

Sub-Contractors Code of Practice

DEFINITIONS

Throughout this document the "Company" shall be used to refer to Aztek Logistics Ltd. The "Company" should be taken to mean Aztek Logistics Ltd unless otherwise stated.

The "Subcontractor(s)" shall be used to refer to any person, firm, company or employee thereof who enters into an agreement with the Company to carry goods.

USE OF THIS CODE OF PRACTICE

Any agreements made relating to the carriage of goods between the Company and the Subcontractor will be subject to the terms and conditions outlined within this document. The Company reserves the right to financially penalise any Subcontractor who does not conform to the regulations presented in these terms and conditions.

These conditions must not be altered in any way by the Subcontractor or any agent or employee thereof. The Company reserves the right to alter or terminate this Code of Practice at any time, with immediate effect without any cause.

This document supersedes any operating agreements previously made between the Company and the Subcontractor.

LEGAL REQUIREMENTS

It is the responsibility of a Sub Contractor to ensure that they, their drivers and vehicles fully comply with all Commercial Road Transport Laws. Sub-Contractors must hold current Motor, Goods in Transit and Liability Insurances as specified in the Company's Sub Contractor Agreement. Valid copies must be submitted to the Company.

Current Health and Safety regulations and individual site rules and procedures must be adhered to at all times. These include the requirement of high visibility clothing and safety footwear being worn. Hard hats must be worn in warehouse areas. No smoking, eating or drinking outside of designated areas. Vehicle engines must be switched off during loading and unloading. Passengers are not allowed on site without authorisation. Powered handling equipment is to be operated by authorised users only.

All Sub Contractors must comply with Food Hygiene Regulations. It is the Sub Contractors responsibility to ensure that cross contamination does not occur.

CONDITION OF VEHICLES/TRAILERS

All vehicles and trailers must be fit for the purpose required of them. Sub-Contractors must ensure that vehicles and trailers are clean both inside and out at all times, and are in a safe and usable mechanical condition.

Where different foodstuffs are transported, it is the Sub Contractor's responsibility to ensure that cross contamination does not occur when trailers are changed in their use from raw foods such as meat carcasses to fresh produce.

Company owned equipment must only be used for loads as instructed by the Company traffic office.

Whilst Company owned equipment is in use by a Sub Contractor they must:

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Complete the work for which the equipment is provided and return it to the location as instructed.
Indemnify the Company against all liability arising from the unlawful or unauthorised use of the equipment.
Indemnify the Company and insure against loss or damage arising from the death or injury to any person and/or damage to the property of any third party as a result of the presence, use or condition of the Company's equipment.
Not modify or repair any part of the Company's equipment without the consent of the Company. If any repairs or modifications are carried out without the consent of the Company and are not to the satisfaction of the Company then the Sub Contractor shall be liable for the cost of rectification.

USE OF COMPANY OWNED TRAILERS

The Sub Contractor's driver must make the appropriate safety checks before using any trailer to ensure it satisfies all legal road worthiness requirements and is in full working condition, including tyres, brakes, wheels, hoses and electrical connections.

The cleanliness of the trailer must be checked including making sure it is free of odours.

If there is a defect, damage or other operational problems with the trailer or vehicle, the Company traffic office must be informed immediately where a defect sheet must be obtained and completed in full. If off site, any defects must be reported immediately to the Company traffic office or workshop.

If damage is not reported before departure, the Company reserves the right to hold the Sub Contractor responsible.

Under no circumstances should a split coupling be used. Always ensure coupling and uncoupling is carried out in accordance with current HSE guidelines.

Trailers may only be uncoupled in a position authorised by the Company's traffic office.

At the time of uncoupling it is essential that the required safety checks are carried out, e.g. the parking brake is fully applied and landing legs are lowered.

Following uncoupling, the trailer should be checked for defects and damage. Any that are found should be reported immediately to the Company's traffic office.

DOCUMENTATION

Sub-Contractors must take all due care in handling and completing all relevant documentation. This includes delivery notes, consignment notes and pallet exchange notes etc.

The driver must check that all of the paperwork required for the load has been handed to him before leaving each collection site. If the paperwork is found to be incomplete, the driver must make this fact clear to the person responsible for issuing the documentation. Any discrepancies must be resolved before the driver leaves the site so that correct paperwork accompanies the load.

All delivery notes must be acted on as instructed. Care must be taken that where more than one delivery note accompanies a load, all are signed. Any query at the point of delivery concerning quantity or condition of the load must be reported at the time of delivery and the driver must stay at the delivery location until the query is resolved. All Sub Contractors must immediately inform the Company traffic office of any query.

COLLECTION OF GOODS

On arrival at a collection site, the contents of the load to be collected must be checked thoroughly against the supplier's documentation to ensure that the details given match the actual load being collected.

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If a driver is not satisfied with any aspect of their load on documentation he must notify the company traffic office before leaving the collection site.

LOAD SECURITY

The Sub Contractor is responsible for the safety and security of the customers' products, including all packaging of such products at all times whilst in their care. This includes but is not limited to theft, product tampering, cross-contamination, loss or miss-delivery of, or damage to the goods. Sub-Contractors shall be liable to the Company and shall indemnify the Company for all claims arising as a result. The Sub Contractor is responsible for pallet stability and the use of load restraining straps etc.

Care must be taken not to damage goods in the process of securing the load.

It is Company policy that all loads on all vehicles are secured and doors closed at all times no matter how short the transportation period.

The Sub Contractor must check the condition and temperature of the load at regular intervals throughout the journey.

DEADLINES

The driver must be sure of the delivery deadline for their load before leaving the collection point and where necessary obtain booking reference numbers.

COMMUNICATIONS

All Sub Contractors' vehicles must be fitted with a mobile phone. This is to remain switched on whenever the vehicle is working for the Company. The phone must be able to receive incoming and make out-going calls. All mobile telephones must be used safely and in accordance with all legal requirements, e.g. hands free.

The vehicle's phone number must be given to the Company's traffic office at the time that the load is given to the driver. At the same time the driver must obtain the Company's contact number. In this way, the driver and the traffic office staff can make contact at any time. The address and telephone number of the Sub Contractor's operating centre must also be given to the Company's traffic office.

The Sub Contractor must inform the Company's traffic office of any delays at the loading point as soon as they are aware that they are unlikely to leave on time. Failure to do this may make the Sub Contractor liable for any claims resulting from late delivery.

Having informed the Company traffic office of a potential delay at loading, the driver must obtain further instructions from the Company's traffic office. Under no circumstances should instructions be taken from the supplier.

The Company's traffic office must be advised of any delays en route, immediately as they occur.

DELIVERY

After confirmation of arrival has been telephoned to the Company's traffic office, a driver should attend wherever possible and assist when required in the unloading process. This is to ensure that no damage occurs either to the load or vehicle during the unloading process.

DISCREPANCIES/DAMAGED GOODS/REJECTED GOODS

If during off-loading the driver is advised that there is a discrepancy between the delivery documentation and the goods being delivered in the way of shortages, extras or damaged goods, the driver must establish

and verify the nature of the discrepancy.

The driver must notify the Company's traffic office of the nature of the discrepancy before leaving the delivery point and request further instructions.

The customer may accept over's/returns if they feel they can use it but in most cases it is returned to the supplier. When goods have to be returned, the Company's traffic office must be contacted for further instructions. The returns will be noted by the Company's traffic office.

All rejected goods must be returned to the Company or another designated place as instructed by the Company's traffic office. Wherever they leave these goods, the Sub Contractor must obtain a receipt which must be forwarded to the Company.

All drivers must contact the Company's traffic office before accepting any returns from previous deliveries.

Please note that all rejected goods remain the responsibility of the Sub Contractor until returned to the company or a designated Company customer.

PROOF OF DELIVERY

A signed "Proof of Delivery" (POD) indicating that the goods carried were delivered in the same condition and quantity as when collected must be obtained.

Where more than one delivery note accompanies a load, the driver must ensure that all are signed.

All Sub Contractors are required to return all Pod's to the Company's office within 5 working days.

It is the responsibility of the Sub Contractor to provide a clear signature/stamp on the POD or receipt where applicable. Failure to do so could result in the cost of the product being passed on to the Sub Contractor.

If for any reason the driver does not obtain a POD for any item on their load, this may result in delayed or non-payment to the Sub Contractor, in addition to being liable for the value of the goods that relate to the missing POD.

The driver must inform the Company's office of any missing tickets or discrepancies.

The Sub Contractor is strongly advised to keep a copy of the POD to help with any customer enquiries that may occur. No invoice will be passed without the appropriate paperwork.

PALLET CONTROL

It is imperative that all drivers understand the pallet procedures as once the load and pallets have been signed for they are the sole responsibility of the Sub Contractor.

The Company sends out monthly statements to assist in keeping the Sub Contractors pallet balance in order. It should record all pallet movements and de-hires by the Sub Contractor. These statements must be checked and any discrepancies must be reported to the pallet network department.

At point of collection the driver must ensure that the paperwork is completed showing the number of pallets on the load. This will either be a PEN (Pallet Exchange Note) or the Delivery notes will have a designated pallets information box.

Any pallets left at collection point before loading - a receipt must be obtained. No receipt, no credit. Empty pallets may only be left at designated customers who deal in blue chep pallets. If left at an unauthorised site then credit will not be given.

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For every full pallet delivered into a customer's site an empty pallet or equivalent must be obtained. This is carried out as follows:

Pallets delivered - Empty pallets returned

These can then be taken to any Chep depot or a designated customer site. In all cases the driver must receive a receipt and return it to us. No receipt, no credit.

Pallets delivered - No pallets available P.C.V issued

A Pallet Control Voucher must be returned, fully completed, to Aztek Logistics Ltd, as soon as possible.

Pallets delivered - No pallets available PEN Note or equivalent signed

If the driver cannot obtain empty pallets and there are no PCV's available then the customer must sign the PEN Note or equivalent to show that they owe our customer the pallets.

At the delivery location all PEN notes or equivalent must be completed with full details of pallets exchanged.

Any pallets that cannot be accounted for, either due to failure to follow the above procedure or lost paperwork/receipt notes will be invoiced to the Sub Contractor at the appropriate rates.

Also any related costs incurred by the Company will be passed directly to the Sub Contractor. Failure to comply with these pallet procedures shall result in delayed payment.

ACCOUNTS

The Sub Contractor shall raise an invoice to either Aztek Logistics Ltd, dated the same month as work completed. No surcharges must be added. Payment will be made by BACS approximately 45 days after the end of month, so long as PODs have been received within the prescribed time limits and no pallets are outstanding.

It is the Sub Contractors responsibility to ensure that any changes in circumstances or details (e.g. change of bank details, address etc) are communicated to the Company's accounts department.

The Company reserves the right to contra any debts incurred by Sub Contractors as required.

CLAIMS

The Company reserves the right to recharge claims to Sub Contractors. If claims issues have not been resolved by the Sub Contractor's insurers within three months, the Company will deduct any outstanding balances in resolution of the claim from any payments due to the Sub Contractor.

OVERLOADING

Sub Contractor's drivers are legally responsible for loading their vehicles and securing their load. The driver should ensure that the vehicle is not overloaded on any axle weight limitation or exceeds its maximum train weight. The Sub Contractor will indemnify the Company for any fines incurred by the Sub Contractor as a result of a vehicle being overweight.

If in any doubt about the weight of a load, a driver must contact the Company's traffic office or their employer and take further instructions.

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Sub Contractor's drivers should be aware of the effect a multiple pick-up and multiple-drop operation can have on a load distribution within a vehicle. It is the responsibility of the driver to ensure that the weight distribution is corrected and therefore legal after each collection/delivery.

SUPPLIER/CUSTOMER/COMPANY PREMISES

The Company is conscious of its role in presenting the right image to its Customers and the public, as the drivers may have the most frequent contact with the Company's customers. Therefore the Sub Contractor's drivers must be aware that their attitude, actions and appearance are factors in how the Company itself is perceived. Any proven misconduct or irresponsible behaviour, both on the road and on other companies' premises may result in the Sub Contractor being removed from the Company's approved Sub Contractor list.

Driver's must observe all site Health and Safety and fire evacuation procedures. When at Customer's or Company premises all site speed limits must be obeyed, and pedestrians on painted walkways must be given priority at all times .

The Company reserves the right to search vehicles at any time whilst it is under the control of the Company. Customers or the Company may request the right to search, this request must be accepted.

CUSTOMER/SUPPLIER COMPLAINTS

If the customer or supplier lodges a complaint about the Sub Contractor, either of a general or specific nature, the driver must inform the Company's traffic office immediately.

SECONDARY SUB-CONTRACTING

Secondary Sub Contracting is not allowed without the permission from the Company. Where secondary sub-contracting is permitted the responsibilities within the Code of Practice rest solely with the Sub Contractor employed by the Company as the primary haulier.

CONFIDENTIALTY

The Sub-Contractor undertakes that it shall not at any time during this agreement, and for a period of 5 (five) years after termination of this agreement, disclose to any person any confidential information concerning the business, affairs, customers, clients or suppliers of the other party (or of any member of the group of companies to which the other party belongs), except as permitted by clause 2.

The Sub-Contractor may disclose the other party's confidential information: a) to its employees, officers, representatives, or advisers who need to know such information for the purposes of carrying out the party's obligations under this agreement. Each party shall procure that its employees, officers, representatives, or advisers to whom it discloses the other party's confidential information comply with this clause 2; and b) as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.

Party shall use any other party's confidential information for any purpose other than to perform its obligations under this agreement.

SUB CONTRACTORS AGREEMENT

I/we agree to abide by the conditions set out below when entering into any agreement with Aztek Logistics Ltd to carry out sub-contract work on their behalf.

Conditions:

Code of practice

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Aztek Logistics Ltd "Code of Practice" for Sub Contractors' is to be complied with by Sub Contractors at all times.

Insurance

In order to carry goods on behalf of Aztek Logistics Ltd, the Sub Contractor must provide proof that they have in place the necessary Insurance Cover and will keep this in force at all times. Details as follows:

Goods in Transit

Due to various contractual obligations, the Company requires Sub Contractors to have cover in place in accordance with the Road Haulage Conditions of Carriage (2009 Edition) with a Financial Limit of £5,000 per tonne including deterioration.

** Deterioration of Stock Extension to be included for all Contracts **

Motor Insurance

The Sub Contractor must have in place Comprehensive (and will maintain at all times) cover including attached and detached cover for hired or borrowed Trailers up to a value of £40,000. The Policy may contain a condition/warranty regarding the security of trailers. The Sub Contractor must strictly adhere to this.

Public Liability Insurance

The Sub Contractor must have in place (and will maintain at all times) cover with a minimum indemnity limit of £5 million.

In order to validate that the Sub Contractor has met with the Company's minimum cover requirements, please complete the attached Insurance Questionnaire and return it to the Company within 7 days. This Form must be signed by a Principal/Director of your Company. It must also be signed and stamped by the Sub Contractor's Insurance Broker.

Vehicle Licensing

A Sub Contractor's vehicle will display a current tax disc and a valid Operators 'Licence disc.

Undertaking

Sub-Contractors, their agents and employees will be familiar with all the legal requirements covering drivers' hours, drivers' licences, Operator's licensing, speed limiters and weight limits. It is agreed that all loads given and accepted will be able to be delivered within the times given complying with the law at all times.

Trading Conditions

For UK haulage, RHA and for non-UK haulage CMR conditions will apply. In RHA Conditions, item 11 (1) limitations of liability shall be amended as per Condition 2 above.

Declaration

I confirm that I have read and received a copy of the Aztek Logistics Ltd Sub Contractors Code of Practice and agree this Code of Practice will take precedence in all transactions between ourselves (as the Sub Contractor) and Aztek Logistics Ltd. I agree to comply with all the conditions set out in this agreement.



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Signed _____

Position _____

Print Name _____

Date _____

On Behalf of _____

(Company Name) the signatory must be someone with full authority to sign these terms and conditions.

Please complete and return this declaration and subsequent pages (along with copies of relevant documentation) to:

Aztek Logistics Ltd
Works Road
Letchworth, Herts
SG6 1JZ

Sub-Contractor Assessment Questionnaire

Name _____

Address _____

Telephone _____ Fax _____

Company Registration Number _____

'O' Licence Registration Number _____

'O' Licence Expiry Date _____

Number of vehicles in use _____ Trailers in use _____

How many Chilled Vehicle do you have _____

Is all inspection equipment calibrated to known accuracy (e.g. tachographs) Yes / No

I _____ on behalf of _____,
confirm that all vehicles and services provided will be facilitated under the terms and conditions of the above mentioned operator's licence, registered with _____ Licensing authority, and I will ensure that all legal requirements including driving hours are adhered to. It is my responsibility as a contractor to ensure me / my drivers and vehicles comply with legal requirements in all respects regarding the operation of large goods vehicles. Me / my drivers are responsible for securing loads on vehicles without damage to the goods in the process. All loads are to be secured at all times no matter how short the transportation period.

I accept that if I am found at anytime to be contravening the legal requirements regarding the operation of large goods vehicles that you have the right to discontinue using me as a sub-contractor with immediate effect.

Signed _____ Date _____

Position _____

Please confirm any conditions or clauses that apply to all policies.

Insurance Questionnaire

I hereby confirm that the Sub-Contractor shown below has sufficient cover to meet with your requirements.

Name of Sub-Contractor _____

Address of Sub-Contractor _____

Goods in Transit Insurer and Address _____

Goods in Transit Policy Number _____

Expiry Date _____

Exclusions / Warranties / Endorsements _____

Motor Insurer and Address _____

Motor Policy Number _____

Expiry Date _____

Exclusions / Warranties / Endorsements _____

Liability Insurer and Address _____

Liability Policy Number _____ Expiry Date _____

Exclusions / Warranties / Endorsements _____

Signature of Principal / Director _____

Date _____

Completed By (Block Capitals) _____

Broker's Signature _____

Date of Broker's Signature _____

Broker's Company Stamp

This form must be completed in full and returned with a valid copy of all policies.

Declaration

Road Transport Working Time Directive

On behalf of _____

Address _____

—

I confirm that the above named company will ensure full compliance with the Road Transport Working Time Directive which came into force on 04th April 2005. I confirm that all haulage activity undertaken by this company will be operated within the restrictions of these regulations at all times. I confirm that on request, I will provide evidence that the appropriate information and records are being kept to show compliance from April 2005.



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I also confirm that I am under no contract to work exclusively for Aztek Logistics Ltd.

Signed _____

Position _____

Print Name _____

Date _____

Date as postmarked



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Dear Sub-Contractor

You have confirmed your full understanding of the driver's rules and regulations covering all work taken on by all and any sub-contractors who undertake work on behalf of Aztek Logistics Ltd and that such work is undertaken and will be completed within all relevant legal requirements and statutes.

A sub-contractor has the right to refuse a load if it cannot be done within the legal working time. Aztek Logistics Ltd accepts no responsibility for any sub-contractor who is caught breaking the rules and regulations. All and any costs and or penalties arising from any breach of said rules and regulations are the sole responsibility of the Sub-Contractor.

Would you please sign / date and return this declaration within 7 working days confirming your understanding and acceptance of our terms of business.

Yours sincerely

I agree to the above terms and conditions.

Signed _____

Date _____

Print Name _____

Company _____