

Red Key Concepts Limited (“Red Key”) Sub-Contract Terms And Conditions (“Sub-Contract Conditions”)

These Sub-Contract Conditions are to be read together with the relevant Sub-Contract Particulars.

1. Initial Works

(1) Until such time as the Principal Contract has been signed or executed, Red Key will only pay the Sub-Contractor in accordance with the terms of these Sub-Contract Conditions up to the maximum sum specified in the Sub-Contract Particulars (the “Maximum Amount”) for the initial works specified in the Sub-Contract Particulars (the “Initial Works”). Where there is no Maximum Amount specified and the Initial Works have not been identified, this clause 1 will not apply.

(2) Whilst clause 1(1) applies Red Key’s liability to the Sub-Contractor under this Sub-Contract shall in no event exceed the Maximum Amount and Red Key shall have no liability to the Sub-Contractor for any work other than the Initial Works whatsoever under this Sub-Contract on any other basis unless the Sub-Contractor has notified Red Key in advance that the value of the works carried out under this Sub-Contract by the end of the following week will exceed the Maximum Amount and Red Key has agreed in writing to increase the Maximum Amount.

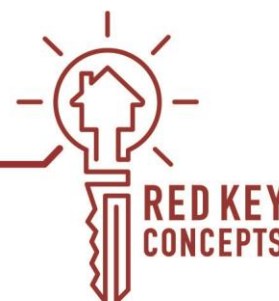
(3) In the event that the Principal Contract is not signed or executed and Red Key refuses to increase the amount of the Maximum Amount under clause 1(2), the Sub-Contractor’s employment under this Sub-Contract shall be terminated and clauses 25(2) and 25(4) shall apply. In the event that the Sub-Contractor’s employment is terminated under this clause, the Sub-Contractor shall within 14 days of such termination submit its final account which shall be deemed to be a final account submitted in accordance with clause 2(11). Clauses 2(12) and 2(13) shall then apply save that the period referred to in clause 2(12) shall be deemed to be one month and that part (i) of clause 2(13) shall be deemed deleted.

(4) In the event that the Principal Contract is signed or executed this clause 1 shall no longer apply and any payments made to the Sub-Contractor in accordance with this clause 1 shall be deemed to be payments on account of sums payable under these Sub-Contract Conditions.

2. Payment

(1)

(a) Where the Sub-Contract Particulars provide that payment under this Sub-Contract is to be on a fixed price lump sum basis, the Sub-Contractor shall be paid the fixed price lump



sum specified in the Sub-Contract Particulars (as adjusted in accordance with these Sub-Contract Conditions) for the duration of this Sub-Contract and performance of all its obligations hereunder. Where the Sub-Contract Particulars provide that payment under this Sub-Contract is to be on a remeasurement basis and the Sub-Contractor's tender has been provided on the basis of estimated quantities only, the Sub-Contractor shall be paid such sum on a remeasurement basis as becomes payable in accordance with this Sub-Contract (the "Contract Sum").

(b) Unless otherwise stipulated in the Sub-Contract particulars the Contract Sum includes without limitation sufficient provision for unloading materials and conveying them to the points of fixing, all site visits necessary and co-ordination with other trades necessary to complete the Works, and such temporary works as are necessary to enable the Works to continue unabated during adverse weather.

(2) This Sub-Contract is subject to the retention amount specified in the Sub-Contract Particulars (the "Retention Amount"). Subject to clause 2(3), half of the Retention Amount will be released (subject to Red Key's rights of set-off) on the later of practical completion of the Works and practical completion under the Principal Contract, the balance once a Certificate of Completion of Making Good Defects or its equivalent has been issued under and as defined in the Principal Contract and the Sub-Contractor has agreed its final account with Red Key. The Retention Amount shall be applied to the amount which Red Key notifies the Sub-Contractor it proposes to pay pursuant to clause 2(7) in respect of the Works (but excluding the amount of any set off notified by Red Key thereunder)

(3) The Retention Amount, when held, is not automatically released at the end of the stated retention period. The Sub-Contractor must present a final application for payment in respect of release of the Retention Amount, clearly identifying the Job Number and the amount claimed. Such invoice shall supplement the final account statement prepared pursuant to this clause 2. In the event that the Sub-Contractor is insolvent as defined in any of clauses 2(16), 2(17), 2(18) or 2(19), Red Key shall not be obliged to release the Retention Amount where the Principal Contract is executed as a deed, until 12 years after the date that Practical Completion is certified under the Principal Contract and where the Principal Contract is executed as a contract, until 6 years after the date that Practical Completion is certified under the Principal Contract.

(4) The Sub-Contractor shall submit applications for payment to Red Key a minimum of 5 days prior to the Valuation deadline date given prior to the Sub- Contractor starting works and in line with our Valuation dates. (Unless otherwise stated in the Sub-Contract particulars). It is the responsibility of the Sub-Contractor to ensure that they have obtained the submission deadline date from Red Key Concepts. **See 34. Sub-Contractor Payment Terms**

(a) where the Sub-Contractor is being paid on a fixed price lump sum basis, (i) where interim payments are based on a milestone schedule, the total of the prices for the elements of work separately identified in such milestone schedule properly executed and completed in accordance with this Sub-Contract or (ii) where interim payments are not based on a milestone schedule, the total value of work properly executed in accordance with this Sub-



Contract; or

(b) where the Sub-Contractor is being paid on a remeasurement basis, the total value of work properly executed in accordance with this Sub-Contract as ascertained and determined by Red Key by remeasurement in accordance with this Sub-Contract. When Red Key requires any part of the Works to be measured it shall give reasonable notice to the Sub-Contractor who shall attend to assist Red Key in making such measurement. Should the Sub-Contractor not attend then the measurement made by Red Key shall be taken to be the correct measurement of the work. Should the actual quantities carried out in respect of any item be greater or less than those stated in this Sub-Contract and if in the opinion of Red Key such increase or decrease shall so warrant Red Key shall after consultation with the Sub-Contractor determine an appropriate increase or decrease of any rates or prices rendered unreasonable or inapplicable in consequence thereof and shall notify the Sub-Contractor accordingly; and

(c) in addition to the amount payable under clause 2(4) (a) or (b), the amount of any additions to the Contract Sum ascertained under this Sub-Contract to the extent that such additions are in respect of work already executed by the Sub-Contractor in accordance with the Sub-Contract; up to and including the date of the application, less all amounts previously stated as due in any notification as to payment previously issued by Red Key under this clause.

(5) If the Sub-Contractor fails to submit an application for payment complying with clause 2(4) by the valuation deadline date as referred to in clause 2(4) then the Sub-Contractor shall not be entitled to submit an application until the following month.

(6) Any application for payment made by the Sub-Contractor shall be accompanied by:

(a) sufficient documentary evidence (including without limitation invoices) to enable Red Key to assess (i) that the work claimed for has been properly executed and completed where clause 2(4) (a) (i) applies or (ii) the total value of work properly executed where clause 2(4) (a) (ii) above applies or (iii) the total value of the work properly executed where clause 2(4) (b) applies;

(b) copies of variation orders signed by both Red Key and the Sub-Contractor where the Sub-Contractor claims additions to the Contract Sum pursuant to clause 2(4)

(c) in respect of any variations; and

(d) any other documents reasonably requested by Red Key

(7) Red Key shall notify the Sub-Contractor in writing no later than 7 days after payment becomes due of the amount Red Key considers to have been due at the payment due date in respect of the payment and the basis on which that sum is calculated.

(8) The due date for payment of an invoice submitted in accordance with this Sub-Contract shall be the end of the following month providing receipt by Red Key of the invoice for payment if received in line with the order particulars. Payment, net of any Main Contractor Discounts and the Retention Amount and subject to Red Key rights of set-off, shall be made by Red Key on or before the final date for payment.

(9) Not less than five days before the final date for payment Red Key may give the Sub-Contractor notice (a "Pay Less Notice") that it intends to pay less than the sum which would



otherwise be payable to the Sub-Contractor under this Sub-Contract.

(10) If VAT is applicable Red Key shall pay to the Sub-Contractor (at the same time as making any payment under clause 2(8)) the total amount of VAT properly chargeable by the Sub-Contractor on the supply to Red Key of any goods or services under this Sub-Contract

(11) The Sub-Contractor's final account shall be provided to Red Key within 30 days of the date that Practical Completion is certified under the Principal Contract or the completion of the Works whichever is the earlier. Red Key and the Sub-Contractor shall, after receipt of the Sub-Contractor's final account, take steps to agree the Sub-Contractor's final account and, following agreement, the Sub-Contractor shall sign a final account statement to acknowledge that the Sub-Contractor accepts the amounts included therein in full and final settlement of all monies due to him under or in connection with this Sub-Contract. Such final account statement shall set out the Contract Sum and any adjustments to it under this Sub-Contract less all amounts previously notified by Red Key as being due pursuant to clause 2(4).

(12) If on the date falling 12 months from submission of the Sub-Contractor's final account pursuant to clause 2(1 1) the Sub-Contractor shall not have signed the final account statement pursuant to clause 2(11), Red Key shall upon such date notify the Sub-Contractor in writing of the Contract Sum and any adjustments to it under this Sub-Contract.

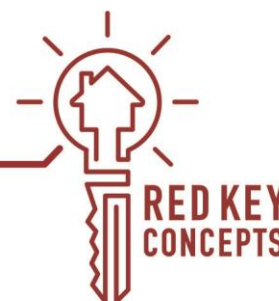
(13) The Sub-Contractor shall, within 30 days of the latter of (i) the issue of a Certificate of Completion of Making Good Defects or its equivalent has been issued under and as defined in the Principal Contract and (ii) the date of signature by him of the final account statement pursuant to clause 2(1 1) or notification by Red Key pursuant to clause 2(12) (as the case may be) submit an application for payment of the amount which has been agreed pursuant to clause 2(1 1) or the difference (if any) between the amount notified pursuant to clause 2(12) less all amounts previously notified as being due by Red Key pursuant to clause 2(4) (as the case may be).

(14) Where any amount due to the Sub-Contractor is not paid in full by the final date for payment of each application under clause 2(8) and no effective Pay Less Notice is given under clause 2(9) the Sub-Contractor shall be entitled (without prejudice to any other right or remedy) to suspend performance of its obligations under this Sub-Contract by giving not less than 14 working days' notice in writing to Red Key stating the ground or grounds on which it is intended to suspend performance. The right to suspend performance shall cease when Red Key makes payment in full of the amount due and certified.

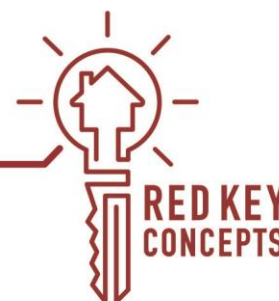
(15) Notwithstanding anything to the contrary elsewhere in this Sub-Contract, if the Employer is insolvent as defined in any of clauses 2(16), 2(17), 2(1 8) or 2(19), Red Key shall not be obliged to make any further payment to the Sub-Contractor of any amount which is due or may become due to the Sub-Contractor unless Red Key has received payment in respect thereof from the Employer and then only to the extent such receipt relates to the Works.

(16) For the purposes of clause 2(15) a company becomes insolvent:

(a) When it enters administration within the meaning of Schedule B 1 to the Insolvency Act 1986;



- (b) on the appointment of an administrative receiver or a receiver or manager of its property under Chapter 1 of Part III of that Act, or the appointment of a receiver under Chapter II of that Part of that Act;
- (c) On the passing of a resolution for voluntary winding-up without a declaration of solvency under section 89 of that Act, or
- (d) On the making of a winding-up order under Part IV or V of that Act.
- (17) For the purposes of clause 2(15) a partnership becomes insolvent:
 - (a) on the making of a winding-up order against it under any provision of the Insolvency Act 1986 as applied by an order under section 420 of that Act, or
 - (b) When sequestration is awarded on the estate of the partnership under section 12 of the Bankruptcy (Scotland) Act 1985 or the partnership grants a trust deed for its creditors.
- (18) For the purposes of clause 2(15) an individual becomes insolvent:
 - (a) On the making of a bankruptcy order against him under Part IX of the Insolvency Act 1986, or
 - (b) On the sequestration of his estate under the Bankruptcy (Scotland) Act 1985 or when he grants a trust deed for his creditors.
- (19) A company, partnership or individual shall also be treated as insolvent on the occurrence of any event corresponding to those specified in clauses 2(16), 2(17) or 2(18) under the law of Northern Ireland or of a country outside the United Kingdom.
- (20) The Sub-Contractor shall submit any application for payment in accordance with provisions of clause 29.
- (21) The Sub-Contractor shall supply to Red Key all materials, fixtures and fittings and other items which are to be used in the Works described in the Sub-Contract (“the Goods”).
- (22) Title in the Goods shall pass to Red Key on the earliest of:
 - (a) delivery of the Goods to the Site notwithstanding that sums are owed by Red Key in respect of either the Goods themselves or the Sub-Contract;
 - (b) Payment for the Goods by Red Key; and
 - (c) the point at which title in the Goods passes from Red Key to the Employer pursuant to the Principal Contract, Notwithstanding that they have not been fitted or incorporated into the Works or any other work carried out by, or on behalf of Red Key . If requested by Red Key, the Sub-Contractor shall provide an acknowledgement in the form required by the Principal Contract that title in the Goods has passed to Red Key.
- (23) The obligation of Red Key to make any payment under this Sub-Contract is subject to the provisions of the Construction Industry Scheme (“the CIS”) under the Income and Corporation Taxes Act 1988. It is hereby confirmed that Red Key is a “contractor” for the purposes of the CIS.
- (24) Subject to clause 2(9), any sum of money recoverable from or payable by the Sub-Contractor under or in connection with this Sub-Contract may be deducted from any sum then due or which may at any time thereafter become due to the Sub-Contractor under this Sub-Contract or under any other agreement between the Sub-Contractor and Red Key and any sum of money recoverable by Red Key from or payable to Red Key by the Sub-Contractor under or in connection with any other agreement may be deducted from any



sum then due or which at any time thereafter may become due to the Sub-Contractor under this Sub-Contract.

3. Professional Indemnity Insurance

Where responsible for design and without prejudice to the Sub-Contractor's obligations under this Sub-Contract the Sub-Contractor shall take out and maintain for a period from the date of commencement of the Works (or the works under the Principal Contract if earlier) to 12 years after the date that Practical Completion is certified under the Principal Contract professional indemnity insurance in an amount of not less than one million pounds or otherwise specified in the Sub-Contract Particulars in respect of any breach of contract, breach of statutory duty, negligence, omission or other default on the Sub-Contractor's part in respect of any of its obligations arising out of this Sub-Contract. The Sub-Contractor's insurers shall produce documentary evidence that such insurance is being maintained from time to time upon Red Key request. If the Sub-Contractor fails to take out and maintain such insurance (and for the purposes of this clause Red Key shall be entitled to assume the same where the Sub-Contractor has failed to produce the requisite documentary evidence of insurance) Red Key shall be entitled to take out insurance against the risk arising from the same and the premium paid and other costs resulting from the same shall be debts due from the Sub-Contractor to Red Key which may be deducted from any monies due or becoming due to the Sub-Contractor.

4. Third Party Rights, Collateral Warranties, Bonds and Guarantees

(1) Where this clause is stated in the Sub-Contract Particulars to apply, the rights in favour of any person named or otherwise sufficiently identifiable as such (whether by class or description) in or by the document described in the Sub-Contract Particulars shall vest in that person on the date of receipt by the Sub-Contractor of Red Key notice to that effect, stating the name of the person and the nature of his interest in the Project.

(2) Where this clause is stated in the Sub-Contract Particulars to apply, the Sub-Contractor shall execute and return to Red Key all of the required Collateral Warranties, Bond and/or Guarantees identified in the Sub-Contract Particulars in accordance with this Sub-Contract.

(3) The Sub-Contractor shall deliver to Red Key within 10 days of any request by Red Key to do so duly executed Sub-Contractor and Sub-Sub-Contractor warranties as required by the Sub-Contract Particulars.

(4) In the event of a breach of this clause Red Key shall, subject to clause 2(9), be entitled to withhold all payments otherwise due to the Sub-Contractor:

5. Site

(a) in respect of clause 4(2) until such documents are provided (save that in the case of any Bond, Red Key withholding entitlement shall be limited to a sum or sums equal to the value of such Bond); and



(b) in respect of clause 4(3) which relate to the part of parts of the Works in respect of which such Sub-Sub-Contractor warranties are required until they are provided.

This Sub-Contract is executed on the understanding that the Sub-Contractor has visited the Site to assess the conditions at and/or affecting the Site relating to the Works, including without limitation the full scope of works, ground conditions, suitability of any surfaces to which the Sub-Contractor is to fix, apply or lay its work, access and unloading of materials and is satisfied with the same. The Sub-Contractor shall not be entitled to any additional payments or any extension to the Completion Date for any conditions encountered at or affecting the Site which may increase the Sub-Contractor's costs or cause it delay.

6. Sub-Contractor's Undertaking

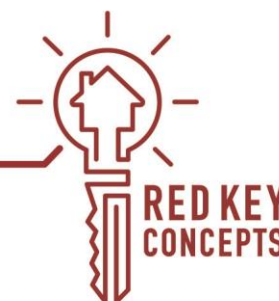
(1) The Sub-Contractor shall provide upon and subject to the terms of this Sub-Contract everything which is necessary for the execution and completion of the Works in accordance with all drawings, specifications and /or instructions supplied to him and this Sub-Contract and will deliver up the Works to Red Key complete in every particular to the satisfaction of Red Key and the contract administrator under the Principal Contract.

(2) The Sub-Contractor shall perform, observe and comply with all the provisions of the Principal Contract and of any Warranties provided by Red Key in favour of purchasers, tenants or funders of the project or other third parties in accordance with the terms of the Principal Contract which are to be observed, performed and complied with by Red Key in so far as they relate to the Works. In particular (but without limitation to the generality of the foregoing) the Sub-Contractor shall not specify for use nor use any materials the use of which is prohibited by the terms of the Principal Contract. The Sub-Contractor shall indemnify and hold harmless Red Key from and against any costs, losses or expenses (including legal fees) arising out of the Sub-Contractor's breach of this clause.

7. Progress and Completion

(1) The Sub-Contractor shall commence the Works on the start date specified in the Sub-Contract Particulars and shall complete them by the finish date specified in the Sub Contract Particulars subject to any extensions under this clause 9, ("the Completion Date"), in accordance with the programme specified in the Sub-Contract Particulars. Where sectional completion applies, this will be specified in the Sub-Contract Particulars and a schedule will be included that sets out each section of the Works and the start date and the finish date for each such section. The Sub-Contractor shall complete each section by the relevant finish date subject to any extensions under this clause 7 ("the Completion Date").

(2) The Sub-Contractor shall contact Red Key Site 14 days prior to each anticipated start on site date for the Works and each section thereof to confirm these dates. Red Key may instruct that the Works and/or any section(s) thereof are started on site on a later date, in which event the Sub-Contractor shall be entitled to claim an extension to the Completion Date for the Works and/or the relevant section(s) of the Works but shall not be entitled to claim any additional payment (whether pursuant to any term of this Sub-Contract or as



damages) in respect thereof.

(3) After commencing the Works and each section thereof in accordance with the above provisions, the Sub-Contractor shall proceed with the Works and each section thereof regularly and diligently and shall complete the Works and each section thereof on or before the Completion Date relevant thereto. The Works and each section thereof are to be carried out diligently and in such order, manner and time as Red Key reasonably direct.

(4) The Sub-Contractor shall notify Red Key in the event it becomes aware that progress of the Works is being or is likely to be delayed and/or that it may complete the Works or any section thereof after the Completion Date relevant thereto, together with details of the cause of the delay and the date upon which the Sub-Contractor considers it will complete the Works and/or the relevant section. Without limiting the Sub-Contractor's obligations hereunder and at no cost to Red Key, in such event Red Key may instruct the Sub-Contractor to accelerate its performance of the Works and/or any section(s) except where the Sub-Contractor has been delayed by one of the events set out in clause 7(5)(a) to (d) below.

(5) If the Sub-Contractor shall be delayed in the completion of the Works and/or any section thereof:

(a) by any circumstance or occurrence (other than a breach of this Sub-Contract by the Sub-Contractor) entitling Red Key an extension of time under the Principal Contract; or

(b) By the ordering of any variation to the Works as defined in clause 16(2); or

(c) By any breach or act of prevention on the part of Red Key; or

(d) By a valid suspension by the Sub-Contractor of performance of its obligations pursuant to clause 2(14) then in any such event the Sub-Contractor shall be entitled to a fair and reasonable extension to the Completion Date(s) for the Works and/or the section(s) of the Works affected by such delay provided that the Sub-Contractor has given written notice to Red Key of the circumstance or occurrence which is delaying him and details of the effects or likely effects of such delay with a best estimate of the continuing extent of such delay and its impact on completion of the Works and/or the relevant section within 14 days of such circumstance or occurrence first occurring (or in the case of a variation, within the period specified in clause 16).

(6) Red Key shall review any such notice and shall notify the Sub-Contractor of the extension to the relevant Completion Date(s) it awards to the Sub-Contractor within the later of (i) 12 weeks of the Sub-Contractor's notice, or (ii) where the subject matter of the Sub-Contractor's notice forms part of any claim for an extension of time made by Red Key pursuant to the Principal Contract, 2 weeks after the date upon which Red Key is notified of the new completion date under the Principal Contract.

(7) The obligation of Red Key to grant an extension to any Completion Date is also conditional upon the Sub-Contractor demonstrating to the reasonable satisfaction of Red Key that the relevant delay will or is likely to delay completion of the Works and/or any section(s) beyond the Completion Date relevant thereto, the Sub-Contractor having used its best endeavours to prevent delay to completion of the Works and each section thereof and shall continue to do all that may reasonably be required to Red Key's satisfaction to



proceed with the Works and each section thereof. The Sub-Contractor shall not be entitled to an extension of any Completion Date to the extent that the completion of the Works and/or any section thereof is delayed by the Sub-Contractor's negligence or breach of this Sub-Contract.

(8) If the Sub-Contractor is in breach of any of the foregoing provisions of this clause 7 then without prejudice to its other rights and remedies the Sub-Contractor shall without prejudice to and pending the final determination or agreement between the parties as to the amount of the loss or damage suffered or which may be suffered by Red Key in consequence thereof forthwith pay or allow to Red Key such sum (in which event Red Key shall be entitled to deduct such sum from the amount otherwise due pursuant to clauses 2(4), 2(9) or 2(13)) as Red Key shall bona fide estimate as the amount of such loss or damage such estimate to be binding and conclusive upon the Sub-Contractor until such final determination or agreement. Such estimate may include without limitation a sum in respect of Liquidated and Ascertained Damages paid or to be paid by Red Key under the Principal Contract where Red Key reasonably considers that the Sub-Contractor has caused or contributed to delay to completion of Red Key works under the Principal Contract.

(9) The Sub-Contractor acknowledges that Liquidated and Ascertained Damages are payable by Red Key to the Employer at the rate specified in the Sub-Contract Particulars for delay in completion of the works to be carried out by Red Key to the Principal Contract.

8. Use of Scaffolding

The Sub-Contractor shall at its own risk and at such time(s) and for such period(s) as Red Key may direct have free use of Red Key scaffolding, ladders and mechanical hoisting facilities (each deemed 'plant' for the purposes of this clause 8 and clause 13) which may be available on the Site or already in position and will make good at its own expense any damage, loss or injury suffered by Red Key or others as a result of such use. The Sub-Contractor will indemnify Red Key in respect of all damage, claim, loss or expense to or involving any plant (whether of the type aforesaid or otherwise) suffered or incurred by Red Key or claimed against Red Key by others which is hired or loaned or otherwise made available to the Sub-Contractor or is being operated by others for the Sub-Contractor's benefit.

9. Temporary Services, Workshops and Offices

(1) The Sub-Contractor shall, at its own risk have reasonable and free use, in common with others engaged upon the Site, of any water supply, temporary plumbing, temporary safety lighting, temporary electric power, hoisting facility and craneage available at the Site. Red Key shall have no liability (whether under this Sub-Contract, for breach of it, for breach of statutory duty or in tort (including without limitation negligence)) for any failure to provide any of the foregoing items and facilities at any time.

(2) The Sub-Contractor shall provide (subject to the approval of Red Key) at its own expense any requisite task lighting, temporary Site office, work shop, accommodation, lighting, power, fuel, etc. and any other utilities, supplies and facilities required for the performance



of the Works. Electric power supply for small tools and equipment used on the Site shall not exceed 110v AC single phase. Any such tools and electrical equipment must be in good mechanical condition and suitable for the electric power supply and fittings made available and fitted with suitable plug sockets and connectors to BS4343 (CEE 17) or any other standard that Red Key may direct.

10. Welfare Facilities

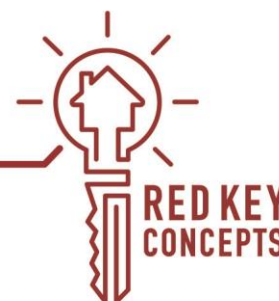
The Sub-Contractor shall, at its own risk have reasonable and free use, in common with others engaged upon the Site of the temporary welfare accommodation and/or services (including First Aid facilities and treatment) which Red Key or the Employer may provide on the Site in connection with the Works provided that such use shall be at the sole risk of the Sub-Contractor who shall indemnify Red Key and the Employer and/or their employees against any claim for loss, damage or personal injury arising there from.

11. Sub Surfaces

- (1) Without limiting clause 5, the Sub-Contractor shall obtain written authority from Red Key to any cutting, drilling, scabbling or the like to the Works or existing structures.
- (2) The Sub-Contractor shall satisfy itself before commencing work, as to the suitability of any surfaces to which the Sub-Contractor is to fix, apply or lay its work.

12. Responsibilities and Indemnities in respect of Injury, Damage or Loss

- (1) Unless otherwise notified by Red Key to the Sub-Contractor, the Sub-Contractor takes the risk of all loss and damage to any Goods (whether or not at the Site) which are to be used in the Works up until the issue of the certificate of Practical Completion (or its equivalent) under the Principal Contract and irrespective of whether title in the same has passed to Red Key or the Employer. The Sub-Contractor shall during this period maintain, fully protect and make good all damage at no additional cost to Red Key and to the satisfaction of Red Key and the contract administrator under the Principal Contract. Without prejudice to the Sub-Contractor's obligations under this Sub-Contract but save to the extent that insurance is to be taken out by Red Key and or the Employer pursuant to clause 13, the Sub-Contractor shall adequately insure against such risk and shall produce on demand policies of such insurances, together with receipts for premiums. Such insurance shall be for a minimum of £5,000,000 for each and every occurrence and shall be endorsed to indemnify the Employer and Red Key as principals or name the Employer and Red Key as co-insureds for their respective rights and interests. Notwithstanding any other provision of this Sub-Contract the Sub-Contractor takes the risk of all loss and damage to any temporary buildings, plant, tools, scaffolding and machinery provided by the Sub-Contractor and shall take out and maintain adequate insurance in respect of the same.
- (2) The Sub-Contractor shall indemnify and save harmless Red Key against each and every liability which Red Key may incur to any other person whatsoever and from all claims,



causes of action, costs, loss and expense whatsoever in respect of:

- (a) Personal injury or death of any person or injury or damage to any property real or personal arising out of or in the course of or caused by any works executed by the Sub-Contractor and/or the execution of such works (including but not restricted to the use of any plant, equipment or facilities whether in connection with such execution or otherwise) and/or design undertaken by the Sub-Contractor;
- (b) Any breach or non-performance or non-observance by the Sub-Contractor, its Sub-Sub-Contractors, or either of their servants or agents of the provisions of the Principal Contract in so far as they relate or apply to the Works;
- (c) Any act, omission, default, negligence or breach of duty of the Sub-Contractor, its Sub-Sub-Contractors, or either of their servants or agents of the provisions of this Sub-Contract except to the extent that the same have been caused by any act, default or omission of Red Key ; and
- (d) Any claim under any statute in force for the time being or at common law or otherwise by an employee of the Sub-Contractor in respect of personal injury arising out of or in the course of his employment.

13. Insurance by Others

(1) The Sub-Contractor shall not be responsible for, and (provided that the same is available at commercially reasonable rates) Red Key shall take out insurance or procure that insurance is taken out (which insurance will at Red Key option (i) note the Subcontractor's interest on the policy, (ii) contain a waiver of subrogation rights against the Sub-Contractor or (iii) be in the joint names of Red Key and the Sub-Contractor provided that, where the policy is to be taken out by the Employer, the Employer also notes the Sub-Contractor's interest on the policy, includes a waiver of subrogation rights against the Sub-Contractor or takes out a policy which jointly names the Sub-Contractor as relevant) for, loss or damage caused by fire, storm, tempest, lightning, flood, escape of water from any water tank, apparatus or pipe, earthquake, aircraft or anything dropped there from, aerial objects, riot and civil commotion, to the Works and any section thereof or to any materials (other than temporary buildings, plant, tools, scaffolding and machinery provided by the Sub-Contractor, or any plant which is loaned to him by Red Key property upon the Site and in connection with and for the purpose of this Sub-Contract) save to the extent (a) that the same are caused by any negligence or breach of contract by the Sub-Contractor, its Sub-Sub-Contractors or either of their agents and (b) provided in the final sentence of clause 12(1). In the event of any such loss or damage, the Sub-Contractor shall, if and when directed by Red Key in writing, proceed immediately with the rectification or replacement of the damaged work and materials and the erection and completion of the Works and each section thereof in full accordance with the terms, provisions and conditions hereof.

(2) Details of the insurances effected or procured by Red Key in respect of the risks referred to in this clause are available for inspection by appointment with Red Key.

(3) If specified as applicable in the Sub-Contract Particulars, a project-specific insurance



policy is in place, the provisions of which may provide additional benefits to the Sub-Contractor in the event of loss or damage to the Works or other risks. If applicable, details of any project-specific insurance policy will be provided.

14. Employers' Liability and Public Liability Insurances

(1) Without prejudice to the Sub-Contractor's obligations under this Sub-Contract, the Sub-Contractor shall adequately insure against all Employers' Liability and Public Liability risks arising out of or in connection with the execution of the Works and produce on demand policies of such insurances, together with receipts for premiums. Employers' Liability insurance shall be a minimum of £5,000,000 for each and every occurrence; Public Liability insurance shall be a minimum of £5,000,000 for each and every occurrence; and the Public Liability policy shall be endorsed to indemnify the Employer and Red Key as principals or name the Employer and Red Key as co-insureds for their respective rights and interests.

(2) In case of failure by the Sub-Contractor to effect the insurances in this or any other clause of this Sub-Contract, Red Key shall be at liberty to insure on behalf of the Sub-Contractor and the premium so paid and other costs thereof shall be debts due from the Sub-Contractor to Red Key and may be deducted from any monies due or becoming due to the Sub-Contractor.

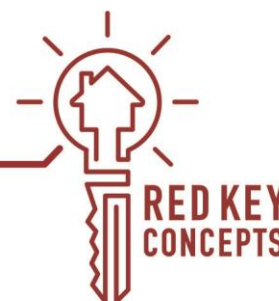
(3) The Sub-Contractor shall not at any time knowingly do (or omit to do) any act or thing which may entitle any insurer to refuse to pay a claim under the insurances referred to in this Sub-Contract which may render any such insurance void, voidable, suspended, impaired or defeated in whole or in part.

15. Overtime

No overtime is to be worked without the Sub-Contractor first obtaining the prior consent of Red Key. No payment for overtime working will be made unless Red Key Head Office has provided a formal written and signed instruction and the Sub-Contractor has incurred an additional cost as a result (which was not allowed for in the Sub-Contractor's quotation) in which case the Sub-Contractor shall be reimbursed the net additional non-productive pre agreed rate, or as current RICS rates if not pre agreed, extended by the fraction of an hour set out in the Working Rule Agreement for each whole hour actually worked, including any net additional cost of Employers' Liability and Third Party insurances. The Sub-Contractor will be required to obtain any necessary overtime permit from the appropriate authority.

16. Variations, Extra Works and Dayworks

IT IS A CONDITION OF THESE TERMS THAT ANY WORKS DEEMED OUTSIDE OF THE ORIGINAL ORDER ARE NOT TO PROCEED UNTIL THE SUBCONTRACTOR IS IN RECEIPT OF A SIGNED FORMAL INSTRUCTION ISSUED BY RED KEY CONCEPTS HEAD OFFICE. NO VERBAL, NO CONFIRMATION OF VERBAL INSTRUCTIONS OF SIGNED DAY SHEETS WILL QUALIFY AS AN INSTRUCTION.



- (1) The Sub-Contractor shall execute and complete the Works and each section thereof in strict accordance with this Sub-Contract and shall comply with and adhere strictly to any instructions issued to him by Red Key relating to the Works and/or each section thereof.
- (2) If any instruction issued under this Sub-Contract:
 - (a) Requires the Sub-Contractor to undertake work not provided for in, or to be reasonably inferred from, this Sub-Contract; or
 - (b) Imposes any additional obligation or restriction or shall require the omission of any work (including without limitation work included as a provisional sum) or any obligation or restriction; or
 - (c) Requires the Sub-Contractor to accelerate its performance of the Works where the Sub-Contractor has been delayed by one of the events set out in clauses 7(5)(a) to (d), and provided that such instruction has not arisen from and compliance with it does not reveal any negligence omission or default of the Sub-Contractor, its Sub-Sub-Contractors, its suppliers or any of their servants or agents, the Sub-Contractor shall be entitled to an adjustment of the Contract Sum and (save where the instruction is issued pursuant to clause 24) to an extension of the relevant Completion Date(s) in accordance with this clause 16.
- (3) Valuation of Instructions
 - (a) Where in the opinion of the Sub-Contractor, any instruction issued by Red Key requires an adjustment to the payments to be made pursuant to clause 2 the Sub Contractor shall not comply with such instruction (subject to clause 16(3) (e)), but shall first furnish Red Key on or before the expiry of three working days (or such other period as may be agreed between Red Key and the Sub-Contractor) from receipt of the instruction with estimates of:
 - (i) the value of the adjustment (providing Red Key and all necessary supporting calculations by reference to the Sub-Contract Sum or otherwise); and
 - (ii) the length of any extension of time to which the Sub-Contractor may be entitled under clause 7 together with the documentation required hereunder.
 - (b) Red Key and the Sub-Contractor shall then take reasonable steps to agree the Sub-Contractor's estimates and any agreement so reached shall be binding upon the Sub-Contractor and Red Key The Sub-Contractor shall immediately thereafter comply with the instruction and Red Key and grant an extension to the relevant Completion Date(s) under clause 7 of the agreed length (if any) and the agreed adjustment (if any) shall be made to the payments to be made pursuant to clause 2.
 - (c) If agreement cannot be reached on or before the expiry of seven working days from receipt by Red Key and the Subcontractor's estimates on all or any of the matters set out in them, then Red Key may instruct the Sub-Contractor to comply with the instruction in which case the provisions of clause 16(3) (e) shall apply as if Red Key had dispensed with the Sub-Contractor's obligations to provide estimates under clause 16(3) (a), or Red Key may withdraw the instruction.
 - (d) any instruction under clause 16(3)(c) the Sub-Contractor shall have no claim arising out of or in connection with such instruction or with any failure to reach agreement, unless otherwise agreed in writing by to submission by the Sub-Contractor of the estimates under clause 16(3)(a).



(e) Red Key may by notice to the Sub-Contractor, before or after the issue of any instruction, dispense with the Subcontractor's obligation to provide estimates under clause 16(3) (a) in which case Red Key shall award any extension to the Completion Date to which the Sub-Contractor is entitled pursuant to clause 7 and/or make a fair and reasonable adjustment to the payments to be made pursuant to clause 2 as may be appropriate.

(f) If the Sub-Contractor fails to comply with any one or more of the provisions of clause 16(3)(a) where Red Key has not or has not been deemed to have dispensed with compliance under clauses 16(3)(e) or 16(3)(c) respectively, but Red Key never the less instructs the Sub-Contractor to comply with such instruction, the Sub-Contractor shall not be entitled to any addition to the payments to be made pursuant to clause 2 nor to claim, whether as damages or otherwise, any additional payment in respect of compliance by the Sub-Contractor with any instructions issued by Red Key under this Sub-Contract.

(g) No work will be valued as daywork.

(h) Provided always that no allowance shall be made as part of any valuation under this clause for any effect upon the regular progress of the Works or of any part of them or for any other direct loss and/or expense for which the Sub-Contractor would be reimbursed under any other provision of this Sub-Contract.

(4) Red Key shall be entitled to omit any part of the Works and shall be entitled, either itself or by engaging another contractor, to perform the same and the Contract Sum shall be adjusted accordingly. The Sub-Contractor shall be entitled to receive any costs reasonably incurred in expectation of performing such omitted works, but shall not be entitled to any allowance for profit.

17. Annual Holidays

Under the Annual Holidays Agreement, the Site will be closed down for the period or periods whilst the Works are in progress. The Sub-Contractor will be deemed to have included in its tender for any additional costs due to phasing its work in progress to suit the requirements of this clause and for the cost of holiday pay in relation to clause 16(3)(g) above and shall not be entitled to any additional payment in respect thereof.

18. Loss and/or Expense

(1) If in the execution of this Sub-Contract the Sub-Contractor incurs or is likely to incur direct loss and/or expense for which the Sub-Contractor would not be reimbursed by a payment under any other provision in this Sub-Contract because the progress of the Works or any part of them has been or is likely to be materially affected by:

(a) The ordering of any variation to the Works as defined in clause 16(2); or

(b) Any suspension by the Sub-Contractor under clause 2(14) (b), provided the suspension was not frivolous or vexatious; or

(c) Any breach or act of prevention on the part of Red Key or

(d) Any other circumstances or occurrence (other than a breach of this Sub-Contract by the



Sub-Contractor) entitling Red Key to loss and/or expense under the Principal Contract then the Sub-Contractor may make written application to Red Key .

(2) If the Sub-Contractor makes an application as referred to in clause 18(1), then save where this Sub-Contract provides that there shall be no addition to the Contract Sum or otherwise excludes the operation of this clause, then the amount of the direct loss and/or expense which has been or is being incurred shall be ascertained by Red Key provided always that the Sub-Contractor shall:

(a) Make its application as soon as it has become, or should reasonably have become, apparent to the Sub-Contractor that the progress of the Works or any part of them has been or is likely to be affected;

(b) in support of its application submit to Red Key upon request such information and details as Red Key may reasonably require;

(c) in addition to clause 18(2) (a) and (b), provide Red Key with such notices, documents and other information as may be required in good time so as to enable Red Key to claim loss and/or expense in accordance with the terms of the Principal Contract; and provided always that no allowance shall be made as part of any ascertainment under this clause for any direct loss and/or expense for which the Sub-Contractor would be reimbursed under any other provision of this Sub-Contract.

(3) In the event the Sub-Contractor fails to comply with clause 18(2) then its entitlement to loss and/or expense under this clause shall be reduced by an amount equal to the amount which Red Key is unable to claim under the terms of the Principal Contract as a result of such failure by the Sub-Contractor.

(4) Any amounts ascertained by Red Key in accordance with clause 18(2) shall be included within the Sub-Contractor's final account as referred to in clause 2(11).

(5) In the event that Red Key's ability to claim any other remedy for losses suffered or incurred (including without limitation damages for breach of contract) under or in connection with the Principal Contract in respect of any matter is excluded or restricted, the Sub-Contractor's ability to claim against Red Key similarly excluded or restricted.

19. Compliance with Laws

(1) The Sub-Contractor shall comply with all directly applicable provisions of the EU Treaty and/or any EU regulations, all statutes, any instruments, rules or orders made under any statute, any bye laws or regulations of any local authority or of any statutory undertaker which has any jurisdiction with regard to the Works or with whose systems the same are or will be connected, any decisions of a relevant authority which controls the right to develop the site and any other laws (including without limitation EC laws) applicable to the Works and the carrying out thereof.

(2) Without prejudice to the generality of the above, the Sub-Contractor shall comply with all employment legislation (including without limitation, the Working Time Regulations 1998), anti-discrimination laws, immigration laws and PAYE Regulations in connection with engaging operatives and/or employees in the Works.



20. Information Provided by Others

Red Key shall not be liable to the Sub-Contractor in respect of or in relation to any disruption or delay caused to the Sub-Contractor arising from or in connection with the late receipt or non-receipt by the Sub-Contractor of any instructions, drawings, levels or other information unless the Sub-Contractor has made written application to Red Key such instruction, drawings, levels or other information at a date which is not unreasonably distant from nor unreasonably close to the date on which it is necessary for the Sub-Contractor to receive the same.

21. Information Provided For Others

(1) The Sub-Contractor shall submit to Red Key the drawings and documents in relation to those parts of the Works to be designed by the Sub-Contractor ("Designs") as described in the subcontract particulars on the dates stated therein or, if no date is stated, on a date which is not unreasonably distant from nor unreasonably close to the date which it is necessary for Red Key to receive the same to enable it to review and comment on the same and/or integrate such Designs into the design of any other part of the work under the Principal Contract without delaying or disrupting the work under the Principal Contract or the Works or any section thereof. The Sub-Contractor will comply strictly with any procedures set out in the subcontract particulars which allow Red Key and any other party specified therein to comment on such drawings and documents and it shall be a condition precedent to the Sub-Contractor's entitlement to payment for any work or goods in respect of any part of the Works to be designed by him that the same have been executed or supplied in accordance with drawings and documents which have been accepted by Red Key in accordance with such procedures.

Red Key encourages the specification and the use of responsibly sourced materials for all key building elements, this includes materials purchased and supplied by sub-contractors. Therefore by accepting this order you are entering into an agreement to provide Red Key with the relevant Environmental Documentation (ISO14001, EMAS, BES 6001:2008) and/or certification (FSC or PEFC certified timber) for all materials supplied or included under the contract and in relation to those parts of the works undertaken by the Sub-Contractor as described in the subcontract particulars on the dates stated therein or, if no date is stated, on a date which is not unreasonably distant from nor unreasonably close to the date which is necessary for use by Red Key. This documentation or certification will need to be supplied at the time of delivery to site or as a Total Area/Volume breakdown included in O+M documents. Failure to submit the relevant documentation as per Clause 2.(6)(c) and Clause 2.(7) then Clause 2.(5) shall apply.

(2) The Sub-Contractor shall be responsible for all errors, discrepancies and omissions in or between drawings and documents provided by him and the items specified in paragraphs (a) to (c) below and, notwithstanding anything to the contrary contained elsewhere in this Sub-Contract, the Sub-Contractor shall not be entitled to any addition to the Contract Sum or any extension of time in respect of the correction of such error discrepancy or omission



or in respect of any instruction issued by Red Key in relation to it. Without prejudice to any express or implied warranties or conditions, the Sub-Contractor warrants that those parts of the Works designed by him will comply with:

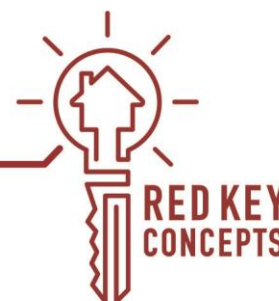
- (a) Any performance specification or requirement contained in the Sub-Contract;
 - (b) The Statutory Requirements (as defined in the Principal Contract or, if not defined, all statutes, any instruments, rules or orders made under any statute, any bye laws or regulations of any local authority or of any statutory undertaker which has any jurisdiction with regard to the Works or with whose systems the same are or will be connected, any decisions of a relevant authority which controls the right to develop the site and any other laws (including without limitation EC laws) applicable to the Works and the carrying out thereof; and
 - (c) any other requirement stipulated in the Principal Contract.
- (3) No comments or advice from Red Key or from the contract administrator under the Principal Contract in connection with any drawings or documents provided by the Sub-Contractor shall in anyway relieve the Sub-Contractor from its responsibility for the same.
- (4) Red Key shall be entitled under an irrevocable royalty free licence granted with full title guarantee to reproduce and use any drawing or documents provided by or on behalf of the Sub-Contractor for all purposes in relation to the Works and the project which is the subject of the Principal Contract and shall be entitled to grant a licence to the Employer and any other third party with an interest in the project to which the Works relate (including without limitation any purchaser, tenant or funder of the whole or part of such project) in respect of such purposes on similar terms. Such licence shall survive termination of this Sub-Contract on any basis.

22. Sub-Contractor's Quality Plan

The Sub-Contractor shall provide a detailed Quality Plan in a format agreed with Red Key which shall include without limitation: detailed programmes for design, shop drawings, off site fabrication and construction of the Works and each section thereof and preparation/issue of as-built drawings and operation and maintenance manuals; an environmental impact assessment; and an Information Release Schedule, together with: requests for information; progress reports against programmes; on and off site testing and inspection procedures, including commissioning and witnessing; snagging and offering works for completion; Quality Procedures, systems and audits and Financial Reporting.

23. Use of Site

The Site shall not be used for any purpose other than for the carrying out of the Works. Any of the Works to be executed outside the Site boundary shall be carried out to suit the convenience of adjacent occupiers and local authorities at times to be agreed by Red Key in writing. Red Key shall be entitled upon reasonable prior notice to visit any place outside the Site where the Works are being executed for the purpose of inspecting the same.



24. Adjustment of Provisional Sums

Instructions will be issued in respect of provisional sums. Notwithstanding any other provision of this Sub-Contract, no claims by the Sub-Contractor for extensions of time or for payment of head office overheads, interest, financing charges, loss of profit, preliminaries (whether site based or otherwise) or any indirect or consequential losses of whatsoever kind will be allowed in respect of such instructions or the provisional sums to which they relate, as the Sub-Contractor has made due allowance within the Contract Sum and the time for completion of the Works and each section thereof for these items.

25. Termination of Sub-Contractor's Employment

(1) Red Key may without prejudice to any other of its rights or remedies immediately terminate the Sub-Contractor's employment under this Sub-Contract in respect of the whole or any part of the Works if the Sub-Contractor:

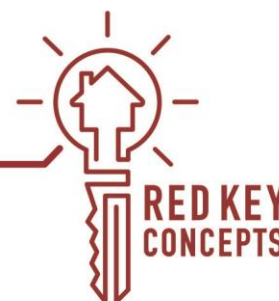
(a) unless exercising its right of suspension pursuant to clause 2(14), fails within 7 days' notice in writing from Red Key may proceed regularly and diligently with the Works and/or any section thereof to the reasonable satisfaction of Red Key and at all times in such a manner as will not, in the opinion of Red Key, prejudice the completion of the whole or any portion of the works under the Principal Contract in accordance therewith; or

(b) fails forthwith upon notice from Red Key to commence remedial work to any defective workmanship and/or materials or fails to proceed with the same with due diligence or to complete such remedial work to the satisfaction of Red Key or the contract administrator under the Principal Contract within a set period as Red Key may specify in the said notice or if none is so specified within reasonable time; or

(c) fails to complete and deliver up the Works and/or any section thereof by the Completion Date relevant thereto; or

(d) fails to withdraw immediately at the request of Red Key any one or more of its or its Sub-Sub-Contractors' employees to whom Red Key objects or whose involvement in the performance of the Works may contravene the conditions of this Sub-Contract or the Principal Contract or who may cause labour disputes in the Sub-Contractor's or any other trade, and to replace such employees immediately by others against whom there is no such objection; or

(e) has a distress or execution levied upon the Sub-Contractor's property or assets or if the Sub-Contractor shall make or offer to make any arrangement or composition of debts or schedule of arrangement approved in accordance with the Insolvency Act 1986 or has an administrator appointed or if a notice of intention to appoint an administrator is filed at court or commits an act of bankruptcy or has a petition to wind up its business (other than for the purpose of a bona fide reconstruction or amalgamation) passed or presented or a resolution to wind up the Sub-Contractor has been passed or if a provisional liquidator, receiver, administrative receiver or manager of the Sub-Contractor's undertaking property or assets or any part of them shall be appointed or if any analogous proceedings, resolutions, applications or arrangements are made or the Sub-Contractor is unable to pay



its debts as they fall due; or

(f) fails within 7 days' notice in writing from Red Key to comply with any of the obligations on the part of the Sub-Contractor contained in this Sub-Contract; or

(g) Breaches the terms of this Sub-Contract and the Employer determines the Principal Contract or Red Key employment thereunder as a result.

(2) Termination under clause 1(3) or under this clause shall be effected by notice in writing. Upon such termination, the Sub-Contractor shall not be entitled to compensation therefore and shall leave the Site without removing any of its equipment, materials or property on the Site, unless directed otherwise by Red Key (in which event the Sub-Contractor shall forthwith remove the same at its own cost).

(3) Notwithstanding anything contained in this Sub-Contract (but subject always to any adjudicator's award), the Sub-Contractor shall be entitled to no further payment until completion of the Works by Red Key or by others. Red Key shall, within 30 days of completion of the Works by Red Key or by others, notify in writing the Sub-Contractor that they have been completed. For the purposes of such completion Red Key shall have free use of the Sub-Contractor's equipment, materials and property on the Site without responsibility to the Sub-Contractor for fair wear and tear thereof and to any materials or fabricated work lying at the Sub-Contractor's offices or workshop which have been bought or fabricated for the purpose of this Sub-Contract.

(4) The Sub-Contractor shall within 14 days of being so notified, submit an application for payment for works executed by him up to the date of termination. Such application shall be treated in all respects as if it was a final account submitted by the Sub-Contractor pursuant to clause 2(1 1) and the procedures set out in clause 2 shall apply in respect of such an application.

(5) Red Key shall be entitled to recover from the Sub-Contractor all losses, expenses, costs and damages suffered or which may be suffered by Red Key by reason of such termination.

(6) Without prejudice to clauses 25(1), 25 (2) and 25(3), if the Principal Contract is determined for any reason whatsoever before the Sub-Contractor has fully performed its obligations under this Sub-Contract, then either:

(a) if the Employer so requires, Red Key rights and/or obligations under this Sub-Contract shall be transferred to the Employer and the Sub-Contractor agrees to execute any document necessary to effect such transfer, or

(b) Red Key may at any time thereafter by written notice to the Sub-Contractor forthwith terminate its employment under this Sub-Contract and thereupon the Sub-Contractor shall with all reasonable speed remove its personnel and plant (excluding equipment) from Site. Upon such a termination of the Sub-Contractor's employment and, except when the Sub-Contractor's breach has caused the determination of the Principal Contract, the Sub-Contractor shall be entitled to be paid for all work executed and all goods supplied by him up to the date of such determination. The Sub-Contractor shall, within 14 days of such termination, submit an application for payment for works executed by the Sub-Contractor up to the date of termination. Such application shall be treated in all respects as if it were a



final account submitted by the Sub-Contractor pursuant to clause 2(11), and the procedures set out in clause 2 shall apply in respect of such an application.

26. Governing Law & Jurisdiction

(1) This agreement 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.

(2) The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).

27. Industrial Relations, Security and Health and Safety Provisions

(1) Under National Work Rule 26 ("NWR 26") Red Key have an obligation to advise the signatory Trade Unions of the details of the Sub-Contract. There is a further duty on Red Key to provide the Trade Unions with the names of sub-contractors, their NJCBI registration number and their reference number with the Building and Civil Engineering Holiday Scheme Management (where appropriate). The Sub-Contractor shall provide this information at time of contract...

(2) Mechanical, electrical and other services sub-contractors shall operate and comply with conditions applicable under their appropriate Industrial Agreements and/or agreements of a domestic or company nature providing they are applicable in the locality of the Site. Details of such agreements must be forwarded to Red Key.

This Sub-Contract is subject to English Law and (subject to clause 28) the exclusive jurisdiction of the English Courts, subject to the right of either party to enforce a judgment obtained in the English Courts in any other jurisdiction.

(3) Work shall not be sublet by the Sub-Contractor without the prior written authority of Red Key; any such sub-letting shall not relieve the Sub-Contractor of any obligations and liabilities under this Sub-Contract.

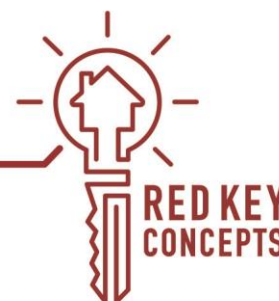
(4) The Sub-Contractor shall only provide operatives who are lawfully entitled to work in the United Kingdom.

(5) In order to comply with NWR 26 the names of all operatives of the Sub-Contractors shall be notified to Red Key at least 5 working days prior to their intended arrival on the Site. On first arriving on the Site, all employees of the Sub-Contractor will be required to sign in the site attendance register, produce identification to the Red Key Site representative and receive a site specific induction prior to commencing any works on site. Thereafter, on each occasion the operative enters or leaves the Site he will sign in and out of the site register

(6) All operatives will observe the Site hours including tea and lunch breaks which will be 15 minutes in the morning and the afternoon and 30 minutes at lunchtime. All such breaks will be arranged in conjunction with Red Key Site Management. The Site shall be closed for all Statutory Public Holidays in accordance with the Building and Civil Engineering Agreement. All Sub-Contractors shall be required to comply with these periods of closure.

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(7) Sub-Contractors will be advised of the terms of any Trade Union Agreement covering the Site. In the case of a Site where operatives are members of a Trade Union, guidance may be sought from Red Key as to which Trade Union activities must be permitted in accordance with the provisions of current legislation. When so requested the Sub-Contractor will operate a system of deduction of Trade Union dues from wages in accordance with the appropriate Working Rule Agreement. Meetings of Sub-Contractor's operatives shall not be held without Red Key's prior written permission, to whom full details of the subject matter shall be provided. Red Key's Site Management shall also be notified immediately of any election of stewards.

(8) Any industrial action, whether taken by the Sub-Contractor's operatives, staff or employees of suppliers, agents or others, which could affect the progress of the Works or Principal Contract must be immediately notified to Red Key Site Management verbally and confirmed in writing as soon as possible by the Sub-Contractor.

(9) Bonus paid to operatives on Site must be calculated in accordance with a measured production bonus scheme. Details of the relevant bonus scheme shall be submitted to Red Key for comment prior to introduction of the scheme on Site. Any wage or bonus queries are to be directly resolved between the Sub-Contractor and its employees.

(10) The Sub-Contractor must at all times comply with the Health and Safety at Work Act etc 1974 ("the Act") and all and any regulations or orders made or issued under the Act and any Approved Codes of Practice and published Guidance Documents issued by the Health and Safety Commission including without limitation the Construction (Design and Management) Regulations 2007 and any amendment or replacement thereof (the "Health and Safety Legislation"). The Sub-Contractor shall provide such evidence as Red Key may reasonably request to demonstrate his competence and the adequacy of his arrangements (including the allocation of sufficient time and other resources) to enable him to comply with the Construction (Design and Management) Regulations 2007. A copy of the Sub-Contractor's Policy Statement on Health and Safety shall be lodged with Red Key together with the name of the executive responsible for Health and Safety matters. An operative who refuses to comply with the requirements of the Health and Safety Legislation will be required to leave the Site. The provision of appropriate protective clothing and safety equipment as required under the Health and Safety Legislation is at all times the responsibility of the Sub-Contractor. All operatives and staff employed by the Sub-Contractor on the Site will be required to wear safety helmets in compliance with National Working Rule 23.

(11) In addition to the requirements of the Health and Safety Legislation, Red Key requires that the Sub-Contractor will provide Personal Protective Equipment including safety helmet, safety boots and hi visibility vest for all employees which will be worn at all times whilst working on, or visiting the Site, unless Red Key site management advise otherwise. In the event that any employee of the Sub-Contractor shall refuse to wear a safety helmet or PPE he will be required to leave the Site immediately.

(12) The Sub-Contractor shall comply with Red Key's requirements regarding the safe conduct of the Works on the Site or elsewhere including compliance with the construction phase health and safety plans, site rules and safety inductions.



(13) Any complaint or comment concerning Red Key Site facilities shall be communicated forthwith to Red Key, as shall any other matter which might have an adverse effect on Industrial Relations and Health and Safety on Site.

(14) The Sub-Contractor is to provide a full time supervisor on Site for the full duration of the Sub-Contractor's Works.

29. Notices

All instructions, applications, notices and comments to be made or given under this Sub-Contract shall unless otherwise agreed be in writing and given by actual, special or recorded delivery (except notices under clause 25, which shall without exception be given in writing and sent to Red Key /the Sub-Contractor's registered office by actual, special or recorded delivery). Where given by special or recorded delivery it shall, subject to proof to the contrary, be deemed received on the second business day after the date of posting. For the purposes of this clause and clause 30, a business day shall include any day that is not a Saturday, Sunday or Christmas Day, Good Friday or a day which under the Banking and Financial Dealings Act 1971 is a bank holiday in England and Wales or, as the case may be, in Scotland.

30. Periods of Time

Where under this Sub-Contract an act is required to be done within a specified period of days after or from a specified date, the period shall begin immediately after that date and shall include only business days (as defined in clause 29).

31. Third Party Rights

Save where clause 4(1) so provides, nothing in this Sub-Contract is intended to confer on any person any right to enforce any term of this Sub-Contract which that person would not have had but for the Contracts (Right of Third Parties) Act 1999.

32. Confidentiality

The Sub-Contractor shall ensure that all documents and information provided by Red Key to the Sub-Contractor or its sub-contractors during or in connection with the performance of this Sub-Contract (other than that already in the public domain) and including without limitation the terms of this Sub-Contract ("Information") shall be treated as confidential. Such Information shall not be used by the Sub-Contractor except for the purposes for which it was made available and such Information and its contents shall not be disclosed by the Sub-Contractor to any other person without prior written consent of the Employer



33. Interpretation

- 1) Subject to applicable law (including without limitation fraudulent misrepresentation), this Sub-Contract supersedes any previous arrangements between Red Key and the Sub-Contractor in respect of the Works (whether oral or written and including without limitation any letter of intent).
- (2) References to any legislation of section or provision thereof include any statutory modification or re-enactment of or statutory provision substituted for that legislation, section or provision.
- (3) Subject to the mandatory provisions of any statute, no rule of contract interpretation applies to the disadvantage of a party on the basis that such party put forward the Sub-Contract or any part thereof.
- (4) No consent, approval or certificate shall relieve the Sub-Contractor of its obligations hereunder.

34. Sub-Contractor Payment Terms

The Sub-Contractor shall submit invoices for payment to Red Key Concepts Limited's Financial Department for inclusion in the next valuation to be submitted to the Employer under the Principle Contract. Payment applications must be sent to our Accounts Department at accounts@redkeyconcepts.com **AND** our QS Department estimating@redkeyconcepts.com a minimum of 5 days prior to the Valuation deadline date provided once you have been instructed to carry out works. Any invoice submitted without a signed Certificate of Payment will not be considered

It remains the responsibility of the subcontractor to obtain the deadline date from RKC. Any late submission will result in a delay in payment.

Accounts Department

Red Key Concepts Ltd
Radio House
Harvey Drive
Whitstable
Kent
CT5 3QX

Telephone: 01227 649030

Once received, by this date, they can be approved in time for your remittance to be paid within Red Key Concepts 45 days from the Valuation date (as per above) payment terms.

Please could you ensure all invoice comply to the following;

MAIN CONTRACTORS & DEVELOPMENT

Radio House, Harvey Drive, Whitstable, Kent CT3 3QX 01227 649030 www.redkeyconcepts.com



- Clearly distinguished if it is an invoice or application– Small invoices must state 'INVOICE' with the relevant invoice number and purchase order reference
- Send all invoices and queries to accounts@redkeyconcepts.com. Otherwise, they will be processed in the next valuation, which will delay payment
- Always reference a job name
- Any variations or additions to an original order must be agreed in writing prior, and invoiced separately; otherwise they will not be accepted
- If CIS deductions need to be made, please deduct the CIS amount from labour as required; clearly mark this as 'CIS' and not 'tax'. Please also clearly state the proportion of materials and labour. This is to comply with HMRC Construction Industry Scheme Regulations, and we will not be liable for any CIS tax not paid

For any accounts related queries, or questions regarding the stated payment terms, please contact our Financial Controller on accounts@redkeyconcepts.com