IMAN SHARIF

# SME Cost Reduction Agreement

**THE SIMPLE PROMISE**

No fees are charged if no qualifying saving is delivered. If I deliver an agreed, genuine and usable cost reduction, the Success Fee below applies.

## Engagement Summary

| | |
|---|---|
| **Consultant** | **Iman Sharif**, independent commercial & operations consultant |
| **Client** | _____ |
| **Project / categories** | _____ |
| **What I will do** | ☐ Invoice / price audit ☐ Benchmarking ☐ Supplier sourcing ☐ Negotiation ☐ Credits / reconciliation |
| **Baseline** | _____ |
| **Success Fee** | _____ % of Verified Savings (No VAT charged — not VAT registered) |
| **Safety floor** | No Success Fee where total Verified Savings are below £500, unless changed here: £_____ |
| **Start / target date** | _____ / _____ |
| **Client contact** | _____ |

**Agreed requirements / exclusions:**

_____

_____

**WHAT COUNTS AS SUCCESS**

A saving must be evidenced, like-for-like and genuinely available to the Client. A theoretical estimate, unsuitable substitute or price that cannot actually be obtained does not count.

# How the success fee works

## 1. Qualifying savings

**1.1** A “Qualifying Saving” is a cost reduction that the Consultant identifies or negotiates and evidences in writing, which materially meets the agreed requirement and is genuinely available to the Client. It may include a reduced incumbent price, a like-for-like alternative supplier price, a rebate, credit note, refund or correction of an overcharge.

**1.2** A proposed saving is not Qualifying if it depends on materially different specification, volume, payment terms, service level or contractual commitment unless the Client expressly agrees that comparison in writing.

**1.3** No Success Fee is payable for a saving that the Client can evidence was already agreed, contractually committed or substantially implemented before this engagement.

## 2. Calculation

**2.1** Unless the Engagement Summary states another agreed method, recurring savings are measured over 12 months using: *(Baseline Unit Cost - New Qualifying Unit Cost) × agreed annual quantity*. If reliable 12-month volume is unavailable, the Parties may agree a reasonable annualised run-rate or forecast in writing.

**2.2** One-off credits, refunds and recovered overcharges are included at their actual value. VAT is excluded. Freight, rebates and other charges are treated consistently on both sides of the comparison.

**2.3** The Success Fee equals the percentage in the Engagement Summary multiplied by the resulting Verified Savings. The Consultant will provide the evidence and calculation before invoicing.

## 3. Acceptance and protection against circumvention

**3.1** The Client has five (5) Business Days after receiving a savings result to identify in writing any material reason it does not meet the agreed requirements. Silence does not force the Client to purchase from a supplier, but a saving that meets the agreed requirements may be treated as delivered for fee purposes.

**3.2** If the Client reasonably rejects an opportunity and does not use it, no Success Fee is then payable for that opportunity. If, within twelve (12) months, the Client later uses the same introduced supplier, negotiated price or materially the same benchmark to obtain the saving, the applicable Success Fee becomes payable at that point.

**3.3** The Client remains free to accept or reject any supplier, quote or recommendation. The Consultant has no authority to place orders, accept supplier terms or otherwise bind the Client unless specifically authorised in writing.

## 4. Invoices and disputes

**4.1** Invoices are payable within fourteen (14) calendar days. If an amount is genuinely disputed, the Client will promptly explain the disputed amount and basis in writing and will pay any undisputed amount by the due date.

**4.2** Overdue undisputed sums may attract statutory interest, compensation and recovery costs where available under the Late Payment of Commercial Debts (Interest) Act 1998.

# Working together

## 5. What the Client provides

**5.1** The Client will provide reasonably accurate invoices, spend data, specifications, volumes, current commercial terms and other information needed to perform the work, and will identify any existing supplier negotiations or known savings initiatives that could affect the baseline.

**5.2** The Client remains responsible for purchasing decisions, supplier due diligence, approvals, legal/tax advice and the performance of any supplier it appoints.

## 6. Confidentiality and benchmarking

**6.1** Each Party will keep the other Party's confidential commercial information secure and use it only for this engagement. Information may be disclosed where already public, lawfully known, required by law, or shared on a need-to-know confidential basis with professional advisers, insurers, personnel or approved service providers.

**6.2** The Consultant will not disclose one client's identifiable confidential prices or terms to another client. Cross-client benchmarking, where used, will be based on public, licensed, anonymised or appropriately aggregated information unless disclosure is expressly authorised.

## 7. Data protection

**7.1** Each Party acts as an independent controller for its ordinary business contact, invoicing and legal-compliance records. Where the Consultant processes personal data contained in Client records only on the Client's instructions, the Client is controller and the Consultant is processor.

**7.2** For processor activity, the Consultant will process personal data only to provide the Services and on documented instructions; ensure persons with access are bound by confidentiality; use appropriate technical and organisational security; assist reasonably with data-subject requests, breaches and compliance; and return or delete Client personal data after the engagement except where law, backups, invoicing, insurance or legal claims reasonably require limited retention.

**7.3** The Client gives general authorisation for reputable subprocessors reasonably needed to provide the Services, provided they are subject to appropriate data-protection obligations. The Consultant will disclose material subprocessors on request and remains responsible for its processor obligations. Personal-data breaches affecting Client Data will be notified without undue delay after discovery.

## 8. Intellectual property

**8.1** The Client retains ownership of Client Data and its pre-existing materials. The Consultant retains ownership of pre-existing and reusable methods, templates, software, scripts, tools, models, know-how and generic benchmarking approaches.

**8.2** After payment of any applicable Fee, the Client may use engagement-specific reports and deliverables internally on a perpetual, non-exclusive basis. Neither Party receives ownership of the other Party's pre-existing intellectual property.

## 9. Professional scope and conflicts

**9.1** The Services are commercial and operational consultancy, not legal, tax or accounting advice. The Consultant will disclose material actual conflicts identified during the engagement and will not accept supplier commission or referral income connected with the Client's procurement without prior written disclosure and approval.

# Practical legal terms

## 10. Liability

**10.1** The Consultant will perform the Services with reasonable skill and care. Recommendations, market prices and supplier quotations can change and no guarantee is given that a supplier will continue to offer a price or perform as expected after the relevant offer period.

**10.2** Neither Party is liable to the other for indirect or consequential loss, or for loss of profit, revenue, opportunity or anticipated savings, except to the extent such exclusion is not permitted by law.

**10.3** Subject to clause 10.4, the Consultant's total aggregate liability arising from this engagement is capped at the greater of £5,000 and the total Fees paid or payable under this Agreement.

**10.4** Nothing limits or excludes liability for death or personal injury caused by negligence, fraud or fraudulent misrepresentation, or any liability that cannot lawfully be limited or excluded.

## 11. Ending the engagement

**11.1** Either Party may end the engagement on seven (7) calendar days' written notice. Either Party may end it immediately for a material breach that is not remedied within fourteen (14) days after written notice, or on insolvency where lawful.

**11.2** Ending the engagement does not remove Fees already earned. Clause 3.2 continues for its stated twelve-month period, and confidentiality, data protection, intellectual property, payment and liability provisions survive where necessary to give them effect.

## 12. General

**12.1** This Agreement and the Engagement Summary record the entire agreement for this project. Changes must be agreed in writing, including by email. Neither Party may transfer the Agreement without the other's consent, not to be unreasonably withheld, except to a successor to substantially all of its relevant business.

**12.2** If a provision is invalid, the remaining provisions continue. A delay in enforcing a right is not a waiver. Neither Party is liable for delay caused by events outside its reasonable control, except payment obligations already due.

**12.3** This Agreement is governed by Scots law and the Parties submit to the exclusive jurisdiction of the Scottish courts. Electronic signatures and counterparts may be used.

> **B2B AGREEMENT**
>
> This short-form agreement is designed for business customers. If a project becomes materially higher-risk, data-heavy or technically complex, the Parties may agree additional project, security or data-processing terms in writing.

## Signatures

By signing, each Party confirms that it has authority to enter into this business-to-business agreement and accepts the terms above.

| CLIENT | | CONSULTANT | |
|---|---|---|---|
| Name: | _____ | Name: | **Iman Sharif** |
| Title: | _____ | Title: | **Independent Commercial Consultant** |
| Signature: | _____ | Signature: | _____ |
| Date: | _____ | Date: | _____ |