Principle Cleaning Services Standard Client Terms and Conditions v2

CG-F-307d

Principle Cleaning Services Standard Client Terms and Conditions (the "Agreement")
BETWEEN:

(1) **[Insert company name]**, company number [insert company number], with registered office address at [insert registered office address] (the "**Client**"); and

(2) **Principle Cleaning Services Limited**, a private limited company incorporated in England and Wales (company number 02333935), whose registered office is at First Floor, Cedar House, Parkland Square, 750a Capability Green, Luton, LU1 3LU. ("**Principle**").

WHEREAS the Client and Principle (individually the "**Party**" and collectively the "**Parties**" to this Agreement) agree as follows:

1. **Definitions and Interpretation**
   The interpretation and construction of this Agreement shall be subject to the provisions and definitions as set out in Annex A of this Agreement.

2. **Provision of Services and Premises**
   2.1. The following terms and conditions shall apply to the provision of Services as set out in any final written proposal provided by Principle to the Client (hereinafter 'Proposal' as attached at Annex B).
   2.2. Unless agreed otherwise in writing in the Proposal, and for the avoidance of doubt, Principle will provide the Services (as defined in the Proposal) with an output-based performance specification. This will be in accordance with any agreed service levels and with reasonable care and skill.
   2.3. Principle will supply all equipment and cleaning materials as priced for in the Proposal.
   2.4. Principle will use reasonable endeavours to ensure the correct cleaning materials are used on all surfaces. However, it is the Client's responsibility to bring to the attention of Principle any specific floor and surface maintenance procedures and / or products required in accordance with manufacturer's instructions or recommended by a manufacturer, particularly where a warranty may be affected.
   2.5. The Client shall provide, free of charge, all utilities and other facilities which may be required by Principle to carry out the Services including but not limited to power, light, hot water, other facilities required, safe storage of materials and equipment, and any other items, facilities or utilities as stated in the Proposal.
   2.6. The Client will allow Principle's personnel, representatives or subcontractors such access to the Premises as is reasonably required for the purpose of providing the Services. Where such access is not permitted for any reason, the Client agrees to reimburse Principle in full for all costs, losses and expenses reasonably incurred by Principle as a result of the aborted visit, cancellation or inability to access the Premises, including (without limitation) labour costs, subcontractor charges, travel expenses, equipment costs, materials, administrative costs and any other costs reasonably incurred by Principle in connection with the planned provision of the Services. Where the Services could otherwise have been performed, the Client shall also remain liable for the Charges as if such access had been permitted and the Services had been provided.
   2.7. The Client agrees that Principle shall have the right to write a case study pursuant to this Agreement detailing service delivery by Principle and the benefits thereof to the Client. The Client will provide final sign-off prior to the case study being published. Client approval shall not be unreasonably withheld or delayed and will be deemed given if no comments are received within 10 business days of submission.

3. **Term of Agreement**
   Unless otherwise agreed in writing by the Client and Principle, including as may be set out in the Proposal, the Client agrees to enter into this Agreement for a minimum term of [insert] months, commencing on the Commencement Date of this Agreement.

4. **Modification of Agreement**
   4.1. Subject to the Parties' mutual written agreement, the Client undertakes to submit a written request to Principle and notify and consult with Principle in advance regarding any material changes to the nature, scope, or pattern of the Services that may reasonably be expected to impact Principle's ability to perform its obligations under this Agreement or affect the cost of such performance. This includes, but is not limited to, any redundancy rights

and costs (including statutory and/or compensatory and/or other awards) arising on or before the termination date of this Agreement, where such costs result from, or are connected to, changes initiated by the Client or caused by the Client's actions. These actions may include, without limitation, modifications to tender information, full or partial site closures, or changes in Service requirements occurring at any time after the Commencement Date.

4.2. For the avoidance of doubt, where the Parties have agreed to modify this Agreement in accordance with clause 4.1 resulting in a variation, reduction, or termination of the Services (in whole or in part), the Client shall be liable for and shall reimburse Principle in full for all associated employment-related costs incurred as a consequence of such change. These costs shall include, but are not limited to statutory redundancy payments, any enhanced redundancy entitlements, payments in lieu of notice (PILON), payments in respect of accrued but untaken holiday (statutory, contractual, or otherwise); and any other reasonable costs.

4.3. Principle shall, in such circumstances, use all reasonable endeavours to mitigate the impact of such changes by seeking to redeploy affected employees into suitable and achievable alternative roles within its organisation.

5. **Transfer of Undertakings (Protection of Employment)**

5.1. The Client and Principle acknowledge and agree that the commencement, modification, termination, or expiry (in whole or in part) of the Services under this Agreement may constitute a relevant transfer for the purposes of TUPE. In such circumstances, the contracts of employment of any individuals wholly or mainly engaged in the provision of services equivalent to the Services shall transfer to or from Principle in accordance with TUPE.

5.2. The Client shall indemnify Principle against any pre-transfer liabilities relating to transferring employees accrued prior to the Commencement Date, including, but not limited to, outstanding pay, differences in hourly rate to the supervisor or operative between the existing contractor and Principle, benefits, employee grievances, latent equal pay claims, or entitlements under pre-existing pension arrangements, also including any liabilities relating to accrued but untaken holiday, accrued sickness absence, or other entitlements not expressly included in the ELI provided at any stage, including post award/preferred bidder stage.

5.3. If any information made available during the tender stage (including in relation to site date, work volumes, or ELI data) has any material discrepancies arising after the Commencement Date that Principle could not reasonably have discovered during the tender following reasonable enquiry, Principle shall adjust its Charges;

5.4. If the Client withholds information regarding the outgoing contractor or their existing staff working on site, or shares incomplete, inaccurate, or misleading information, or there is a dispute over an operative's status of being employed or a subcontractor, the Client will be responsible for all costs to Principle arising from any dispute. Where Principle incurs additional costs resulting from transferring employee's pension arrangements, such as actuary fees or undisclosed contributions in the TUPE information provided, these costs will be charged back to the client.

5.5. The Client agrees to indemnify Principle, in full, from the Commencement Date in respect of any life insurance benefit payable where the following conditions apply: (i) an employee is absent from work due to illness (whether long-term or short-term), and (ii) the employee is not actively attending work prior to, at the point of, or following the transfer date or the award of this Agreement.

5.6. The indemnity provided under clause 5.5 shall cease with immediate effect upon the employee's return to active duty for a minimum of one working day, or upon termination of the employee's employment with Principle for any reason other than death, including, but not limited to, resignation, redundancy, dismissal, or transfer out.

5.7. Life assurance coverage is subject to an age cap of 70 years. Should there be a requirement for such benefits to extend beyond this age threshold, Principle reserves the right to recharge any associated additional costs to the Client. The provision of such benefits shall remain subject to availability, and acceptance by the relevant insurers.

5.8. The Client agrees that any associated costs incurred by Principle in relation to accrued annual leave not taken prior to the transfer date and any associated costs incurred by Principle in relation to transferring employees will be reimbursed in full to Principle.

5.9. Principle has assumed that all employees eligible for transfer at the Commencement Date do not have any undisclosed pre-existing medical conditions that materially impair their ability to perform their normal duties, as reflected in the TUPE data provided (whether within the Invitation to Tender or any subsequent updates). In the event that it is subsequently identified that any transferee has an undisclosed pre-existing medical condition which materially affects their ability to fulfil their role, Principle shall use reasonable endeavours to redeploy the affected employee into a suitable alternative position. Where redeployment is not feasible, Principle reserves the right to recharge in full to the Client any additional costs incurred as a direct result of such

undisclosed conditions. These costs may include, without limitation statutory redundancy payments, any enhanced redundancy entitlements, payments in lieu of notice (PILON), payments in respect of accrued but untaken holiday (statutory, contractual, or otherwise), and any other reasonable costs.

5.10. Principle have included within its Charges an allowance for pension entitlements based solely on the current pension contribution rate data and information provided by the Client prior to the Commencement Date. Any additional pension-related costs incurred by Principle shall be recharged in full to the Client. Such costs may include, without limitation:

5.10.1. any entry debt arising upon Principle's admission to the pension scheme;

5.10.2. any exit debt payable upon cessation or termination of this Agreement;

5.10.3. any changes to the pension scheme employer contribution rate;

5.10.4. the costs associated with any new members joining the pension scheme;

5.10.5. the costs of any inactive pension scheme members who elect to become active after the Commencement Date;

5.10.6. any actuarial or bond-related costs, in addition to any sums expressly stated to be included within Principle's Proposal; and/or

5.10.7. any other increase in pension liabilities incurred by Principle.

5.11. In the event that, following termination of this Agreement, the employment of any Principle employee transfers, or is deemed to transfer, to the Client or any successor service provider under TUPE, the Client shall indemnify and hold Principle harmless from and against all liabilities, costs, claims, damages, losses and expenses (including reasonable legal fees) incurred or suffered by Principle arising from or in connection with:

5.11.1. any act or omission of the Client or the successor service provider in relation to any such employee on or after the date of transfer or deemed transfer; and

5.11.2. any failure by the Client or the successor service provider to comply with any obligation under TUPE.

5.12. In the event that, upon the termination or expiry of the Services (whether in whole or in part), the contracts of employment of any outgoing employees do not transfer to the Client or a successor provider for any reason, the Client agrees to reimburse Principle in full without set off, claim or deduction, an amount equal to the total sum payable to such employees in respect of:

5.12.1. statutory redundancy entitlements;

5.12.2. any enhanced redundancy entitlements;

5.12.3. any payments in lieu of notice;

5.12.4. any payments in lieu of accrued but untaken holiday (whether statutory, contractual, or otherwise); and

5.12.5. any other reasonable costs incurred by Principle relating to the severance of such employees.

5.13. The Client shall not, during the Term and for a period of two (2) years following the expiry or termination of this Agreement, directly or indirectly solicit, engage, or accept the services of any employee or subcontractor of Principle (or its Affiliates). In the event that the Client breaches this restriction by soliciting or employing such an individual, the Client shall pay to Principle a sum equal to one hundred percent (100%) of the individual's starting base salary, together with any costs reasonably incurred by Principle in connection with such breach by the Client.

5.14. Any request by the Client for the removal of an employee shall be made reasonably, and in compliance with relevant employment laws. In the event that such a request results in the termination of employment, the Client shall reimburse Principle in full for all severance payments, and associated costs incurred as a direct and/or indirect consequence of their removal as a consequence of the request of the Client.

6. Price and Payment

6.1. In consideration of the provision of the Services by Principle, the Client will pay the Charges in full to Principle in accordance with this clause 6, without any set-off or deduction.

6.2. Principle will issue an invoice to the Client on the 1st day of the month in which the Services are rendered.

6.3. All payments due to be made by the Client shall be made by B.A.C.S transfer, or such other equivalent instantaneous transfer of funds, to such bank as Principle may from time to time direct, or as Principle may otherwise from time to time agree. Payment shall be made within thirty (30) days of the invoice date.

6.4. Unless agreed otherwise in writing, Principle shall be permitted to charge for all consumable products in advance upon placement of orders with our supply chain.

6.5. The Parties agree, that if not stated anywhere else in this Agreement an output service standards specification shall apply to the Services and Principle shall be entitled to optimise labour resourcing at its sole discretion.

6.6. If Principle's proposal price is stated anywhere in this Agreement to be fully inclusive of all consumable items, then Principle have used industry standards to arrive at this figure. This industry standard allows a set amount per head per week, and has, therefore, been multiplied by the number of people employed at the Client's site. Whilst Principle have endeavoured to provide as accurate a quotation as possible, should the Client's actual consumable spend prove to be above the quoted amount, Principle reserves the right to revise Charges accordingly, and backdate any overspend.

6.7. Where Services include the provision of waste management, Principle reserves the right to pass on any increases in costs incurred as a result of and including without limitation government increases or landfill tax increase, along with any additional overweight Charges incurred by Principle.

6.8. Unless expressly agreed otherwise in writing, the costs of all other items that are incurred by Principle in the delivery of the Services, except as set out in this Agreement, are excluded, including (but not limited to):

6.8.1. VAT or any other applicable tax or duty payable upon such sums, which will be added, if appropriate, at the rate prevailing at the relevant tax point; and

6.8.2. any applicable fuel taxes, together with all costs, losses, liabilities, and/or expenses relating thereto, which shall be borne by the Client, and added to the sums payable hereunder if incurred by Principle.

6.9. Principle shall be entitled, at any time, to adjust the Charges to reflect any increase or decrease in the costs of labour, materials, or any other relevant inputs, including but not limited to fuel and energy costs, that have or may cause an increase in Principle's costs to provide the Services.

6.10. Any adjustment to the Charges pursuant to clause 6.9 shall be adjusted by the same percentage change as any percentage change in the Retail Prices Index by the Office for National Statistics (RPI), or any successor or replacement index, over the period of 12 months immediately preceding the relevant review date. Where the RPI value is negative, the Charges will remain unchanged. Principle shall not ordinarily revise the Charges more frequently than once per annum, however, Principle reserves the right to implement revisions on a more frequent basis at its sole discretion in response to exceptional increases in the costs of labour, materials, or other relevant inputs.

6.11. If at any time, the cost to Principle in providing the Services increases, including, but not limited to, any costs associated with the employment of the individuals providing the Services, in order to comply with any legislation or part of any legislation enacted or coming into force after the Commencement Date, or with any change to existing legislation, including, but not limited to, any changes in laws, codes of practice, regulations, administrative decisions, and any other applicable guidance (including increases in Applicable Living Wage Rates, or their local equivalents where applicable, pensions) applicable to the Services, or changes of taxes (including National Insurance) imposed which relate to the provision of the Services, Principle shall have the right to adjust the Charges to reflect such increased cost. In addition, Principle shall be permitted to maintain pay-differentials between staff members.

6.12. Any additional working days incurred during leap years will be charged for in addition to the Charges.

6.13. Principle's Charges include all bank holidays known as at the Commencement Date of this Agreement, and any additional bank holidays that occur will be charged at a rate of two times the hourly rate indicated in the proposed pricing.

6.14. For the avoidance of doubt, Principle's Charges have been calculated based on the information made available by the Client (or its representatives) within the tender documentation or any other documentation provided by the client, including, but not limited to, site-specific data, anticipated work volumes, and TUPE-related information, as well as representations made by the Client during site visits. In the event that any material discrepancies arise between the information provided and the actual operational circumstances, the Client agrees to reimburse Principle in full for any resulting additional costs.

6.15. In relation to any ad-hoc works, cancellation of pre-arranged visits must be communicated to Principle no less than ten (10) working days in advance of the scheduled visit date. Where the Client cancels a pre-arranged visit with less notice than this, the Client shall reimburse Principle in full for all costs, losses and expenses reasonably incurred by Principle arising from or in connection with such cancellation, including (without limitation) labour costs, subcontractor charges, travel expenses, equipment costs, materials, administrative costs and any other costs reasonably incurred as a consequence of the cancellation.

6.16. Any credit note issued by Principle to the Client shall be valid for a period of twelve (12) months from the date of issue. Unused credits remaining at the end of the twelve (12) month period shall automatically expire and be forfeited without notice. Expired credits are non-refundable and cannot be redeemed, transferred, or reissued.

7. **Penalties for late payment**
   7.1. If the Client fails to pay any sum due in respect of the Charges, Principle will be entitled immediately to suspend provision of the Services (and shall be relieved of the obligation to perform such Services), until such time as all outstanding payments have been made, and without prejudice to any other rights or remedies Principle may have under this Agreement (including Principle's right to terminate under clause 12).
   7.2. During the period of any suspension pursuant to clause 7.1, the Charges will continue to accrue and be due to Principle as if the Services had not been suspended.
   7.3. Principle reserves the right to charge interest on late payments. Such interest shall accrue daily, and be compounded on a monthly basis, interest shall accrue at the statutory interest rate prescribed under the Late Payment of Commercial Debts (Interest) Act 1998.

8. **Liability**
   8.1. The following provisions set out the Parties' entire liability (including any liability for the acts or omissions of their respective employees, agents, or subcontractor) to each other in respect of:
      8.1.1. any breach of their respective obligations under this Agreement; and
      8.1.2. any representation, statement, or tortious act or omission, including negligence, or otherwise arising under or in connection with this Agreement.
   8.2. Notwithstanding any other provision of this Agreement, Principle's liability for any and all acts or omissions of its employees, agents, or subcontractors arising under or in connection with this Agreement (whether arising from contract, breach of warranty, tort (including negligence), breach of statutory duty, non-fraudulent misrepresentation, under any indemnity, or otherwise) shall be limited to, and in no circumstances shall exceed, in aggregate across the Term of the Agreement:
      8.2.1. two million pounds (£2,000,000) in respect of loss or damage to any property, real or personal; and
      8.2.2. an amount equivalent to the lower of value of the insurance cover held by Principle under this Agreement, or one hundred percent (100%) of the Charges due and payable by the Client to Principle in respect of the Services provided in the preceding 12-month period for any other loss or liability.
   8.3. Principle shall not be liable in contract, tort (including negligence), under any indemnity, or otherwise:
      8.3.1. for any loss of profits, loss of income, loss of business, loss of revenue, loss of use, loss of production, loss of anticipated savings, loss of data, or loss of goodwill arising under or in connection with this Agreement;
      8.3.2. nor for any indirect or consequential loss or damage arising under or in connection with this Agreement.
   8.4. Nothing in this Agreement limits either Party's liability for:
      8.4.1. death or personal injury caused by negligence;
      8.4.2. fraud or fraudulent misrepresentation committed by that Party; or
      8.4.3. any other liability that cannot be limited or excluded under the laws of England and Wales.
   8.5. Notwithstanding any other provision of this Agreement, Principle shall only be liable in contract, tort (including negligence), under any indemnity, or otherwise, which may result or arise from any act or omission or default of that Party, its employees, agents, or subcontractors, to the extent that any loss, damage, or expense is due to the act or omission or default of that Party. Principle shall not be liable in contract, tort (including negligence), under any indemnity, or otherwise, which may result or arise from any act or omission or default of the Client, its employees, agents, or subcontractors, or from any failure by the Client, its employees, agents, or subcontractors to comply with its obligations under this Agreement.
   8.6. Unless expressly stated in this Agreement, all warranties, conditions, and other terms (whether implied by statute, common law, or otherwise) are excluded from this Agreement.
   8.7. Each Party acknowledges that it considers the provisions of this clause 8 to be reasonable, taking account of the other terms of this Agreement and its ability to insure against the losses, which might arise from a breach of this Agreement.
   8.8. The provision of clause 8 shall survive the expiry or termination of this Agreement.

9. **Insurance**
   9.1. Principle will maintain in force, at its own cost, insurances in accordance with legislation and such insurances as it deems appropriate and adequate, having regard to its obligations and liabilities under this Agreement.
   9.2. The Client will maintain in force, at its own cost, insurances in accordance with legislation and such insurances as it deems appropriate and adequate, having regard to its obligations and liabilities under this Agreement.
   9.3. Each Party shall provide evidence that the insurances required by clause 9 are in place, whenever reasonably requested to do so by the other.

10. **Warranties**

Any materials, products, equipment or consumables supplied by Principle but not of Principle's manufacture shall be guaranteed only to the extent of any guarantee given to Principle by the manufacturer.

11. **Force Majeure**

11.1. Principle shall not be considered to be in default or in breach of its obligations under this Agreement to the extent that the performance of such obligations is prevented by any circumstances of a Force Majeure Event which arise after the date when this Agreement becomes effective, provided that:

11.1.1. Principle shall promptly notify the Client in writing of the nature and expected duration of the Force Majeure Event;

11.1.2. Principle has taken all reasonable steps to mitigate the impact of the Force Majeure Event, and to continue performance of its obligations to the extent reasonably practicable; and

11.1.3. Principle could not have avoided the effects of the Force Majeure Event by exercising Good Industry Practice or fulfilling its obligations under this Agreement.

11.2. Principle shall not be liable to the Client for any losses caused to, or suffered by, the Client as a direct or indirect result of a Force Majeure Event, or the supply of the Services being suspended pursuant to clause 11.1.

11.3. Without prejudice to any other power of determination, Principle may terminate this Agreement in whole or in part by giving the Client written notice in the event that the Agreement has been affected by a Force Majeure Event for a continuous period of three (3) months.

11.4. In the event of termination of this Agreement under clause 11.3, all sums payable by the Client pursuant to this Agreement at the date of such termination shall immediately become due and owing.

12. **Termination**

12.1. **Termination by Principle:** Without prejudice to any rights or remedies that Principle may have under this Agreement or at law, Principle may terminate this Agreement forthwith if:

12.1.1. the Client is Insolvent; or

12.1.2. the Client is in material breach of any of its obligations under this Agreement and either the breach is not capable of remedy, or it is capable of remedy but has not been remedied within 14 days of a notice from Principle requiring the breach to be remedied.

12.2. **Termination by the Client:** Without prejudice to any rights or remedies that the Client may have under this Agreement or at law, the Client may terminate this Agreement forthwith if Principle is in material breach of any of its obligations under this Agreement and either the breach is not capable of remedy, or it is capable of remedy but has not been remedied within 30 days of a notice from the Client requiring the breach to be remedied.

12.3. **Insolvency Event:** Either party may, without prejudice to its other rights or remedies, terminate this Agreement immediately by giving written notice if the other party is, or is reasonably likely to be, affected by an Insolvency Event.

12.4. **Non-Payment by Client:** Notwithstanding the provisions above, Principle may immediately terminate this Agreement if the Client fails to pay any amount due under this Agreement by its final date for payment, and such amount remains outstanding for 14 days after Principle has notified the Client in writing to make such payment.

12.5. **Termination for Convenience**

12.5.1. The Client may terminate this Agreement for any reason by giving not less than six (6) months' prior written notice, provided that such termination shall not take effect earlier than the end of the Initial Term.

12.5.2. Principle may terminate this Agreement for any reason at any time by giving not less than six (6) months' prior written notice.

12.6. If notice of termination is not served by the Client, the Agreement will continue for a further period equivalent to [insert] months or as set out in clause 3 of this Agreement, subject to the terms and conditions contained herein.

13. **Consequences of Termination**

13.1. In the event that this Agreement is terminated pursuant to clause 12, the Client shall pay to Principle immediately any Charges due up to and including the date of termination, plus any reasonable costs incurred by Principle including, but not limited to, any breakage costs with subcontractors and any costs committed to materials or equipment for use on the Services and PILON.

13.2. In the event that this Agreement is terminated by either the Client or Principle while a lease agreement and or any other agreement remains in place for equipment or property used exclusively in the delivery of Services under this Agreement, Principle shall use all reasonable endeavours to redeploy such equipment within its own operations. Where redeployment is not reasonably practicable, the Client agrees to:

13.2.1. assume, by way of novation or assignment (as determined by Principle), the benefit and burden of any lease or contractual commitments relating to such equipment; or

13.2.2. facilitate the novation of such lease agreements to a replacement contractor appointed by the Client.

13.3. Clauses 8, 10, 13, 14, 22, 23 and 24 of this Agreement shall continue to bind each Party after termination or expiry of this Agreement insofar as, and for so long as may be necessary to give effect to their respective rights and obligations hereunder.

14. **Ownership of Property and Intellectual Property**

14.1. Materials, equipment, consumables, fuel or other property supplied by Principle as part of the Services shall remain the sole and absolute property of Principle until payment for them has been received in full by Principle.

14.2. Intellectual Property Rights in all documents, drawings, materials, branding and any other information produced by or on behalf of Principle, and the rights to know-how developed in connection with the Agreement, shall vest in and remain with Principle.

14.3. Neither Party's Intellectual Property Rights shall transfer to the other in connection with the performance of this Agreement. In the event that Intellectual Property Rights are created in connection with the supply of the Services, such Intellectual Property Rights shall vest in Principle.

14.4. The use of any Principle software package is solely at the discretion of Principle.

14.5. Where Principle agrees to invest any sums (the "Capital Expenditure") to enable the provision of the Services, the Capital Expenditure will be depreciated by Principle on a straight-line basis from the date of investment over the shorter of (i) the remainder of the Term, or (ii) the period during which any asset acquired with the Capital Expenditure is ordinarily depreciated in accordance with Principle's policies and procedures in force from time to time. Principle shall maintain a full record of all Capital Expenditure and make such records available to the Client upon request.

14.6. Without prejudice to any other right or remedy of Principle, in the event of termination of this Agreement for whatever reason, the Client shall reimburse to Principle on demand without set-off or deduction, an amount equal to the undepreciated amount of Capital Expenditure invested at the date of termination (if any) plus any VAT payable.

14.7. The risk of loss or damage to any assets purchased with the Capital Expenditure shall pass to the Client upon the Termination Date, and shall thereafter remain at the Client's risk at all times unless ownership of those assets shall pass to the Client on payment to Principle in cash or cleared funds of the amount due from the Client under clause 14.6.

15. **Dispute Resolution**

15.1. The relationship between the Parties will be maintained at a peer-to-peer level between the Client and Principle via scheduled meetings, and informal communication.

15.2. Any changes to any of the Client's or Principle's Authorised Representatives shall be notified to the other Party within 14 days of such change taking effect.

15.3. If there is a dispute in relation to this Agreement, the Client and Principle shall each use their reasonable endeavours to negotiate and resolve the dispute via their Authorised Representatives in the first instance.

15.4. If the dispute has not been resolved within 14 days of it first coming to the attention of the Parties, Principle's Operational Director and the Client's appropriate Authorised Representative shall meet and try to resolve the issue.

15.5. If the dispute is not resolved at a senior Authorised Representative level within 30 days of the dispute having been first considered by the Parties, or such longer period as may be agreed by the Parties, then the Parties may attempt to settle it by mediation in accordance with the Centre for Effective Dispute Resolution (CEDR) Model Procedure.

15.6. Where the Parties attempt to settle the dispute by mediation and have failed to do so within sixty (60) days from the initiation of the mediation, then the matter may be referred to the courts.

15.7. If the Client unreasonably escalates or prolongs any dispute, the Client shall reimburse Principle for all reasonable costs incurred by Principle in connection with the dispute resolution process.

15.8. Notwithstanding the provisions of this Clause 15, Principle may, in its sole discretion, commence court proceedings at any time in relation to any dispute arising out of or in connection with this Agreement.

16. **No Partnership**

Save as expressly stated herein, nothing in this Agreement will create or be deemed to create a partnership or joint venture or relationship of employer and employee or principal and agent between the Parties, and no employee of Principle will be deemed to be or have become an employee of Client.

17. **Entire Agreement**

17.1. This Agreement, its Schedules and Annexes, contains the entire agreement between the Parties in relation to provision of the Services. Both Parties waive any right they may have to claim damages for, and/or to rescind this Agreement because of, breach of any warranty not contained in this Agreement, or any misrepresentation whether or not contained in this Agreement, unless such misrepresentation was made fraudulently.

17.2. No purported alteration or variation of this Agreement will be effective unless it is in writing, refers specifically to this Agreement and is duly executed by each of the Parties.

17.3. References to clauses are references to clauses of this document. Headings to clauses are for ease of reference only and shall not affect the interpretation or construction of the Agreement.

17.4. Except for any document expressly identified in this Agreement as forming part of it, no terms, conditions, policies, procedures, specifications, standards, purchase orders, instructions, statements, representations, correspondence, tender documents, supplier onboarding requirements, portal terms or other documents issued or made available by or on behalf of the Client, whether before or after the Commencement Date, shall form part of, amend, replace, supersede or take precedence over this Agreement.

17.5. Any purchase order or similar document issued by the Client shall be treated as an administrative document only. Any reference by Principle to a purchase order number, or Principle's acceptance or processing of a purchase order, shall not constitute acceptance of any terms contained in or referred to by that purchase order.

17.6. In the event of any conflict or inconsistency between this Agreement and any document issued or made available by or on behalf of the Client, this Agreement shall prevail unless the relevant document is expressly incorporated into this Agreement and is given precedence in accordance with the order of precedence set out in Annex A.

18. **Severability**

If any clause or part of this Agreement is found by any court, tribunal, administrative body or authority of competent jurisdiction to be wholly or partly illegal, invalid or unenforceable, that clause or part of this Agreement will, to the extent required, be severed from this Agreement and will be ineffective without, so far as is possible, modifying any other clause or part of this Agreement and this will not affect any other provisions of this Agreement which will remain in full force and effect.

19. **Waiver**

19.1. No waiver by Principle of any breach or non-fulfilment by the Client shall be deemed to be a waiver, or any subsequent or other breach of the same or any other term or condition.

19.2. No failure or delay by Principle to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

20. **Assignment, Novation & Subcontracting**

20.1. The Client shall not assign, novate, transfer, subcontract, or otherwise dispose of any or all its rights or obligations under this Agreement, in whole or in part, without the prior written consent of Principle, which may be withheld at Principle's sole discretion.

20.2. Any novation shall not affect or prejudice any rights, obligations, claims, or liabilities accrued in favour of Principle prior to the effective date of the novation, unless otherwise agreed in writing by Principle.

20.3. Principle may assign, novate, transfer, subcontract or otherwise dispose of any of its rights or obligations under this Agreement, including by subcontracting the performance of any part of the Services, without obtaining the prior written consent of the Client, provided that Principle shall remain fully responsible for the performance of its obligations under this Agreement and for the acts and omissions of its subcontractors as if they were its own.

Principle shall ensure that any subcontractor engaged, complies with the relevant provisions of this Agreement and performs its obligations to a standard consistent with Principle's own obligations.

21. **Notices**

21.1. Any notice or other communication given under or in connection with this Agreement shall be in writing, and shall be:

21.1.1. delivered by hand, or sent by pre-paid first-class post, or other next working day delivery service, to the recipient's registered office (if a company), or principal place of business (in any other case); or

21.1.2. sent by email to the designated email address of the recipient's Authorised Representative, as specified in this Agreement, or as otherwise notified in writing.

21.2. Any such notice shall be deemed to have been received:

21.2.1. if delivered by hand, at the time the notice is left at the proper address;

21.2.2. if sent by pre-paid first-class post, or other next working day delivery service, at 9:00am on the second working day after posting; and

21.2.3. if sent by email, at the time of transmission, or if this time falls outside working hours (defined as 9:00am to 5:00pm Monday to Friday, excluding public holidays in the place of receipt), when working hours resume.

21.3. This clause does not apply to the service of any proceedings, or other documents in any legal action, arbitration, or dispute resolution process.

21.4. Either Party may change its nominated address, or email for service of notices, by giving written notice to the other Party in accordance with this clause.

22. **Health and Safety**

22.1. Each Party shall comply with all applicable laws, statutes, regulations, regulatory requirements and legally binding codes of practice relating to its obligations under this Agreement, including those relating to health and safety, employment, equality, safeguarding, environmental matters, data protection, anti-bribery, anti-corruption, anti-tax evasion, anti-money laundering, modern slavery, sanctions, trade controls, fraud prevention and economic crime ("Applicable Laws"). Nothing in this Agreement shall make Principle responsible for compliance obligations that apply solely to the Client, the Premises or the Client's business.

22.2. Each Party shall comply with its obligations under the Equality Act 2010, the Worker Protection (Amendment of Equality Act 2010) Act 2023 (including the duty to take reasonable steps to prevent sexual harassment of workers) and any other Applicable Laws relating to the protection, welfare, safety and treatment of individuals in the workplace. Each Party shall maintain appropriate policies, procedures and training to support compliance with Applicable Laws and shall remain responsible for the acts and omissions of its employees, agents and subcontractors. The Parties shall reasonably cooperate and provide such information as may be reasonably required to support compliance with Applicable Laws.

22.3. Each Party warrants that, as at the Commencement Date, it is not aware of any sanctions, regulatory restriction, investigation or enforcement action that would prevent it from performing its obligations under this Agreement. Each Party shall promptly notify the other if it becomes aware of any actual or suspected breach of this clause or any sanctions, regulatory investigation, enforcement action or restriction which may affect its ability to perform this Agreement.

22.4. The Client shall ensure that the Premises, access arrangements, site rules, instructions, information, equipment and facilities for which it is responsible comply with Applicable Laws and do not expose Principle, its employees, agents, subcontractors or any third party to any unlawful, unsafe or otherwise non-compliant condition. If, in Principle's reasonable opinion, the Client is in breach of this clause, compliance with a Client instruction would cause Principle to breach an Applicable Law, or continued performance of the Services would expose Principle to a material regulatory, sanctions, financial crime or reputational risk, Principle may suspend the Services, in whole or in part, with immediate effect until the relevant issue has been remedied to Principle's reasonable satisfaction. Principle shall not be liable for any failure or delay arising from such suspension.

22.5. During any suspension under clause 22.4, the Charges shall continue to accrue and remain payable by the Client as if the Services had not been suspended. The Client shall also reimburse Principle for any reasonable additional costs incurred by Principle as a result of the relevant non-compliance or suspension. This clause shall be without prejudice to any other rights or remedies available to Principle under this Agreement or at law.

22.6. Either Party may terminate this Agreement immediately by giving written notice to the other Party if:

(a) the continued performance of this Agreement would cause it to breach any Applicable Law;

(b) the other Party commits a material breach of this clause 22 and, where that breach is capable of remedy, fails to remedy it within fourteen (14) days of being required to do so in writing; or

(c) the other Party becomes subject to sanctions, a regulatory restriction, investigation or enforcement action which materially affects its ability to perform its obligations under this Agreement.

23. **Confidentiality**

23.1. Each Party undertakes that it shall not, at any time during the Term of this Agreement, and for a period of six (6) years following its termination or expiry, disclose to any person any confidential information concerning the business, affairs, clients, or suppliers of the other Party, except as permitted by clause 23.2.

23.2. Each Party may disclose the other Party's confidential information:

23.2.1. to its employees, officers, representatives, subcontractors, or advisers who need to know such information for the purposes of carrying out the Party's obligations under this Agreement. Each Party shall ensure that such persons comply with the confidentiality obligations set out in this clause;

23.2.2. as may be required by law, a court of competent jurisdiction, or any governmental or regulatory authority, provided that the disclosing party gives the other Party prompt written notice of such requirement (where legally permissible), and cooperates with the other Party to seek a protective order or other appropriate remedy.

23.3. The obligations in this clause shall not apply to any information that:

23.3.1. is or becomes publicly available, other than through a breach of this Agreement;

23.3.2. was lawfully in the possession of the receiving party before disclosure by the disclosing party;

23.3.3. is lawfully disclosed to the receiving party by a third party, without restriction on disclosure;

23.3.4. is independently developed by the receiving party, without reference to the disclosing party's confidential information.

23.4. Neither Party shall make any public announcement, or disclose the existence or terms of this Agreement, without the prior written consent of the other Party, except where required by law or regulatory authority.

23.5. Annex C - Data Processing and Information Security shall apply to and form part of this Agreement.

23.6. This clause shall survive termination or expiry of this Agreement.

24. **Bribery and Business Ethics**

24.1. Both Parties to this Agreement insist on honesty, integrity, and fairness in all aspects of their business, and expect the same in their relationships with all those with whom they do business. Both Parties accept, agree, and warrant that the direct or indirect offer, payment, soliciting, and acceptance of bribes or facilitation payments in any form are unacceptable practices.

24.2. Both Parties shall:

24.2.1. comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption, including, but not limited to, the Bribery Act 2010 ("Relevant Requirements");

24.2.2. not engage in any activity, practice, or conduct which would constitute an offence under sections 1, 2, or 6 of the Bribery Act 2010 if such activity, practice, or conduct had been carried out in the UK;

24.2.3. have, and shall maintain in place throughout the Term of this Agreement, its own policies and procedures, including adequate procedures under the Bribery Act 2010, to ensure compliance with the Relevant Requirements, the Relevant Policies, and clause 6.3(a) of the Act, and will enforce them where appropriate;

24.2.4. comply with all applicable laws, statutes, regulations, and codes relating to anti-slavery, including, but not limited to, the Modern Slavery Act 2015;

24.2.5. promptly report to the other Party any request or demand for any undue financial or other advantage of any kind received by the other Party in connection with the supply of Services and/or Goods under this Agreement; and

24.2.6. immediately notify the other Party, in writing, if a foreign public official becomes an officer or employee of the other Party or acquires a direct or indirect interest in the other Party, and the other Party warrants that it has no foreign public officials as direct or indirect owners, officers, or employees at the date of execution by the Parties of this Agreement.

24.3. Both Parties shall ensure that any person associated with it (including its subcontractors), who is performing Services in connection with this Agreement, does so only on the basis of a written contract, which imposes on, and secures from, such person terms equivalent to those imposed on each Party in this clause. Each Party shall

be responsible for the observance and performance by such persons of the said terms and shall be directly liable to the other Party for any breach by such persons of the terms.

24.4. Breach of this clause shall be deemed a material breach of the Agreement, provided that, notwithstanding any other termination provisions or its rights at law, each Party shall be immediately entitled to terminate this Agreement if the other Party, or any member of said Party's Group, or its subcontractors, shall, in relation to the Agreement, have committed any act on or after the Commencement Date, which is an offence under any relevant Applicable Laws relating to proper business practices and payment of inducements from time to time in force in any country to which this Agreement relates.

24.5. For the purpose of clause 24, the meaning of adequate procedures, and foreign public official, and whether a person is associated with another person, shall be determined in accordance with section 7(2) of the Bribery Act 2010 (and any guidance issued under section 9 of that Act), sections 6(5) and 6(6) of that Act, and section 8 of that Act respectively. For the purpose of this clause, a person associated with the other Party includes, but is not limited to, any subcontractor of the other Party.

25. **Governing Law**

This Agreement and any dispute or claim arising out of or in connection with it, will be governed by and construed in accordance with the laws of England and Wales, and the Parties submit to the exclusive jurisdiction of the courts of England and Wales.

SIGNED for and on behalf of the **Client**:

SIGNED: _____

NAME: _____

TITLE: _____

DATE: _____

SIGNED for and on behalf of **Principle**:

SIGNED: _____

NAME: _____

TITLE: _____

DATE: _____

Principle Cleaning Services Ltd
Correspondence address: Solar House, 1-9 Romford Road, London, E15 4LJ

t: 020 8341 4718
f: 020 8347 8250

www.principleclean.com

Company Reg No: 02333935

Head Office and Registered Office: First Floor, Cedar House, Parkland Square, 750a Capability Green, Luton, LU1 3LU.

ANNEX A – Definitions and Interpretations

In this Agreement the following definitions and interpretations shall apply:

1.1. words importing the singular meaning include where the context so admits the plural meaning and vice versa;
1.2. words importing the masculine include the feminine and the neuter;
1.3. the words "include", "includes" and "including" “for example” and “in particular” and words of similar effect are to be construed as if they were immediately followed by the words "without limitation" and shall not limit the general effect of the words which precede them;
1.4. references to any person shall include natural persons and partnerships, firms and other incorporated bodies and all other legal persons of whatever kind and however constituted and their successors and permitted assigns or transferees;
1.5. the schedules form part of this Agreement and shall have effect as if set out in full in the body of this Agreement. Any reference to this Agreement includes Annex A, Annex B and Annex C;
1.6. references to any statute, enactment, order, regulation or other similar instrument shall be construed as a reference to the statute, enactment, order, regulation or instrument as amended by any subsequent enactment, modification, order, regulation or instrument as subsequently amended or re-enacted;
1.7. headings are included in this Agreement for ease of reference only and shall not affect the interpretation or construction of this Agreement;
1.8. references to “clauses” and “schedules” are, unless otherwise provided, references to the clauses of and schedules to this Agreement. References to “paragraphs” are, unless otherwise provided, references to paragraphs of the schedule in which the references are made;
1.9. terms or expressions contained in this Agreement which are capitalised but which do not have an interpretation in Annex A shall be interpreted in accordance with the common interpretation within the relevant market sector/industry where appropriate. Otherwise, they shall be interpreted in accordance with the dictionary meaning;
1.10. reference to a clause is a reference to the whole of that clause unless stated otherwise; and
1.11. in the event of and only to the extent of any conflict between the clauses of this Agreement, the Annexes and any document referred to in or attached to this Agreement, the conflict or inconsistency shall be resolved in accordance with the following order of precedence:
    1.11.1. first priority, the clauses of this Agreement;
    1.11.2. second priority, Annex A of this Agreement;
    1.11.3. third priority, Annex C of this Agreement;
    1.11.4. fourth priority, Annex B of this Agreement;
    1.11.5. fifth priority, any other contract document expressly identified in this Agreement as forming part of it, provided that a purchase order, invoice, Client policy, supplier onboarding document, portal term or other administrative document shall not form part of this Agreement merely because it is referred to, attached, submitted, processed or used for administrative purposes.

Affiliate(s)	means, in relation to a body corporate, any subsidiary undertaking or holding company of such body corporate, and any subsidiary or subsidiary undertaking of any such holding company for the time being as defined in section 1159 of the Companies Act 2006;
Applicable Living Wage Rates	means the National Living Wage (the statutory minimum hourly rate set annually by the UK Government), the Real Living Wage (the voluntary hourly rate calculated and published annually by the Living Wage Foundation based on the cost of living), and the London Living Wage (the higher Real Living Wage rate applicable within Greater London);

Authorised Representative	For Principle: Authorised Representative: [Insert Name] Address: [Insert Full Postal Address] Email: [Insert Email Address] For the Client: Authorised Representative: [Insert Name] Address: [Insert Full Postal Address] Email: [Insert Email Address]
Charges	means the prices payable by the Client to Principle for the provision of the Services, as set out in **Annex B** (Proposal), and as may be adjusted in accordance with the terms of this Agreement;
Commencement Date	means **[Insert Date]**, or such other date on which Principle first commences provision of the Services to the Client, as may be agreed between the Parties;
ELI	means Employee Liability Information;
Force Majeure Event	means any event or circumstance beyond the reasonable control of a Party that prevents or materially hinders the performance of its obligations under this Agreement (excluding payment obligations), and which could not have been prevented or mitigated by the exercise of reasonable diligence and Good Industry Practice. Such events may include, but are not limited to: Act of God (including fire, flood, storm, blizzard, lightning, or heavy ground snow), pandemics or epidemics, government-imposed restrictions or legal prohibitions, widespread supply chain disruptions, war, revolution, acts of terrorism, riot or civil commotion, general strikes, lock-outs, or other industrial action (excluding those solely affecting such Party's personnel);
Good Industry Practice	means the exercise of a degree of skill and care, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person or body operating services similar to, or the same as, the Services;
Initial Term	means a minimum term of **[insert (insert) months]** from the Commencement Date;

Insolvency Event	means: a) any meeting of creditors is held, or any arrangement or composition with creditors (including a voluntary arrangement under the Insolvency Act 1986) is proposed or entered into, other than for a bona fide solvent reconstruction or amalgamation; b) a supervisor, receiver, manager, administrator, administrative receiver or other encumbrancer takes possession of, or is appointed over, the whole or any substantial part of the party's assets, or any distress or enforcement action is taken and not discharged within 7 days; c) the party ceases or threatens to cease carrying on business, or becomes unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986; d) a notice of intention to appoint an administrator is filed at court, or an application for an administration order is issued; e) a petition is presented, or a meeting convened, to consider a resolution for administration, winding-up, bankruptcy or dissolution; f) the party enters into liquidation (compulsory or voluntary), other than for a solvent reconstruction or amalgamation; g) a provisional liquidator is appointed; and/or h) or any similar or equivalent event occurs in any other jurisdiction;
Insolvent	means a state in which an individual or business is unable to pay their debts as they fall due or where their liabilities exceed their assets, in accordance with the tests set out in Section 123 of the Insolvency Act 1986;
Intellectual Property Rights	means patents, trademarks, service marks, copyrights, design rights, rights to extract information from a database, rights to use software, know how, trade secrets and all rights of a similar nature which may subsist anywhere in the world, whether or not registered and including applications for registration of any of them;
Personal Data	has the meaning given to that term in the Data Protection Legislation;
Premises	means those parts of the Client's site(s) at which Principle provides the Services;
Services	means all services to be provided by Principle pursuant to this Agreement as further described at Annex B;
Term	means the period commencing on the Commencement Date and continuing until the date on which this Agreement expires or is terminated;
TUPE	means the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended by the Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014.

ANNEX B – Proposal

[To be inserted]

ANNEX C – Data Processing and Information Security

1. **Definitions and Interpretation**

Save as otherwise provided in this Annex, the terms used in this Annex shall have the meanings set forth in this Annex, including the definitions set out below:

"Data Protection Legislation"	means the UK General Data Protection Regulation (UK GDPR), the Data Protection Act 2018, the Data (Use and Access) Act 2025, the UK Privacy and Electronic Communications Regulations (PECR), and any applicable guidance issued by the Information Commission.
"Personal Data"	means any information relating to an identified or identifiable natural person processed under this Agreement.
"Personal Data Breach"	means any event that results, or may result, in an accidental, unauthorised, or unlawful access to, loss, destruction, disclosure, or alteration of Personal Data

"Controller," "Processor," "Data Subject," "Processing," "Sub-Processor" shall have the meanings given in the UK GDPR.

2. **Compliance with Data Protection Legislation**

Each Party shall comply with its respective obligations under applicable Data Protection Legislation, including the UK General Data Protection Regulation (UK GDPR), the Data Protection Act 2018, and the Data (Use and Access) Act 2025, in relation to any Personal Data processed under or in connection with this Agreement. This Annex is in addition to, and does not relieve, remove or replace, a Party's obligations or rights under Data Protection Legislation.

3. **Roles and Responsibilities**

Where one Party processes Personal Data on behalf of the other, it shall act as a Data Processor and shall only process such Personal Data on documented instructions from the Data Controller. Each Party shall ensure that any processing is lawful, fair, and transparent, and limited to what is necessary for the performance of this Agreement.

4. **Details of the Processing**

4.1. Subject Matter: Delivery and receipt of services under this Agreement.
4.2. Duration: For the term of the Agreement and any legally required retention period.
4.3. Nature and Purpose: Processing necessary for service delivery, contract management, compliance, and operational support.
4.4. Types of Personal Data: May include names, contact details, employment information, access credentials, incident records, and other operational data.
4.5. Categories of Data Subjects: Employees, contractors, service users, visitors, and other individuals whose data is processed in connection with the Agreement.

5. **Security Measures**

5.1. Each Party shall implement and maintain appropriate technical and organisational measures to protect Personal Data against unauthorised or unlawful processing, accidental loss, destruction, or damage. Such measures shall include, but not be limited to:
5.1.1. Access controls and authentication protocols;
5.1.2. Encryption and pseudonymisation;
5.1.3. Secure data storage and transmission;
5.1.4. Regular security assessments and patching;
5.1.5. Staff training on data protection and information security;
5.1.6. Incident response and business continuity procedures.

6. **Sub-Processing**

Neither Party shall appoint a Sub-Processor to process Personal Data on behalf of the other without prior written consent. Where consent is granted, the appointing Party shall ensure the Sub-Processor is bound by equivalent obligations under this clause.

7. **Data Breach Notification**

7.1. Each Party shall notify the other without undue delay, and in any event within 24 hours, upon becoming aware of a Personal Data Breach affecting data processed under this Agreement. The notification shall include:

7.1.1. A description of the breach;

7.1.2. The categories and number of affected Data Subjects;

7.1.3. Likely consequences; and

7.1.4. Measures taken or proposed to mitigate the breach.

8. **Data Subject Rights**

Each Party shall assist the other in responding to requests from Data Subjects exercising their rights under Data Protection Legislation, including rights of access, rectification, erasure, restriction, portability, and objection.

9. **Audits**

Each Party shall, subject to the requirements of commercial and client confidentiality, make available on request a copy of any third-party audit report demonstrating compliance with Data Protection Legislation. The Parties shall allow for and contribute to audits, including inspections, as agreed between the Parties.

10. **International Transfers**

10.1. Neither Party shall transfer Personal Data outside the UK without ensuring:

10.1.1. Adequate safeguards are in place (e.g. UK International Data Transfer Agreement or Standard Contractual Clauses);

10.1.2. A Transfer Impact Assessment has been completed; and

10.1.3. Prior written authorisation has been obtained from the other Party, where required.

11. **Termination and Data Return**

11.1. Upon termination or expiry of this Agreement, each Party shall, at the other's written request:

11.1.1. Return or securely delete all Personal Data processed on behalf of the other Party; and

11.1.2. Provide written confirmation of deletion, unless retention is required by law.