



Terms of Business: Recruitment Services – Permanent, Contract & Freelance

1. Definitions

Candidate: Any person introduced by Neon People to the Client for an Engagement, including any Neon People staff.

Client: Any individual or organisation (including subsidiaries and affiliates) to whom a Candidate is introduced.

Engagement: Employment or use of a Candidate in any capacity, whether permanent, contract, freelance, or otherwise.

Introduction: Any communication (written, verbal, online, or in person) that identifies a Candidate to the Client and leads to an Engagement.

Data Protection Legislation: Means all applicable laws and regulations, as amended or updated from time to time, in the United Kingdom relating to data protection, the processing of personal data and privacy, including without limitation, (a) the Data Protection Act 1998; (b) (with effect from 25 May 2018) the General Data Protection Regulation (EU) 2016/679; (c) the Privacy and Electronic Communications (EC Directive) Regulations 2003 (as may be amended by the proposed Regulation on Privacy and Electronic Communications); and (d) any legislation that replaces or converts into United Kingdom law the General Data Protection Regulation (EU) 2016/679, the proposed Regulation on Privacy and Electronic Communications or any other law relating to data protection, the processing of personal data and privacy resulting from the United Kingdom leaving the European Union

2. Fee Structure

- a) Permanent Placement: 20% of the Candidate's first-year base salary (excluding bonuses and benefits).
- b) Freelance Placement: 20% margin on the agreed daily/hourly rate (minimum £50/day or £6.50/hour).
- c) Fixed-Term Contracts:
 - Less than 6 months: 50% of permanent fee
 - 6–12 months: Pro-rata based on the contract length (e.g. 8/12ths of the fee)

3. Headhunt Search Services

Unless otherwise agreed in writing, all recruitment is delivered on a Headhunt Search basis. The fee is invoiced on the Candidate's start date.

4. Retained Search

Fee: 20% of annual salary, payable in 3 stages:

- a) Retainer – 1/3 upfront (non-refundable)
- b) Shortlist – 1/3 upon 2nd round interviews
- c) Placement – 1/3 upon Candidate start

Final invoice adjusted if the actual salary differs from the estimate.

5. Candidate Introductions & Responsibilities

- a) Clients are responsible for verifying references, right to work, qualifications, and suitability.
- b) Neon People accepts no liability for inaccuracies in Candidate information.
- c) Candidate details are confidential and must not be shared without prior written consent.

6. Client Obligations & Liability

The Client agrees;

- a) To notify Neon People immediately of any offer and acceptance of Engagement.
- b) To provide full details of the Engagement (e.g., salary, start date).
- c) To pay fees within: 14 days (contract placements), 30 days (permanent placements).
- d) Not re-engage or hire via a third-party within 12 months without full fee liability.
- e) If a freelance/contract Candidate is engaged in a permanent capacity within 12 months of the end of their assignment, a permanent placement fee will apply, minus any fees already paid for that Candidate in the previous 3 months.
- f) That Neon People shall not be liable for any indirect, consequential, or special losses, including loss of profits, arising out of or in connection with this agreement.
- g) That neither party shall be liable for any failure to perform due to events beyond their reasonable control.
- h) This Agreement shall be governed by and construed in accordance with the laws of England and Wales. Any disputes shall be subject to the exclusive jurisdiction of the English courts

7. Guarantee / Rebate Period

- a) In the event of Neon Peoples' candidate leaving the Client during the first 30 days of their employment (including weekends), Neon People will refund 100% of the placement fee or offer a free replacement where appropriate.
- b) This guarantee is only effective if Neon People's fee has been paid within agreed payment terms and Neon People has been notified in writing of the termination of employment.
- c) The refund does not apply in the case of a person being made redundant or in the material, physical or mental disability of the candidate.

8. Data Protection & GDPR

- a) Both parties will comply with all applicable requirements of current Data Protection and GDPR Legislation.
- b) Any information that is shared on behalf of either a Contract Candidate or Permanent Candidate must be viewed as strictly confidential.
- c) Information must not be shared beyond the recipients without the authorisation in writing of Neon People.
- d) Information provided must not be shared with any 3rd party organisation unless authorised by Neon People.
- e) Neon People will not share any Client information that has been deemed confidential unless authorised by the Client.

9. Acceptance

The arrangement by Neon People of an interview with a Candidate introduced by Neon People, or any request by the Client to interview a Candidate whose details have been communicated verbally or in writing, shall be deemed to constitute the Client's unconditional acceptance of these Terms of Business.

10. VAT

Where a taxable supply is made to the Client for VAT purposes, VAT will be chargeable at the applicable rate in accordance with UK VAT legislation.

11. Risk Assessment

The Client confirms it has conducted an appropriate risk assessment of its premises and working conditions, and that there are no health, safety, or environmental concerns that need to be disclosed to Neon People in connection with the introduction or placement of Candidates.

12. Variation

These Terms may only be varied in writing and must be agreed and signed by a Director of Neon People to be valid.

13. Payment Terms

- a) Payment is due within 14 days of the invoice date for contract placements, and 30 days for permanent placements.
- b) Neon People pays contractors weekly and invoices the Client on a weekly basis.
- c) Neon People charges a 20% margin on freelance placements, with a minimum fee of £50 per day.
- d) Please ensure invoices are paid promptly — this is vital to us as a small business and ensures

smooth payment to our contractors.

e) Neon People reserves the right to charge interest on overdue invoices at 4% above the Bank of England base rate, from the due date until payment is received in full.

f) Neon People reserves the right to remove contractors from assignments if invoices are not paid on time.

g) If a Purchase Order is required, it must be raised **before** the booking of a contractor, and the PO number must be sent via email to: [accounts@neonpeople.co.uk]

14. IR35 Assessment & Liability

a) The Client is responsible for determining the IR35 status of each assignment.

b) An IR35 status assessment must be completed for each contract and candidate.

c) Neon People requires this assessment to be completed through an independently insured IR35 assessment tool at the start of each assignment.

d) In the event of a dispute regarding status, Neon People will share any information supplied by the contractor, but the Client remains responsible for further investigation or additional determinations.

e) Neither Neon People nor the Contractor shall be liable for any costs resulting from the IR35 assessment process.

f) Where a contractor is determined to fall *inside* IR35, Neon People will ensure that PAYE provisions are in place for the duration of the assignment.

g) As the fee payer, Neon People holds QDOS IR35 insurance and will provide all required documentation to support accurate status determinations.

15. Non-Mutuality of Obligations

The Client is under no obligation to offer further work to any freelance or contract Candidate, and the freelance or contract Candidate is under no obligation to accept additional assignments. Contractors are not required to make their services available outside the scope of any agreed assignment. Both parties acknowledge that no ongoing mutual obligation is created before or after an assignment.

16. Liability

Neon People shall not be liable for any loss, expense, damage, delay, cost, or compensation (whether direct or indirect, consequential, or special) arising from:

- The failure to introduce a candidate
- The conduct of a candidate

- The engagement or employment of a candidate

This clause does not exclude liability for death or personal injury resulting from **Neon People's** own negligence.

17. Governing Law and Jurisdiction

These Terms of Business are governed by the laws of England and Wales and are subject to the exclusive jurisdiction of the courts of England and Wales.

Agreement

Company Name: _____

Client Contact Name: _____

Signature: _____

Date: _____