MORRISONS

Standard Terms & Conditions of Purchase
Applicable to Goods for resale & Goods and/or Services not for resale

1. INTERPRETATION

1.1 The following definitions and rules of interpretation apply in these Terms & Conditions:

Code means The Groceries Supply Code of Practice set out in The Groceries (Supply Chain Practices) Market Investigation Order 2009;

Contract means any contract between Morrisons and the Supplier for the supply of Goods and/or Services to Morrisons;

Control shall have the meaning set out in section 840 of the Income and Corporation Taxes Act 1988;

Deliverables: means all documents, products and other materials created or developed by the Supplier or its agents, sub-contractors and employees in relation to the Services in any form, including any computer programs, data, reports and specifications (including drafts);

Excess Goods means any Goods supplied in excess of the quantity of Goods specified in the Purchase Order;

Forecast means (where relevant) Morrisons' forecast of the Goods that it estimates it will purchase from the Supplier in a particular period;

Goods means all Groceries or other goods specified in any Contract;

Groceries has the meaning set out in the Code;

holding company and **subsidiary** shall have the meanings set out in section 1159 of the Companies Act 2006;

Intellectual Property Rights: means all patents, rights to inventions, utility models, copyright and related rights, trade marks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database right, topography rights, moral rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world;

Law means (in any Relevant Jurisdiction):

(a) any and all statutes or proclamations, by-laws, directives, regulations, statutory instruments or any delegated or subordinated legislation;

(b) any guidance, direction, determination, standards or approvals of a Regulatory Body (including any applicable British Standard); and

(c) any applicable and binding judgment of a relevant court of law;

Loss means any liability, loss (including loss of profit or production and any other direct or indirect consequential loss), damage, cost or expense (including legal and other professional fees and expenses);

Morrisons means Wm Morrison Supermarkets plc;

Morrisons' Group means Morrisons, any holding company of Morrisons and any subsidiary of Morrisons or of any such holding company;

Own Brand Goods means all Goods the labelling or packaging of which bears any Intellectual Property Rights of Morrisons (or any member of Morrisons Group) and all Goods which are sold over fresh food counters in Morrisons' stores or used to produce Goods which are sold over fresh food counters in Morrisons' stores;

Price means the total charge for the Goods and/or Services agreed in writing by Morrisons and the Supplier;

Product Safety Standards means the Food Safety Act 1990 (as amended), any other Law relating to product quality and/or product safety and any Supply Chain Policies and Procedures relating to product quality and/or product safety;

Proof of Delivery means a proof of delivery receipt bearing the Purchase Order number, the delivery appointment number and a delivery receipt number;

Purchase Order means Morrisons' written purchase order incorporating where relevant an official Morrisons' order number, item codes applicable to the relevant Goods and/or Services and the agreed date, time and point of delivery or performance applicable to the relevant Goods and/or Services;

REACH means EC regulation 1907/2006 (Registration, Evaluation, Authorisation and restriction of Chemicals);

Reasonable Notice has the meaning set out in the Code;

Regulatory Body means any government department or regulatory, statutory or other entity, committee or body which by law is entitled to regulate, investigate or influence the manufacture, supply, storage, distribution or sale of the Goods or performance of the Services in any Relevant Jurisdiction;

Relevant Employees means all individuals wholly or mainly engaged in connection with the provision of the Services;

Relevant Jurisdiction means the jurisdiction of manufacture, supply, storage, distribution or sale of the Goods or performance of the Services (or part thereof);

Services means the services specified in the Contract;

Specification means any design, description, attributes, materials and/or dimensions of the Goods and/or Services, and any procedures, policies, controls or activities relating to the manufacture, place of manufacture, origin of materials, production, presentation and supply or provision of the Goods and/or Services which are agreed in writing by Morrisons and the Supplier;

Supplier means the supplier of the Goods and/or Services named in the Contract;

Supplier's Group means (where the Supplier is a company) the Supplier, any holding company of the Supplier and any subsidiary of the Supplier or of any such holding company;

Supply Chain Policies and Procedures means any policy or procedure setting out Morrisons' practical requirements of the Supplier in respect of warehousing, packaging, delivery, return of returnable packaging or delivery materials, product safety, product quality, quality control, returns, invoicing, health and safety or other matters;

TUPE means the Transfer of Undertakings (Protection of Employment) Regulations 2006; and

VAT means value added tax and any similar replacement or additional tax.

1.2 Condition headings do not affect the interpretation of these Terms and Conditions.

1.3 A reference to a particular law is a reference to it as it is in force for the time being taking account of any amendment, extension, application or re-enactment and includes any subordinate legislation for the time being in force made under it.

1.4 A reference to one gender includes a reference to the other gender.

1.5 A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

1.6 **"written"** and **"in writing"** shall include fax, email and other forms of electronic communication.

1.7 **"document"** means a document whether in hard copy or electronic form.

2. CONTRACT

2.1 Each Contract between any member of Morrisons' Group and the Supplier for the supply of Goods and/or Services to Morrisons or any member of Morrisons' Group shall incorporate these Terms and Conditions.

2.2 Where acceptance has not previously been communicated to Morrisons, delivery of the Goods or performance of the Services by the Supplier shall constitute an acceptance of these Terms and Conditions.

2.3 These Terms and Conditions shall prevail over and supersede any terms and conditions of the Supplier, whether or not signed by an officer, employee or other representative of Morrisons at any time.

2.4 Where a Contract is for the supply of Groceries the Code shall apply to and be incorporated into the Contract. In the event of any conflict between the terms of a Contract and the terms of the Code, the terms of the Code shall prevail.

2.5 The Supplier agrees to comply with all Supply Chain Policies and Procedures notified to the Supplier from time to time and these requirements will form part of each Contract. Morrisons shall give the Supplier Reasonable Notice in writing of its Supply Chain Policies and Procedures and of any variation to them.

2.6 Morrisons may from time to time vary these Terms and Conditions by giving the Supplier Reasonable Notice in writing, and the delivery of Goods or performance of Services by the Supplier after the expiry of such notice will constitute its acceptance of the variation.

2.7 Without prejudice to condition 2.6, the Contract may not be varied unless agreed in writing by an authorised officer of Morrisons. Morrisons and the Supplier may agree that in specific circumstances the Contract may be varied with retroactive effect, subject always to the provisions of the Code.

3. FORECASTING

3.1 Where the parties have agreed that Morrisons will provide Forecasts, such Forecasts shall be given in writing or, if given orally, confirmed in writing.

3.2 Forecasts shall not constitute orders and shall be subject to variation by Morrisons.

3.3 Morrisons shall prepare each Forecast in good faith and with due care and otherwise in accordance with the Code.

3.4 Providing Morrisons complies with condition 3.3 the Supplier accepts that it shall not be entitled to be compensated for any Loss which it may sustain, suffer or incur as a result of any forecasting error attributable to Morrisons.

3.5 If the Supplier anticipates that it will be unable to meet the requirements of a Forecast:

3.5.1 the Supplier shall inform Morrisons in writing as soon as practicable; and

3.5.2 without limiting any other right or remedy that Morrisons may have, Morrisons may at its option agree alternative delivery dates for the relevant Goods, or obtain substitute Goods from a third party.

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4. DELIVERY / PERFORMANCE

4.1 The Goods shall be delivered, carriage paid, to such place and at such time as is specified in the Purchase Order or otherwise agreed in writing by Morrisons and the Supplier.

4.2 The Services shall be performed at such place and at such time as is specified in the Contract.

4.3 Time for delivery of Goods and performance of the Services is of the essence. If the Supplier fails to deliver the Goods or perform the Services at the time specified in the Contract then Morrisons may (without prejudice to any other rights it may have):

4.3.1 terminate the Contract in whole or in part, without liability to the Supplier;

4.3.2 refuse to accept any subsequent delivery of the Goods or performance of the Services which the Supplier attempts to make;

4.3.3 purchase substitute Goods and/or Services from elsewhere; and

4.3.4 charge to the Supplier any Loss which Morrisons may sustain, suffer or incur due to such failure on the part of the Supplier.

4.4 A delivery note bearing Morrisons' official Purchase Order number and delivery appointment number must accompany the Goods.

4.5 Following delivery and subject to checking of the Goods Morrisons may provide the Supplier with a Proof of Delivery. Alternatively Morrisons may require the Supplier to issue a Proof of Delivery for signature by Morrisons.

4.6 Morrisons will not accept any liability under a Contract for Goods if the Supplier fails to issue or obtain the Proof of Delivery in accordance with condition 4.5.

4.7 Where Morrisons agrees in writing to accept delivery of Goods by instalments, the Contract shall be construed as a single Contract in respect of each instalment. Nevertheless, if the Supplier fails to deliver any instalment, Morrisons may treat the whole Contract as repudiated.

4.8 Morrisons shall not be liable for payment for any Excess Goods unless delivery of the Excess Goods has been authorised by Morrisons in writing and the price payable for the Excess Goods has been agreed between the parties. Morrisons may at its option store, insure and/or return the Excess Goods to the Supplier at the Supplier's risk and expense.

4.9 Subject always to the Code, Morrisons may from time to time ask the Supplier to obtain certain goods, services or property from preferred third party suppliers.

5. ACCEPTANCE AND MORRISONS' REMEDIES

5.1 Morrisons shall not be deemed to have accepted the Goods until it has had a reasonable period to inspect them following delivery, even if it has issued or signed a Proof or Delivery. Morrisons shall also have the right to reject the Goods as though they had not been accepted for a reasonable period after any latent defect in the Goods has become apparent.

5.2 For the purposes of the Code any Goods which do not comply with any of the warranties contained in condition 11, which non-compliance arises or becomes apparent after delivery and results in the Goods becoming unfit for sale following delivery, shall constitute wastage due to the negligence or default of the Supplier for which Morrisons shall be entitled to a payment from the Supplier calculated on the basis set out in condition 5.3.5.

5.3 Without prejudice to any other right or remedy which Morrisons may have, if any Goods are not supplied in accordance with, or the Supplier fails to comply with, any of the terms of a Contract, Morrisons may, whether or not any part of the Goods have been accepted by Morrisons:

5.3.1 rescind the Contract; and/or

5.3.2 reject the Goods (in whole or in part) and return them to the Supplier at the risk and cost of the Supplier on the basis that a full refund for the Goods so returned (to the extent that they have been paid for by Morrisons) shall immediately be paid to Morrisons by the Supplier; and/or

5.3.3 give the Supplier the opportunity at the Supplier's expense either to remedy any defect in the Goods or to supply replacement Goods and carry out any other work necessary or required by Morrisons to ensure that the terms of the Contract are fulfilled; and/or

5.3.4 refuse to accept any further deliveries of the Goods but without any liability to the Supplier; and/or

5.3.5 claim any Loss sustained, suffered or incurred by Morrisons resulting from the Supplier's breach.

5.4 Morrisons shall notify the Supplier of any defective or damaged Goods and the Supplier shall instruct Morrisons with regard to the disposal, storage or return of such Goods as the case may be within 14 days of such notification, failing which all such matters shall be at Morrisons' discretion and all costs and expenses reasonably incurred by Morrisons shall be borne by the Supplier. Where, in the reasonable opinion of Morrisons, any such Goods pose a health and safety risk or hazard then Morrisons may, at its discretion, dispose of such Goods immediately and all costs and expenses reasonably incurred by Morrisons shall be borne by the Supplier.

5.5 The Goods must not contain any Substances of Very High Concern (SVHC) as stipulated in REACH. In accordance with REACH Morrisons will only accept Goods that are compliant with REACH, and it is the Supplier's responsibility to ensure compliance.

6. PRODUCT SAFETY, INSPECTION & TESTING

6.1 The Supplier must satisfy Morrisons that it takes all reasonable precautions and exercises all due diligence to comply with all Product Safety Standards.

6.2 The Supplier must maintain such product safety accreditations and standards as Morrisons may reasonably specify from time to time and shall on request promptly provide Morrisons with evidence of the same.

6.3 The Supplier shall promptly provide Morrisons on request with reasonable information and assistance in connection with any relevant Law relating to the Goods or their manufacture, supply, storage, distribution or sale in the United Kingdom and any other Relevant Jurisdiction and the actions necessary for Morrisons to comply with the same.

6.4 A copy of the Supplier's written product safety procedures must be supplied to Morrisons on request together with any amendments or updates introduced at any time by the Supplier.

6.5 Morrisons shall be entitled to inspect any premises involved in the manufacture or supply of the Goods during normal working hours on reasonable notice to the Supplier, save that the Supplier accepts that where such premises are involved in the manufacture or supply of Own Brand Goods Morrisons shall be entitled to inspect such premises at any time without giving notice to the Supplier.

6.6 If following any such inspection Morrisons is of the opinion that the premises do not conform with any relevant Product Safety Standard the Supplier shall:

6.6.1 at its own cost immediately take such action as is necessary or reasonably required by Morrisons to ensure conformity, and if the Supplier fails immediately to take such steps Morrisons may treat such failure as a repudiation of the Contract on the part of the Supplier; and

6.6.2 pay to Morrisons any costs and expenses incurred in carrying out such inspection.

6.7 The Supplier shall make available for inspection by Morrisons the results of any testing of the Goods carried out by the Supplier, including quality checks, process control checks, quality audits, quality control and pest control records and any records showing the validation and verification of prescribed processes.

6.8 The Supplier shall immediately notify Morrisons of any adverse results or findings of any product safety or other quality checks relating to the Goods, whether before or after delivery, and any other material information relating to product safety, quality or legality in relation to the Goods. Any such notification shall be made in accordance with condition 7.3.

6.9 If the Contract specifies that the Goods must pass a prescribed test before delivery the Supplier shall:

6.9.1 give Morrisons written notice of the date and the place at which the Goods will be ready for testing; and

6.9.2 at its own cost test the Goods on the appointed day at the appointed place in accordance with the requirements of Morrisons, permit a Morrisons' employee or representative to be present at the testing, and supply Morrisons with a certificate of the results of the test.

6.10 If such inspection or testing reveals that the Goods do not conform or are unlikely to conform with the Contract (including without limitation the Specification or any relevant Product Safety Standard) the Supplier shall:

6.10.1 immediately notify Morrisons in writing of that fact (such notice being addressed to the Morrisons Buyer who placed the Purchase Order and copied to Morrisons' Group Trading Director);

6.10.2 at its own cost immediately take such action as is necessary or reasonably required by Morrisons to ensure conformity, and if the Supplier fails immediately to take such steps Morrisons may treat such failure as a repudiation of the Contract on the part of the Supplier; and

6.10.3 pay to Morrisons any costs and expenses incurred in relation to such inspection or testing.

7. PRODUCT WITHDRAWAL / RECALL

7.1 The Supplier must adopt and implement a crisis management procedure acceptable to Morrisons and shall supply Morrisons with a copy of this procedure and written details of out of hours contacts with appropriate authority.

7.2 The Supplier shall immediately notify Morrisons of any product withdrawal or recall relating to the Goods.

7.3 A notification under condition 6.8 or condition 7.2 shall be made:

7.3.1 in the case of non-critical issues relating to Own Brand Goods by telephoning the Morrisons Technical Manager responsible for relevant Goods during normal working hours;

7.3.2 in the case of critical issues relating to Own Brand Goods by telephoning 0845 611 5338 immediately and then telephoning the Morrisons Technical Manager responsible for relevant Goods during normal working hours;

7.3.3 in the case of non-critical issues relating to any other Goods by telephoning the Morrisons Buyer who placed the Purchase Order during normal working hours;

7.3.4 in the case of critical issues relating to any other Goods by telephoning 0845 611 5338 immediately and then telephoning the Morrisons Buyer who placed the Purchase Order during normal working hours,

and in all cases specified above shall be confirmed in writing to the person specified above (copied to Morrisons' Group Trading Director) within 24 hours.

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7.4 Morrisons will provide the Supplier with a rate card setting out the basis on which the Supplier agrees that Morrisons shall be entitled to recover any Loss which it may sustain, suffer or incur associated with a product withdrawal or recall relating to the Goods (whether instigated by Morrisons or the Supplier). Morrisons shall give the Supplier Reasonable Notice in writing of such rate card and of any variation to it.

7.5 Risk in the Goods shall pass to the Supplier at the time the decision is made to withdraw or recall. Title shall pass to the Supplier on payment in cleared funds of Morrisons' Loss referred to in condition 7.4.

7.6 The Suppler shall remove all labels, marks, packaging and other materials incorporating any of Morrisons' Intellectual Property Rights from any withdrawn or recalled Own Brand Goods in accordance with condition 15.3.

8. CUSTOMER COMPLAINTS

8.1 This condition 8 sets out the basis of all payments which Morrisons may require from the Supplier for resolving customer complaints.

8.2 In the event of a customer complaint relating to the Goods Morrisons may require the Supplier to investigate the circumstances of the complaint and within a reasonable period report the findings of such investigation in writing to the customer and to Morrisons. If the Supplier fails to do so Morrisons may (subject to condition 8.5) charge the Supplier a per item administration fee in respect of each occasion that Morrisons (acting reasonably) issues a follow up request for the report.

8.3 In the event of a customer complaint relating to the Goods which **can** be finally resolved by Morrisons refunding the retail price or replacing the Goods, Morrisons may charge the Supplier an amount not exceeding the retail price of the Goods for resolving the customer complaint, provided that Morrisons is satisfied on reasonable grounds that the complaint is justifiable and attributable to negligence or default or breach on the part of the Supplier.

8.4 In the event of a customer complaint relating to the Goods which **cannot** be finally resolved by Morrisons refunding the retail price or replacing the Goods, the Supplier shall either (at Morrisons' election):

8.4.1 indemnify Morrisons for any Loss which it may sustain, suffer or incur arising from the complaint, provided that Morrisons has verified and produced evidence to the Supplier to demonstrate that the complaint is justifiable and attributable to negligence or default on the part of the Supplier together with a full report about the complaint and the attribution of negligence or default; or

8.4.2 (subject to condition 8.5) pay to Morrisons an amount representing the average cost to Morrisons of resolving customer complaints.

8.5 Morrisons will give the Supplier Reasonable Notice of the amount of the administration fee referred to in condition 8.2 and the average amount referred to in condition 8.4.2. Morrisons may from time to time revise these amounts in order to properly reflect the average cost to Morrisons of resolving customer complaints, and will give the Supplier Reasonable Notice of any such revision.

9. PRICE AND PAYMENT

9.1 The price for the Goods and/or Services shall be the Price. Any variation to the Price must be agreed by Morrisons and the Supplier in writing. Any applicable value added tax shall be payable by Morrisons only following receipt by Morrisons of a valid VAT invoice.

9.2 The Price and any applicable VAT shall, unless otherwise agreed in writing by Morrisons and the Supplier, be payable by the end of the calendar month following the calendar month in which Morrisons receives the invoice. The Supplier accepts that this is a reasonable period for payment.

9.3 The date of payment of the Price shall be the date on which Morrisons processes payment. Morrisons shall not be held responsible for any delays in respect of the period between the processing of such payment and receipt of such payment in cleared funds by the Supplier.

9.4 Where the Supplier has agreed to enter into self-billing arrangements with Morrisons, Morrisons will raise an invoice for Goods and Services supplied by the Supplier to Morrisons and will send such a copy of such invoice to the Supplier at the same time as payment is processed.

9.5 Where the Supplier has not agreed to enter into self-billing arrangements with Morrisons, invoices must be raised by the Supplier and sent via electronic data interchange or such other electronic invoicing system as Morrisons may from time to time specify by giving Reasonable Notice in writing to the Supplier, or otherwise by post F.A.O. Accounts Payable Department, Wm Morrison Supermarkets plc, Hilmore House, Gain Lane, Bradford, West Yorkshire, BD3 7DL (and not to the address to which the Goods were delivered or at which the Services were performed).

9.6 Invoices shall not be issued before delivery of the Goods or performance of the Services to which they relate has been completed. All invoices must clearly show the Morrisons official Purchase Order number, the delivery receipt number shown on the Proof of Delivery, the item codes applicable to the relevant Goods and/or Services, the quantity of Goods supplied, the applicable Price and such other information as Morrisons may from time to time specify by giving Reasonable Notice in writing to the Supplier.

9.7 Morrisons shall not be held responsible for any delays in payment if the Supplier fails to comply with conditions 9.5 and 9.6.

9.8 The Supplier shall obtain Morrisons' prior written approval before incurring any expense for the cost of travelling, accommodation, subsistence and any other ancillary expenses. Any element of any invoices which covers payment for reimbursement of expenses shall be payable only if approved in advance in writing by Morrisons and accompanied by relevant receipts.

9.9 No payment of or on account of the Price shall constitute any admission by Morrisons as to the performance by the Supplier of its obligations under the Contract.

9.10 Subject always to the Code, Morrisons may from time to time ask the Supplier to contribute towards Morrisons' costs of visiting the Supplier's premises, hospitality, artwork or packaging design, consumer or market research, or store opening or refurbishment.

9.11 The Supplier agrees that (and shall procure that each member of the Supplier's Group shall agree that) Morrisons may, in its absolute discretion, apply by way of set-off an amount equal to any monies or other liability owing from time to time by the Supplier or any member of the Supplier's Group to Morrisons or any member of the Morrisons' Group against any monies or other liability owing by Morrisons or any member of the Morrisons' Group to the Supplier or any member of the Supplier's Group and where relevant the Supplier shall procure the agreement of the relevant member of the Supplier's Group to any such set-off. The Supplier shall not be entitled to set-off any monies due and payable to Morrisons against the unpaid Price of any Goods and/or Services.

10. OWNERSHIP OF THE GOODS

10.1 Title to the Goods shall pass to Morrisons on delivery to premises designated by Morrisons.

10.2 The Goods shall remain at the risk of the Supplier until delivery to premises designated by Morrisons is complete (including offloading and stacking), save where the Supplier retains physical possession of the Goods, in which case risk shall remain with the Supplier until delivery up of physical possession of the Goods to Morrisons or as Morrisons shall direct.

10.3 The Supplier shall not seek to exercise any lien over the Goods.

10.4 Title to rejected Goods which have been paid for by Morrisons shall revert to the Supplier only when Morrisons has recovered in full any part of the Price paid for the rejected Goods and any costs of storing and/or returning the Goods to the Supplier.

10.5 If Morrisons is the owner of the Goods the Supplier shall store the Goods at its premises in such a way as to keep them clearly identified as being the property of Morrisons and shall take such care of them (including effecting proper insurance) as a careful businessman would take care of his own property and without prejudice to any other rights Morrisons may have, Morrisons may demand delivery to Morrisons of the Goods at any time and the Supplier shall immediately at the cost of the Supplier comply with such demand. If the Supplier fails immediately to deliver the Goods so demanded, Morrisons may enter on to the Supplier's premises during normal working hours for the purpose of taking possession of and removing the Goods, the costs of doing so being borne by the Supplier.

11. WARRANTIES AND INDEMNITY

11.1 The Supplier warrants to Morrisons that all Goods supplied:

11.1.1 are free from all defects and of the description, quality and quantity specified in the Contract (including without limitation in any Specification) and/or on the packaging or labelling of the Goods;

11.1.2 correspond to any sample;

11.1.3 shall comply in all respects with all relevant Product Safety Standards and all other relevant Law (including without limitation as specified in condition 5.5);

11.1.4 do not infringe the Intellectual Property Rights of any third party; and

11.1.5 are fit for the purpose for which they have been purchased by Morrisons (and are likely to be purchased by a Morrisons customer).

11.2 The Supplier warrants to Morrisons that it shall perform the Services (and deliver the Deliverables):

11.2.1 in accordance with the Contract (including without limitation in accordance any Specification and any service level agreement or key performance indicators agreed between the Supplier and Morrisons from time to time);

11.2.2 using reasonable skill and care;

11.2.3 in accordance with generally recognised commercial practices and standards in the industry for similar services; and

11.2.4 in accordance with all Relevant Law.

11.3 The Supplier further warrants to Morrisons that:

11.3.1 any documents that it supplies relating to the Goods and Services are valid and that the information contained in such documents is correct; and

11.3.2 where it supplies Goods for delivery in the United Kingdom from a territory outside of the United Kingdom, it shall obtain any necessary licences and consents for the exportation and transportation of the Goods from such territory and for the importation of such Goods into the United Kingdom.

11.4 The Supplier shall indemnify Morrisons against any and all Loss sustained, suffered or incurred by Morrisons as a result of or in connection with:

11.4.1 any breach by the Supplier of the warranties contained within this condition 11;

11.4.2 any claim made against Morrisons in respect of any Loss sustained, suffered or incurred by any third party to the extent that such Loss relates to or arises from (i) any infringement of the third party's Intellectual Property Rights relating to the use, possession, manufacture or supply of the Goods or

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performance of the Services (including the supply of the Deliverables) or (ii) the direct or indirect breach or negligent performance or failure or delay in performance of the Contract by the Supplier.

11.5 All conditions, warranties and undertakings on the part of the Supplier and all rights and remedies of Morrisons expressly or impliedly applicable by Law or otherwise shall apply to each Contract.

11.6 The Contract will incorporate, and Morrisons confirms reliance upon, all statements, warranties or representations made by or on behalf of the Supplier in respect of the Goods, save to the extent that any such statement, warranty or representation excludes or limits the scope of any warranty contained in this condition 11 or expressly or impliedly applicable by Law.

12. CONFIDENTIALITY AND INTELLECTUAL PROPERTY

12.1 The Supplier shall keep confidential any information obtained or received from Morrisons, shall not at any time disclose any such information to any third party or use such information without Morrisons' written consent, shall restrict disclosure of such information to such of its employees, agents or permitted sub-contractors as need to know the same in order to fulfil the Contract, and shall ensure that such employees, agents or permitted sub-contractors are subject to the same obligations of confidentiality as bind the Supplier.

12.2 All Intellectual Property Rights of Morrisons supplied by Morrisons to the Supplier or otherwise used by the Supplier in the manufacture and/or supply of the Goods or the performance of the Services shall at all times be and remain the exclusive property of Morrisons and shall not be used by the Supplier otherwise than as necessarily required for the purpose of manufacturing and/or supplying the Goods or performing the Services, or as otherwise specifically authorised by Morrisons in writing.

12.3 All Intellectual Property Rights arising in the course of or as a consequence of the manufacture and supply by the Supplier of Own Brand Goods for and on behalf of Morrisons shall belong to and vest in Morrisons. The Supplier assigns to Morrisons by way of future assignment all such Intellectual Property Rights immediately on their coming into existence.

12.4 All Intellectual Property Rights in the Deliverables and any other product of the Services shall belong to and vest in Morrisons. The Supplier assigns to Morrisons by way of future assignment all such Intellectual Property Rights immediately on their coming into existence.

12.5 To the extent that full legal title to the Intellectual Property Rights referred to in conditions 12.3 and 12.4 shall fail automatically to vest in Morrisons by virtue of the above provisions, the Supplier shall hold such rights on trust for Morrisons absolutely, and shall immediately at the request of Morrisons execute any document or do any thing required by Morrisons to vest in Morrisons (or as it shall direct) the full legal title to such Intellectual Property Rights and to enable it (or its nominee) to enjoy the benefit of such rights.

13. TERMINATION

13.1 Morrisons may cancel any Contract or any part of any Contract without liability to the Supplier by giving Reasonable Notice in writing to the Supplier at any time prior to delivery.

13.2 Morrisons may terminate any Contract without liability to the Supplier by giving notice to the Supplier at any time if the Supplier:

13.2.1 commits a material breach of the Contract or a series of persistent non-material breaches of the Contract; or

13.2.2 has a bankruptcy order made against him or makes an arrangement or composition with his creditors, or otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or (being a body corporate) convenes a meeting of creditors (whether formal or informal), or enters into liquidation (whether voluntary or compulsory), or has a receiver or manager, administrator or administrative receiver appointed of its undertaking or any part thereof, or documents are filed with the court for the appointment of an administrator of the Supplier or notice of intention to appoint an administrator is given by the Supplier or its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986) or a creditor, or a resolution is passed or a petition presented to any court for the winding-up of the Supplier or for the granting of an administration order in respect of the Supplier, or any other proceedings are commenced relating to the insolvency or possible insolvency of the Supplier or any analogous action or matter occurs in relation to the Supplier under the Law of any Relevant Jurisdiction; or

13.2.3 undergoes a change of Control; or

13.2.4 ceases or threatens to cease to carry on business.

13.3 The termination of the Contract, howsoever arising, shall be without prejudice to the rights and remedies of Morrisons accrued prior to termination. Terms and conditions which expressly or impliedly have effect after termination shall continue to be enforceable notwithstanding termination.

13.4 Following termination of a Contract for Services the Supplier shall provide all such assistance as is reasonably requested by Morrisons to transfer the supply of the Services to a replacement supplier.

14. EMPLOYEES

14.1 Should any of the Relevant Employees intimate (following the termination of a Contract for Services or otherwise) that they have transferred to Morrisons or any successor supplier of the Services (pursuant to TUPE or otherwise) then Morrisons or any successor supplier of the Services shall be entitled to terminate the employment of such person summarily and rely on the indemnities contained in condition 14.2.

14.2 The Supplier shall indemnify Morrisons and any successor supplier of the Services against any and all Loss which either of them may sustain, suffer or incur arising out of or in connection with:

14.2.1 all salaries, emoluments or other sums payable to the Relevant Employees in connection with or arising out of their contracts of employment or for services including but not limited to wages, bonuses, commissions and payments of PAYE and National Insurance contributions; and

14.2.2 any change or prospective change to the terms and conditions of the Relevant Employees to their detriment; and

14.2.3 any claim by any of the Relevant Employees whether in contract or in tort or under statute (including without limitation the Treaty of Rome, the Employment Rights Act 1996 or TUPE or for discrimination on the grounds of sex, race, disability, religion, belief, sexual orientation or age discrimination); and

14.2.4 any claim by any successor supplier of the Services for a breach of Regulation 11 of TUPE where such breach has been caused by the failure of the Supplier to provide information in a timely manner to Morrisons; and

14.2.5 the termination of the employment of any of the Relevant Employees.

15. PACKAGING

15.1 If any Law relating to packaging is altered in such a way as to impose additional costs on the Supplier, such costs shall be borne in full by the Supplier.

15.2 The Supplier shall ensure that all packaging material used is of adequate strength and suitability to protect the Goods at all stages of handling and distribution and that the packaging complies with all relevant Law.

15.3 The Supplier shall not supply to any third party any Own Brand Goods or other Goods, labels, marks, packaging or other materials incorporating any of Morrisons' Intellectual Property Rights. Where stock is surplus or has been rejected then at Morrisons direction the Supplier must either dispose of such Goods or re-label and/or re-package such Goods for sale to a third party approved by Morrisons, provided always that there is complete removal of all labels, marks, packaging and other materials incorporating any of Morrisons' Intellectual Property Rights. Such removal must take place only on a site authorised by Morrisons and without sub-contracting.

16. INSURANCE

The Supplier shall for so long as it is party to a Contract maintain in force at all times a product liability insurance policy in respect of injury or damage to persons or property arising out of the Supplier's supply of Goods and public liability and professional indemnity insurance policies in respect of the Supplier's performance of the Services, in each case with such indemnity limit as Morrisons may from time to time reasonably require, and Morrisons shall be entitled to inspect the terms of, and evidence of the existence of, each such policy at any time on Reasonable Notice.

17. ETHICAL TRADING

The Supplier undertakes to comply in all respects with Morrisons' Ethical Trading Code, which is available for inspection on Morrisons' website. Morrisons shall give the Supplier Reasonable Notice in writing of any variation to Morrisons' Ethical Trading Code.

18. GENERAL

18.1 The Supplier shall not assign or sub-contract all or any part of its rights or obligations under the Contract without the prior written consent of Morrisons. Any assignment or sub-contracting to which Morrisons has given consent shall not relieve the Supplier of any of its obligations under the Contract.

18.2 Morrisons may at any time freely assign or transfer all or any of its rights or obligations under the Contract to any member of Morrisons' Group.

18.3 If any provision of the Contract is held by any competent authority to be invalid or unenforceable in whole or in part, the validity of the other provisions of the Contract and the remainder of the provision in question shall not be affected thereby.

18.4 Any waiver by Morrisons of or any breach of, or any default under, any provision of the Contract by the Supplier will not be deemed a waiver of any subsequent breach or default and will in no way affect the other terms of the Contract.

18.5 Save as contemplated by condition 14 the parties to the Contract do not intend that any of its terms will be enforceable by virtue of the Contract (Rights of Third Parties) Act 1999 by any person not a party to it.

18.6 The Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by and construed in accordance with the law of England and Wales.

18.7 To the extent that the Contract relates to Groceries the dispute resolution scheme set out in The Groceries (Supply Chain Practices) Market Investigation Order 2009 shall apply in relation to any dispute or claim that arises out of, or in connection with, the Contract.

18.8 Subject to condition 18.7 the parties irrevocably agree that the courts of England and Wales shall have non-exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, the Contract or its subject matter or formation (including non-contractual disputes or claims).

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