completely unbranded "generic" proof of delivery stationery shall be used by the Sub-Contractor;

2.12 where the original hard copy signed, dated and timed proof of delivery note is not sent to Us by the Sub-Contractor, the Sub-Contractor shall safely store the original hard copy signed proof of delivery note obtained in accordance with 2.10 and 2.11 above for a period of not less than 6 months from the date of signature and shall provide the original hard copy proof of delivery note to Us upon request and free of any charge;

2.13 the Sub-Contractor may sub-contract collection and/or transportation and/or storage and/or delivery of any Consignment for Us to another carrier but if doing so shall inform Us in advance and the Sub-Contractor shall take all reasonable steps to ensure that such carrier complies with the terms of this Sub-Contractor Agreement. In these circumstances, the Sub-Contractor must at all times first ensure that:

- a) the carrier is known to and is considered by the Sub-Contractor to be reliable and trustworthy;
- b) the carrier's vehicles and clothing are not sign-written unless this is disclosed to Us each time in advance;
- c) the carrier has agreed in writing to fully indemnify the Sub-Contractor for all loss of or damage to Consignments and/or transportation equipment in the carrier's care custody or control;
- d) they hold a copy of the carrier's current goods in transit insurance schedule with a "full value" sum insured or limit of indemnity per vehicle not less than that shown in the appendices below for Consignments collected and/or transported and/or stored and/or delivered within the United Kingdom of Great Britain and Northern Ireland including the Channel Islands, Isle of Man and other offshore islands;
- e) they hold a current copy of the carrier's goods in transit insurance schedule with a limit of indemnity of not less than that shown in the attached appendices below on a "CMR" basis if the Consignment is being collected and/or transported and/or stored and/or delivered outside of the United Kingdom of Great Britain and Northern Ireland including the Channel Islands, Isle of Man and other offshore islands;
- f) they hold a copy of the carrier's current public liability insurance schedule with an indemnity limit of not less than £2,000,000;
- g) they hold written evidence that the carrier's public liability insurance policy includes indemnity to principal cover;

- h) the carrier has agreed with the Sub-Contractor that the carrier will request and agree with their public liability insurers that the carrier's public liability insurance includes and indemnifies Us as principal;
 - i) the carrier obtains a signed, timed and dated proof of delivery note in accordance with 2.10 and 2.11 above and 2.13 j) below and sends same to the Sub-Contractor with all reasonable haste and in any case by 4.00 p.m. the next working day - it is imperative that the first name and surname of the signatory is clearly printed adjacent to their signature and that the consignment is signed for as being received "in good condition";
 - j) the Customer's own proof of delivery stationery is used or where this is not supplied with the Consignment the Consigning Party's stationery is used and where neither of these items are available then completely unbranded "generic" proof of delivery stationery is used;
 - k) the carrier to whom the Sub-Contractor has sub-contracted collection and/or storage and/or carriage and/or delivery of the Consignment is aware that they cannot further sub-contract collection and/or storage and/or carriage and/or delivery of the Consignment to any other carrier without the express prior written agreement of the Sub-Contractor;
- 2.14 to raise HMRC compliant and where applicable VAT compliant invoices at the end of each month, for work completed during that month and to then send such invoices to Us by email in PDF format or by post or other method that We may from time to time agree;
- 2.15 their invoices to Us will be issued on a "net 30 days end of month" credit basis;
- 2.16 not to "contra" invoices or items on them without Our express prior written consent;
- 2.17 to inform Us as soon as possible and in any case within 21 days of a change to their VAT status and/or the status of their business e.g. from sole trader to limited company or vice versa, any change of address and/or phone number;
- 2.18 that the Sub-Contractor shall have no power or authority to bind or pledge the Consigning Party and shall not hold itself out as having any such power or authority to do so;
- 2.19 that at Our discretion We may carry out a yearly credit check exercise on the Sub-Contractor;
- 2.20 to maintain in force at all times and provide to Us current electronic or hard copies annually of:
- a) their goods in transit insurance schedule with a "full value" sum insured or limit of indemnity per vehicle not less than that shown in the appendices below for Consignments collected and/or transported and/or stored and/or delivered within the United Kingdom of Great Britain and Northern Ireland including the Channel Islands, Isle of Man and other offshore islands;
 - b) their goods in transit insurance schedule with a limit of indemnity of not less than that shown in the attached appendices below on a "CMR" basis if the Consignment is being collected and/or transported and/or stored and/or delivered outside of the United Kingdom of Great Britain and Northern Ireland including the Channel Islands, Isle of Man and other offshore islands;
 - c) their public liability insurance schedule with an indemnity limit of not less than £2,000,000 plus evidence confirming that indemnity to principal cover is in force e.g. a copy of the current applicable public liability policy wording or a letter from their insurance broker;
- 2.21 they shall request and agree with their public liability insurer that their public liability insurance policy includes and fully indemnifies Us as principal;
- 2.22 to notify Us immediately if theft, loss or damage to part or all of a Consignment occurs or is alleged or suspected to have occurred and to fully cooperate with Us and both their and Our insurers to resolve the matter with all due haste;
- 2.23 to notify Us immediately if any incident occurs including but not limited to damage to property or injury to or death of persons or animals that could lead to a public liability claim and/or legal action against them and/or against any carrier appointed by them in accordance with 2.13 above and/or against Us;
- 2.24 to fully comply with all claims procedure conditions contained within their and Our goods in transit/ haulier's liability insurance policies and their and Our public liability policies;
- 2.25 to notify Us immediately of any complaint or of any incident that may lead to a complaint by Our Customer and/or the Consignor and/or the party receiving the Consignment.
- 2.26 to treat as highly confidential all correspondence between Us and You whether verbal or written, electronic or hard copy and not to disclose details or the contents of such correspondence to any third party including Our customers, unless such disclosure is required by law.

3 Trade Mark and Corporate Image Rights

The Sub-Contractor agrees:

- 3.1 We are the beneficial owner of our registered or unregistered trade marks, any logo or logos in use before the existence of this Sub-Contractor Agreement or introduced while this Sub-Contractor Agreement is in force;
- 3.2 during the period that this Sub-Contractor Agreement is in force, the Sub-Contractor is authorised to use Our registered or unregistered trade marks, any logo or logos in use by Us before the existence of this Sub-

Contractor Agreement or introduced by Us while this Sub-Contractor Agreement is in force but only as required for the satisfactory and professional completion of delivery work subject to 3.3 and 3.4 below;

3.3 The Sub-Contractor shall use Our registered or unregistered trade marks, any logo or logos in use by Us before the existence of this Sub-Contractor Agreement or introduced by Us while this Sub-Contractor Agreement is in force without alteration or modification (except for any minor unavoidable variations in colour caused by modern printing and/or electronic scanning or transmission processes) and only in such manner and with such acknowledgement of ownership as may from time to time be stipulated by Us;

3.4 not to use Our registered or unregistered trade marks, any logo or logos in use by Us before the existence of this Sub-Contractor Agreement or introduced by Us while this Sub-Contractor Agreement is in force in a way likely to damage Our reputation and/or adversely affect the distinctiveness of same.

4 Dispute Resolution and Cancellation

The parties to this Sub-Contractor Agreement agree:

- 4.1 they will attempt, in good faith, to resolve any dispute or claim arising out of or relating to this Sub-Contractor Agreement promptly through negotiations between the respective representatives of the parties who have authority to settle the same;
- 4.2 if the matter is not resolved through negotiation the parties may attempt to resolve the dispute or claim through an Alternative Dispute Resolution (ADR) procedure as recommended to the parties by the Centre for Dispute Resolution;
- 4.3 if the matter is not resolved by an ADR procedure or if either party will not or ceases to participate in an ADR procedure, the dispute may be referred to the arbitration of a single arbitrator or to an arbitrator appointed at the request of the parties by the President for the time being of the Chartered Institute of Arbitrators. The apportionment of the cost of any such arbitration between the parties shall be in the discretion of the arbitrator. The arbitration shall, unless otherwise agreed, be held in the town wherein We have Our main administrative office;
- 4.4 subject to 4.5 below, either party to this Sub-Contractor Agreement may end this Sub-Contractor Agreement by giving 60 days written notice to the other party by recorded delivery mail to the other party's last known address;
- 4.5 notwithstanding 4.1 and/or 4.2 and/or 4.3 and/or 4.4 above, where there has been a clear and serious breach of this Sub-Contractor Agreement by the Sub-Contractor including but not limited to mis-use of the Our copyright, logo, brand, stationery or name, negative comments about Us either verbally or in writing to Customers and/or Consignees and/or Consignors and/or other carriers and/or in the press and/or on TV and/or on radio and/or online including on social media, any attempted or actual "poaching" of Our Customers including promotion of transport or any other services and suchlike or if any circumstances arise that could cause damage to and/or loss of Our business and/or Our good reputation then this Sub-Contractor Agreement shall be cancelled with immediate effect and We shall retain the right to take legal action against the Sub-Contractor for costs and/or loss of profits and/or other damages and/or costs.

5 Severance

Subject to 6 below, if any provision of this Sub-Contractor Agreement is held by any court or competent authority to be invalid or unenforceable in whole or in part, the validity of the remainder of this Sub-Contractor Agreement and of such provision shall continue in full force and effect.

6 Governing Law

The parties shall agree the legal regime under which this Sub-Contractor Agreement shall be construed and interpreted and the courts which shall have jurisdiction. In the absence of such agreement, this Sub-Contractor Agreement shall be subject to and construed and interpreted in accordance with English law and shall be subject to the jurisdiction of the English courts.

APPENDIX A

VEHICLE TYPE (MAXIMUM AUTHORISED MASS NOT EXCEEDING 4.5 TONNES)	VEHICLE SIZE	MINIMUM GOODS IN TRANSIT "FULL VALUE" SUM INSURED WITHIN UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND INCLUDING THE CHANNEL ISLANDS, ISLE OF MAN AND OTHER OFFSHORE ISLANDS	MINIMUM GOODS IN TRANSIT "CMR" LIMIT OF INDEMNITY OUTSIDE OF UK
CAR	ANY	£10,000	£50,000
PANEL VAN	BELOW 1.82 METRES LOAD LENGTH	£10,000	£50,000
PANEL VAN	1.82 METRES TO 2.19 METRES LOAD LENGTH	£15,000	£50,000
PANEL VAN	2.2 METRES TO 2.39 METRES LOAD LENGTH	£20,000	£250,000
PANEL VAN	2.4 METRES TO 2.99 METRES LOAD LENGTH	£25,000	£250,000
PANEL VAN	3.0 METRES to 3.39 METRES LOAD LENGTH	£30,000	£250,000
PANEL VAN	3.4 METRES OR LONGER LOAD LENGTH	£50,000	£250,000
BOX, LUTON, CURTAIN-SIDER, LOW LOADER, FLAT BED, TIPPER OR SIMILAR	AS MANUFACTURED	£50,000	£250,000

APPENDIX B

VEHICLE TYPE	VEHICLE SIZE	MINIMUM GOODS IN TRANSIT LIMIT OF INDEMNITY UNDER YOUR PUBLISHED CONDITIONS OF CARRIAGE WITHIN UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND INCLUDING THE CHANNEL ISLANDS, ISLE OF MAN AND OTHER OFFSHORE ISLANDS E.G. RHA 2009, FTA ETC.	MINIMUM GOODS IN TRANSIT "CMR" LIMIT OF INDEMNITY OUTSIDE OF UK
COMMERCIAL VEHICLES EXCEEDING 4.5 TONNES MAXIMUM AUTHORISED MASS BUT NOT EXCEEDING 18 TONNES MAXIMUM AUTHORISED MASS	AS MANUFACTURED	£250,000	£250,000
COMMERCIAL VEHICLES EXCEEDING 18 TONNES MAXIMUM AUTHORISED MASS	AS MANUFACTURED	£350,000	£350,000