

Archway Green Ltd – Standard Conditions of Sub-Contract Working

Applicable to all Sub-Contract Orders and Purchase Orders issued by Archway Green Ltd

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Application

These Conditions apply to all Sub-Contract Orders, Purchase Orders or instructions issued by Archway Green Ltd ("the Contractor") to any Sub-Contractor ("the Sub-Contractor") for the supply of labour, materials, plant, services or works ("the Sub-Contract Works"). Any such order shall be deemed to incorporate these Conditions in full. No variation of these Conditions shall be valid unless expressly agreed in writing and signed by a Director of the Contractor. Any terms proposed by the Sub-Contractor shall be of no effect unless so agreed.

1. General Obligations

1.1 The Sub-Contractor shall carry out, complete and maintain the Sub-Contract Works to the reasonable satisfaction of the Contractor and its Client, and in accordance with these Conditions and any written instructions issued by the Contractor.

1.2 The Sub-Contractor shall provide all labour, materials, plant, equipment, supervision, temporary works and everything necessary for the proper performance of the Sub-Contract Works unless otherwise agreed in writing. The Sub-Contractor shall be responsible for unloading, handling and hoisting of its materials and plant. Any assistance provided by the Contractor shall be without liability and shall be chargeable at current market rates.

1.3 The Sub-Contractor shall be deemed to have full knowledge of the Contractor's obligations under its main contract with its Client ("the Contract") and shall perform the Sub-Contract Works so as to enable the Contractor to meet those obligations. The Sub-Contractor shall comply with all applicable statutory and regulatory requirements and all relevant site rules and procedures.

1.4 The Sub-Contractor shall not sub-let any part of the Sub-Contract Works without the prior written consent of the Contractor. Any such consent shall not relieve the Sub-Contractor of its obligations or liabilities.

1.5 The Sub-Contractor shall be deemed to have inspected the site and satisfied itself as to all matters affecting its price, programme and performance.

1.6 Commencement of the Sub-Contract Works shall be deemed to confirm that the Sub-Contractor accepts the adequacy of the conditions to receive its works. The Sub-Contractor shall remain responsible for any loss or damage to its materials, plant or executed works until practical completion of the Sub-Contract Works has been certified.

1.7 The Sub-Contractor shall keep its working areas tidy and remove all rubbish, surplus materials and packaging daily to locations designated by the Contractor. If the Sub-Contractor fails to do so, the Contractor may arrange such clearance and recover all associated costs from the Sub-Contractor.

1.8 The Contractor may instruct the Sub-Contractor in writing to carry out variations or additional work. The value of such work shall be determined by reference to any applicable rates or, where none exist, on a fair and reasonable basis. Any adjustment shall be added to or deducted from the Sub-Contract price accordingly.

1.9 Where the Sub-Contract Works include design, the Sub-Contractor shall be responsible for all necessary design and carry the same level and type of design liability as that carried by the Contractor under the Contract. Unless otherwise stated, such liability shall extend for twelve years following practical completion of the Contract. The Sub-Contractor shall submit its design for comment, allowing a minimum two-week review period before fabrication or commencement on site. Any comments shall not constitute approval or relieve the Sub-Contractor of its design obligations.

2. Insurance

2.1 The Sub-Contractor shall, prior to commencing work and as a precondition to payment, maintain and provide evidence of:

- Employers' Liability Insurance.
- Public Liability Insurance to the limit required by the Contractor, on an "any one claim" basis.
- Professional Indemnity Insurance (where design forms part of the Sub-Contract Works) to the level required by the Contractor in writing, maintained for twelve years after practical completion.
- Any other insurance reasonably required by the Contractor.

2.2 The Sub-Contractor shall insure its own plant and equipment, whether owned, hired or borrowed. The existence of insurance arranged by the Contractor shall not limit the Sub-Contractor's liabilities.

3. Programme

3.1 The Sub-Contractor shall commence and complete the Sub-Contract Works in accordance with the dates stated on the relevant Purchase Order or as instructed by the Contractor.

3.2 The Sub-Contractor shall adhere to the Contractor's programme and sequence of works and shall promptly advise the Contractor if it becomes aware of any delay.

3.3 The Contractor may grant an extension of time where delay is caused directly by the Contractor or its agents. The Sub-Contractor shall otherwise use its best endeavours to meet the required completion date.

3.4 Any losses or expenses incurred by the Contractor as a result of delay or non-compliance by the Sub-Contractor shall be recoverable from the Sub-Contractor.

4. Maintenance

4.1 The Sub-Contractor shall maintain and make good defects in the Sub-Contract Works for the same period that the Contractor is obliged to do so under the Contract.

4.2 The Sub-Contractor shall promptly rectify any defects at its own cost. Should the Sub-Contractor fail to do so within forty-eight hours of notification, the Contractor may employ others and recover the cost from the Sub-Contractor.

5. Payment

5.1 The amount payable to the Sub-Contractor shall be determined in accordance with these Conditions, including authorised written variations. The Contractor may remeasure quantities and adjust the Sub-Contract price accordingly.

5.2 Unless otherwise agreed, valuations shall be prepared monthly up to the end of the preceding calendar month. The due date for payment shall be thirty days after the end of that month (30 days end of month). Within five days of the due date, the Contractor shall issue a payment notice stating the amount it proposes to pay and the basis of calculation. The final date for payment shall be ten days after the due date.

5.3 If the Contractor fails to issue a payment notice, the Sub-Contractor may serve a Default Payment Notice by recorded or special delivery post, addressed to the Contractor's Commercial Director. The final date for payment shall then be postponed by the number of days between the due date and the Contractor's receipt of the Default Payment Notice.

5.4 The Contractor shall retain the percentage stated on the Purchase Order or as notified in writing. Half of the retention shall be released on completion of the Main Contract Works and the balance twenty-four months after completion of the Sub-Contract Works, subject to all defects being made good and the final account agreed.

5.5 The Contractor may set off or deduct any loss, cost or expense arising from the Sub-Contractor's breach or failure to perform against sums otherwise due.

5.6 The Contractor may issue a pay-less notice not later than two days before the final date for payment, specifying a reduced sum and the basis of calculation.

5.7 If payment is not made by the final date for payment, interest shall accrue at three per cent per annum above the Bank of England base rate until payment is made.

5.8 In the event that the Contractor's Client or Employer becomes insolvent, payment to the Sub-Contractor shall only be due in respect of work for which the Contractor has received payment.

5.9 The Sub-Contractor's rates and prices are deemed to include all statutory payments, insurances, allowances and other employment-related costs.

5.10 All payments shall be subject to the Construction Industry Scheme (CIS) and shall include VAT where applicable.

5.11 The Sub-Contractor's rates are fixed for the duration of the Sub-Contract Works unless otherwise agreed in writing.

5.12 If the Sub-Contractor defaults in performance, fails to maintain progress, or otherwise breaches its obligations, the Contractor may employ others to complete all or part of the works and recover all associated costs, including administrative and legal expenses, from the Sub-Contractor.

6. Termination

6.1 The Contractor may terminate the Sub-Contract at any time for convenience and without compensation other than for the value of work properly executed to the date of termination, less any additional costs incurred by the Contractor. The Contractor may also terminate immediately if the Sub-Contractor becomes insolvent, fails to proceed regularly and diligently, or breaches any obligation under these Conditions.

6.2 The Sub-Contractor may terminate its engagement by giving twenty-eight days' written notice if the Contractor commits a material breach of these Conditions and fails to remedy that breach within twenty-eight days of written notice.

7. Indemnity

The Sub-Contractor shall indemnify and hold harmless the Contractor from and against all losses, claims, costs, damages and liabilities arising from:

- Injury or death of any person employed by the Sub-Contractor or its agents.
- Loss of or damage to any property.
- Any act, omission or negligence of the Sub-Contractor or its employees in connection with the Sub-Contract Works.
- Any infringement of intellectual property rights arising out of the Sub-Contractor's work, goods or designs.

8. Disputes

Any dispute arising under these Conditions shall be referred to adjudication in accordance with the Scheme for Construction Contracts (England and Wales) Regulations 1998. The Adjudicator shall be nominated by an adjudicator-nominating body selected by the Contractor. The Adjudicator's decision shall be binding until the dispute is finally determined by the High Court of England and Wales.

9. Third Party Rights

Nothing in these Conditions shall confer any rights upon any third party under the Contracts (Rights of Third Parties) Act 1999.

10. Health, Safety and Welfare

10.1 The Sub-Contractor shall comply with all relevant health and safety legislation and with the Contractor's policies and site rules.

10.2 The Sub-Contractor shall provide a competent on-site supervisor whose details shall be provided to the Contractor and who shall not be replaced without the Contractor's written consent.

10.3 All personnel shall wear appropriate personal protective equipment, including as a minimum safety helmets, high-visibility clothing and suitable footwear. Where reasonably practicable, the Sub-Contractor shall ensure that all personnel wear Archway Green-issued or Archway Green-approved PPE.

10.4 If the Sub-Contractor employs more than five persons, it shall provide a copy of its written health and safety policy to the Contractor upon request.

11. Definitions

- "Contractor" means Archway Green Ltd.
- "Sub-Contractor" means the party engaged by the Contractor to carry out the Sub-Contract Works.
- "Sub-Contract Works" means the works, labour, materials or services described in any Purchase Order, Sub-Contract Order or written instruction issued by the Contractor.
- "Purchase Order" includes any written order, email or instruction to commence work issued by the Contractor.
- "Contract" means any main contract, agreement or order under which the Contractor is engaged to perform works or services of which the Sub-Contract Works form part.

12. Entire Agreement

These Conditions constitute the entire agreement between the parties in relation to the Sub-Contract Works and supersede any previous correspondence or discussions. Any waiver of these Conditions shall only be effective if made in writing by a Director of the Contractor.