



11th August 2021

Rochdale Boroughwide Housing Limited
and

RBH (Design and Build) Limited

Intragroup Agreement

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Intragroup Agreement

11th August 2021 Parties

- (1) **Rochdale Boroughwide Housing Limited** a charitable community benefit society registered with the Financial Conduct Authority with the number IP31452R, whose registered office is at Unique Enterprise Centre, Belfield Road, Rochdale, OL16 2UP (the **Parent**).
- (2) **RBH (Design and Build) Limited** (registration no. 7891824) whose registered office is at Unique Enterprise Centre, Belfield Road, Rochdale, OL16 2UP (**RBH (DB)**)

Introduction

- (A) Each of the Subsidiaries (as defined below) are wholly owned by the Parent.
- (B) The parties have agreed to express their common objectives and disciplines, together with their respective rights and obligations to each other, on the terms set out in this Agreement.

Agreed terms

1 Interpretation

In this Agreement where the context so admits:

1.1 the following words and phrases shall bear the following meanings:

Budget means each Subsidiary's budget for the current year set in accordance with clause 6;

Business Plan means each Subsidiary's current business and financial plan set in accordance with clause 6;

Competent Authority means any body with a statutory regulatory authority over any party;

Group means the Parent and the Subsidiaries;

Group Chief Executive means the most senior executive officer of the Parent appointed in accordance with clause 8.3;

Group Policies means a policy or policies adopted by the Parent following consultation with the Subsidiaries and publicised in accordance with clause 5;

Parent Board means the board of management of the Parent;

Service Agreement means an agreement in the form set out in the Second Schedule or in such other form as the Parent may reasonably require;

Services means any services to be provided by one party to another pursuant to this Agreement and any Service Agreement;

Subsidiary means RBH (DB)

Subsidiary Board means the board of management of the Subsidiary

- 1.2 Words denoting the singular shall include the plural and vice versa, words denoting the masculine gender shall include the feminine gender and vice versa and words denoting persons shall include corporations.
- 1.3 Reference to any statutory provisions or instruments shall be deemed to include reference to any such provisions or instruments as from time to time amended, varied, replaced, extended or re-enacted and to any orders or regulations under such provisions.
- 1.4 Reference to a clause or a schedule shall be deemed to be references to a clause or a schedule to this Agreement and references to a sub-clause shall be deemed to be references to a sub-clause of the clause in which the reference appears.
- 1.5 In this Agreement clause headings are included for ease of reference only and shall not affect this Agreement or the interpretation hereof.
- 1.6 The Subsidiary is entering into this Agreement as an individual entity and shall be separately liable to comply with any of the provisions of this Agreement.

2 Board structure and Company's directors

- 2.1 The Parent has the unfettered right to appoint and/or remove any or all members of the Subsidiary Board.
- 2.2 Directors will if required by the Parent enter into a service contract.
- 2.3 Directors will notify any conflict of interest regarding any Subsidiary to the Parent.
- 2.4 No benefits will be paid to the directors without the approval of the Parent and within the terms of any agreed service contract.

3 Covenants

- 3.1 The Subsidiary covenants with the Parent on the terms set out in Part 1 of Schedule 1.
- 3.2 The Parent covenants with the Subsidiary in the terms set out in Part 2 of Schedule 1.

4 Financial responsibility and assistance

- 4.1 It is hereby agreed and declared between the parties:
- 4.1.1 that the Subsidiary operates as an independent entity and that the Parent has no financial responsibility for the activities and liabilities of the Subsidiary; and
- 4.1.2 that the Parent will not provide any financial assistance to the Subsidiary save to the extent that such assistance is within its powers, is prudent and is permitted by law for the Parent as a charity and by the Regulator of Social

Housing in its role as Housing Regulator or any successor bodies of either, for the Parent as a registered provider and at the sole discretion of the Parent Board.

5 Group Policies

- 5.1 The Parent shall designate as Group Policies all such policies, codes of conduct, standing orders and financial regulations and standards as apply to the Subsidiary.
- 5.2 The Parent shall have the power to adopt such Group Policies from time to time as it shall consider appropriate.

6 Group business plans

- 6.1 The Parent shall by no later than 30th November in each year deliver to the Subsidiary the details of the Group's business plan parameters (including any support to be provided by the Parent or another Group Member) and of the assumptions to be used by the Subsidiary in preparation of its Business Plan and Budget for the following year.
- 6.2 The Subsidiary shall deliver to the Parent its updated Business Plan and three year Budget by 31st December (or such other later dates as may be agreed between the parties) in the form approved by the Parent Board and shall confirm to the Parent that such Business Plan and Budget meets any requirements set by the Parent from time to time in relation to business plan and budget matters.
- 6.3 The Parent shall as soon as practicable after receipt of the updated Business Plan and Budget pursuant to clause 6.1 confirm to the Subsidiary whether it has any issues of concern with such Business Plan and Budget, and the Subsidiary shall make such amendments to its updated Business Plan and Budget as the Parent Board may reasonably require.
- 6.4 The Parent shall notify the Subsidiary of the reasons for raising issues of concern with its draft Business Plan and Budget and the Parent and the Subsidiary will use all reasonable endeavours to work together to agree a revised Business Plan and Budget for approval by the Parent Board as soon as possible. Until such issues are resolved the Business Plan and Budget shall not become the Subsidiary's Business Plan and Budget for the purposes of this Agreement and the preceding year's Business Plan and Budget shall continue to have effect unless and only to the extent that the parties agree otherwise.
- 6.5 The Subsidiary covenants to carry on its business and only to enter into commitments as envisaged by the Business Plan and Budget or where any matter is outside the Business Plan and Budget with the consent of the Parent, which shall not be unreasonably withheld.

7 Services

- 7.1 It is recognised that the Parent and the Subsidiary may require services from each other. The parties agree that such services shall be provided to each other pursuant to a Service Agreement.

8 **Employment**

8.1 Each Party agrees that:

8.1.1 employees shall be employed from time to time in accordance with all relevant Group Policies;

8.1.2 service provision by the Parent shall be in accordance with the Service Agreement entered into pursuant to this Agreement; and

8.1.3 it will comply with the terms of any intragroup secondment agreement or intragroup employee services agreement to which it is a party from time to time.

8.2 The Parent shall employ such colleagues as it shall reasonably deem appropriate to provide the Services within budgets and may vary the employee levels as it shall reasonably deem necessary for the performance of the Services. The Subsidiary may only employ colleagues with the prior consent of the Parent.

8.3 The Group Chief Executive shall be appointed by and be accountable to the Parent Board but shall owe a duty of care to the Subsidiary.

8.4 All employee recruitment, management and remuneration shall be carried out in accordance with Group Policies relating to human resources and the relevant party shall have ultimate responsibility for the management of all staff in the case of any conflict between the Parent and the Subsidiary.

9 **Variations**

9.1 It is anticipated by the parties that pursuant to their overall aim and intention to co-operate for the benefit of the Group as a whole, the provisions of this Agreement may from time to time require amendment.

9.2 It is accordingly agreed between the parties that they shall undertake a desk top review of this Agreement annually and formally review the operation of this Agreement at least once every three years and shall report thereon to the Parent Board and the Subsidiary's Board. One party may thereupon propose to the other parties that a variation be made to this Agreement, and in such event the parties hereto shall negotiate in good faith with a view to reaching agreement upon the variation proposed.

9.3 In the event of a failure to agree the matter in dispute shall be considered pursuant to the procedure set out in clause 10.

9.4 In the event of a variation being agreed the same shall be recorded in a supplemental agreement executed by each of the parties.

10 **Resolution of disputes**

10.1 It is the declared intention of the parties that all matters of disagreement should be resolved by negotiation and discussion between the parties and each agrees to use its best endeavours to apply the terms of this Agreement without the necessity for implementing the dispute resolution procedures of this clause.

- 10.2 In the event that there is any disagreement or dispute between the parties as to the operation of this Agreement each party agrees that it's Chair and another member of its board shall meet with a view to resolving any issues of concern.
- 10.3 In the event that, notwithstanding the discussions and meetings envisaged by clauses 10.1 and 10.2 above having occurred any dispute or other failure to agree continues between the parties in relation to the matters the subject of this Agreement or any Service Agreement which cannot be resolved by negotiation and discussion as envisaged by clauses 10.1 and 10.2 the parties shall observe the following procedure for the resolution of the same:
- 10.3.1 Any party may serve upon another, a dispute notice. Such notice shall state the subject matter of the dispute and shall specify the proposals of the party serving the notice for the resolution of the dispute.
- 10.3.2 No later than 14 days after the date of service of a dispute notice and if the proposals for resolution set out in the dispute notice are not acceptable to it, the party upon whom such notice shall have been served may serve a counter notice specifying its proposals for the resolution of the dispute, and specifying a date (which shall be not less than fourteen nor more than twenty eight days after the service of the counter notice) for a meeting to resolve the dispute.
- 10.3.3 The meeting referred to in clause 10.3.2 shall be attended by two board members from each party and shall be held at the Parent's registered office or at some other place to be agreed between the parties. Those persons present at such meeting shall use their best endeavours in a reasonable manner to resolve the dispute between the parties.
- 10.3.4 In the event that the matter in dispute is not resolved following the meeting referred to in clause 10.3.3 the matter shall be referred to the Parent Board which shall consider all the relevant matters relating to the dispute and whose decision reached by majority vote shall be final and binding upon all affected parties.

11 Notices

- 11.1 Any notice to be served on the Parent under the terms of this Agreement shall be in writing and addressed to the Group Chief Executive of the Parent at the address shown on the front of this Agreement or to such other address as the Parent may from time to time supply in writing to the Subsidiary and shall be deemed to be duly served:
- 11.1.1 On delivery, if delivered by hand and receipted for by the recipient;
- 11.1.2 48 hours after dispatch by recorded delivery;
- 11.1.3 If faxed or emailed, one hour after transmission provided that no transmission notification of non-delivery or error has been received by the person transmitting the communication and the transmission is to the fax number or email address of the executive officers mentioned in clause 11.1 and last notified by both each party to the other.

11.2 Any notice to be served on each Subsidiary under the terms of this Agreement shall be in writing and addressed to the most senior executive officer (or the chair if there is no senior officer) of the Subsidiary at the address shown on the front of this Agreement or to such other address as that Subsidiary may from time to time supply in writing to the Parent, and shall be deemed to be duly served:

11.2.1 On delivery, if delivered by hand and receipted for by the recipient;

11.2.2 48 hours after dispatch by recorded delivery;

11.2.3 If faxed or emailed, one hour after transmission provided that no transmission notification of non-delivery or error has been received by the person transmitting the communication and the transmission is to the fax number or email address of the officer mentioned in clause 11.1 and last notified by both each party to the other.

11.3 A change of address under clause 11.1 or 11.2 must be duly notified in writing to the other party.

12 **Jurisdiction**

This agreement shall be governed by English law and the Courts of England and Wales that have exclusive jurisdiction to determine any dispute between the parties.

13 **Third parties**

A person who is not a party to this Agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

This agreement has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it

Schedule 1

Part 1

The Subsidiary's covenants

The Subsidiary will co-operate with the Parent as follows:

- 1 By complying with all requests of any Competent Authority.
- 2 By implementing and complying with Group Policies.
- 3 By having regard to all reasonable advice and guidance provided by the Parent.

- 4 By carrying on its business and only entering into financial commitments in accordance with and as envisaged by its Business Plan (save where prior authorisation has been specifically provided by the Parent).
 - 5 By attending liaison meetings with the Parent if requested and providing such relevant information as may be requested by the Parent as to the performance of the Subsidiary in relation to strategic policy and financial matters.
 - 6 By reporting to the Parent on at least a biannual basis upon its financial and operational functions in such form as the Parent shall from time to time reasonably require.
 - 7 By providing the Parent with copy board reports and papers circulated to the Subsidiary board members (at the time of circulation to board members) and minutes of meetings of the Subsidiary's Board and of all sub-committees promptly following those meetings.
 - 8 By permitting the Group's Chief Executive to attend all the Subsidiary Board and committee meetings.
 - 9 By providing all information upon any aspect of its affairs reasonably requested from time to time by the Parent and co-operate fully with any investigations into its affairs initiated by the Parent from time to time.
 - 10 By appointing the Group's auditors as its auditors and using the Group's panel of bankers, solicitors and any other consultants (other than consultants of a temporary or minor nature employed for day to day work) and by making appropriate recommendations to the Parent of consultants who could join the Group's panel.
 - 11 By only appointing a company secretary approved in advance by the Parent.
 - 12 By respecting confidentiality of all material and negotiations (otherwise than in respect of those already in the public domain) and only disclosing any confidential information pertaining to the Group with the prior agreement of the Parent (except where required to do so by any law or regulation).
 - 13 By operating in accordance with its own standing orders and financial regulations (or if these are not in place with Group standing orders and financial regulations).
 - 14 By only contracting as itself and not attempting to commit the Parent, or any other member of the Group, as an agent or otherwise in any contractual arrangement.
 - 15 In all communications with third parties (e.g. letters) acknowledging that the Subsidiary is part of the Group in such form as shall be agreed between the parties from time to time.
- (C) Complying with such other requirements from time to time as the Parent may consider appropriate in order to ensure:
- (D) the good governance, financial viability and good reputation of the Group; and
- (E) that the Group's overall business plan is pursued most effectively.

Schedule 1

Part 2

Covenants by the Parent

The Parent will co-operate with and support each Subsidiary as follows:

- 1 By providing high level professional and other advice and support as required by the Subsidiary relating to significant policy matters generally, including advice on regulatory requirements in relation to performance expectations, monitoring and good professional standards.
- 2 By implementing and complying with any relevant Group Policies.
- 3 By advising the Subsidiary on and assisting with the selection and appointment of bankers, solicitors and other consultants.
- 4 By appointing:
 - 4.1 external auditors for the Group;
 - 4.2 internal auditors for the Subsidiary.
- 5 Complying with all reasonable requests of the Regulator.
- 6 By implementing all its adopted strategic policies.
- 7 By providing such advice and assistance as the Subsidiary may reasonably require in the preparation of its Business Plan, Budget, financial plans, statements, financial reports and cash flows.
- 8 By advising and assisting the Subsidiary in the appointment of its most senior executive officer (if any).
- 9 By respecting confidentiality of all material and negotiations.
- 10 By operating in accordance with its own standing orders and financial regulations.

Schedule 2

Form of service agreement – RBH (Design and Build)

This Service Level Agreement is made the 11th day of August 2021

Between:

- (1) **Rochdale Boroughwide Housing Limited** a charitable community benefit society registered with the Financial Conduct Authority with the number IP31452R, whose registered office is at Sandbrook House, Sandbrook Way, Rochdale, , OL11 1RY (the **Parent**).
- (2) **RBH (Design and Build) Limited** a limited company registered number 7891824 whose registered office is at Sandbrook House, Sandbrook Way, Rochdale, OL11 1RY (the **Subsidiary**).

Now it is Hereby Agreed as follows:

1 Interpretation

1.1 In this Agreement where the context so admits:

Agreed Policies shall have the meaning given in the Intragroup Agreement;

Operational Targets means the operational targets from time to time agreed between the parties;

Price means the sum payable by the Subsidiary to the Parent for the Services as calculated in accordance with Schedule B as amended from time to time;

Intragroup Agreement means the Intragroup Agreement [dated the same date as this deed] and entered into between the parties;

Project means each and every building project for the development of the Property;

Property means each and every property which the Subsidiary has agreed with the Parent to develop in accordance with a Development Agreement of even date herewith made between the Parent (1) and the Subsidiary (2);

Service Level Agreement means this Agreement;

Services means the services to be provided by the Parent to the Subsidiary as set out in Schedule A hereto.

1.2 Words denoting the singular shall include the plural and vice versa, words denoting the masculine gender shall include the feminine gender and vice versa and words denoting persons shall include corporations;

- 1.3 Reference to any statutory provisions or instruments shall be deemed to include reference to any such provisions or instruments as from time to time amended, varied, replaced, extended or re-enacted and to any orders or regulations under such provisions;
- 1.4 Reference to a Clause or a Schedule shall be deemed to be references to a clause or a schedule to this deed and references to a sub-clause shall be deemed to be references to a sub-clause of the clause in which the reference appears;
- 1.5 In this deed clause headings are included for ease of reference only and shall not affect this deed or the interpretation hereof.

2 Provision of Services

- 2.1 The Parent shall provide to the Subsidiary the Services.
- 2.2 The Services shall be provided by the Parent to the level and standard specified in the Operational Targets and the Parent agrees to use all reasonable endeavours to meet those standards and where no standards are specified the Parent shall provide the Services in a competent and professional manner to provide a high quality service.
- 2.3 Both parties agree to comply with the Agreed Policies as required by the Intragroup Agreement.

3 Payment for Services

- 3.1 The Subsidiary hereby agrees to pay the Parent the Price for the Services on the basis set out in Part I of Schedule B such payments to be made in the manner and at the times set out in Part II of Schedule B.
- 3.2 For the avoidance of doubt all sums payable under this Agreement are exclusive of VAT and other duties or taxes (if any) and such duties or taxes (if any) shall be payable in addition to such sums.

4 Provision of and Payment for Additional Services

- 4.1 To the extent that the Subsidiary requires the provision of additional services which are not Services it shall be entitled to request the Parent to provide the same and the Parent shall (where reasonably possible) comply with any such request.
- 4.2 The price to be paid by the Subsidiary for such additional services shall be agreed between the parties which shall be based on an appropriate hourly rate of the relevant members (or such other rate agreed between the parties acting reasonably) of the Parent employees in providing such additional services together with a sum equal to the costs of the Parent's administrative costs and overheads as relate to such additional service provision or on such other appropriate basis as may be agreed between the Parent and the Subsidiary from time to time.
- 4.3 If the Parent is unable to provide the additional services requested by the Subsidiary or the price for such services cannot be agreed between the parties (both parties acting reasonably) it shall notify the Subsidiary of the fact as soon as practicable and the

Subsidiary shall be entitled at its own cost to procure such additional services from an alternative service provider.

5 Term of the Agreement

5.1 Subject to Clause 6 this Agreement shall continue in full force and effect until determined by either party giving to the other not less than twenty four months' notice in writing to expire on 31 March in any year.

5.2 Both parties agree to consult with each other prior to serving any notice of termination under Clause 5.1 with a view to resolving any disputes under this Service Agreement and to amending this Service Agreement in such manner as may be reasonably acceptable to both parties in order to avoid a termination of the Service arrangements provided for by this Service Agreement.

6 Termination

6.1 In the event that either party is in default of its obligations pursuant to this Agreement, the party alleging the default may serve notice upon the other requiring it to remedy the default within such period as may be reasonable (not being less than three months).

6.2 In the event that the default complained of shall not be remedied within such reasonable period as may be specified in such notice the party alleging the default may thereafter serve a further notice to determine this Agreement in whole or in part of the breach relates to any part of the Services and upon such further notice being served this Agreement (in whole or in part as the case may be) shall absolutely cease and determine without prejudice to the antecedent rights of either party against the other provided that neither party may serve a notice to terminate this Agreement without consent of the lenders to the Client if such termination would in such lenders' opinion have a material adverse effect on the ability of the Client to fulfil its obligations under the relevant loan agreement(s).

7 Review of Operation

7.1 The operation of this Agreement and the achievement by the Parent of the Operational Targets shall (on the written request of the Subsidiary) be reviewed by the parties on an annual basis. Such review shall be commenced by the Parent reporting in writing to the Subsidiary in respect of the Services performed in each year to 31 March, such report to be delivered within three (3) months following the end of each year and shall be followed by a review meeting to be held within two (2) months of the delivery of the report. Following such meeting, at which the Services, the Operational Targets and the Price in respect of the then current or any future year of operation may be revised by consent, any amendments to this Agreement shall be noted in writing signed on behalf of the parties and shall operate as variations to this Agreement.

7.2 The Price shall be formally reviewed by the parties on an annual basis. The Parent shall make available to the Subsidiary all relevant information as to its costs in performing the Services. Such information shall be provided within three (3) months following the end of each relevant period, and upon each yearly review the meeting referred to in Clause 7.1 shall additionally consider such information. The Parent shall be required to show that the Price mechanism for the next period is cost effective for

the Subsidiary and represents best value. Following such meeting, any amendments to this Agreement in relation to the Price shall be noted in writing signed on behalf of the parties and shall operate as variation to this Agreement.

8 Notices

Notice served under this Agreement shall be served in accordance with S196 of the Law of Property Act (as amended).

9 Disputes

This Agreement is subject to the law of England and Wales and any dispute or difference arising between the parties hereunder shall be referred to the non-exclusive jurisdiction of the courts of England and Wales.

10 Third Parties

A person who is not a party to this Agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

11 Illegality

If any provision or term of this Agreement or any part thereof shall become or be declared illegal, void, invalid, or unenforceable for any reason whatsoever, including without limitation by reason of any provision of any legislation or other provisions having the force of law or by reason of any decision of any Court or other body of authority having jurisdiction over the parties to this Agreement including the EEC Commission and European Court of Justice, such terms or provision shall be divisible from this Agreement in the jurisdiction in question provided always that if any such deletion substantially affects or alters the commercial basis or financial viability or practicality of this Agreement the parties shall negotiate in good faith to amend and modify the provisions and terms of this Agreement as may be necessary or desirable in the circumstances.

12 Force Majeure

Neither party shall be in breach of this Agreement if there is any total or partial failure of performance by it or its duties or obligations under this Agreement occasioned by act of God, natural disaster, fire, act or intervention of government (whether legislative or otherwise) or state riot or civil commotion, insurrection or industrial dispute of whatever nature or any other reason beyond the control of either party and if either party is unable to perform its duties or obligations under this Agreement as a direct result of the effect of one of the above reasons that party shall give written notice to the other of the inability stating the reason therefore and the operation of this Agreement shall be suspended during the period (and only during the period) in which such reason continues and forthwith upon such reason ceasing to exist the party relying upon it shall give written notice to the other of this fact, provided that if the reason continues for a period of more than 90 days and substantially affects the commercial basis, financial viability or practicality of this Agreement the party not claiming relief under this Clause shall have the right to terminate this Agreement upon giving 30 days written notice of such termination to the other party.

13 **Confidentiality**

Both parties hereto agree:

- 13.1.1 to respect the confidentiality of information concerning any individual or organisation which may from time to time become available to them; and
- 13.1.2 to comply with the provisions of the Data Protection Act 2018 and General Data Protection Regulations 2018

14 **Subsidiary Providing Services**

To the extent (if any) that the Subsidiary provides Services to the Parent the provisions of this Agreement shall apply mutatis mutandi.

**Schedule A – RBH (Design and Build)
The Services**

The Parent will provide the services to the Subsidiary which shall include (but not be limited to) the following services:

A. Finance Services

- 1 Budget preparation of annual, medium and long term budgets and regular monitoring of budgets and advising the Subsidiary of budget position;
- 2 Preparation and setting of standing orders, financial regulations, financial policies, practices and financial control documentation etc;
- 3 Advice on general financial management;
- 4 Internal audit;
- 5 Taxation arrangements and co-ordinating advice and approach of Parent and Subsidiary to comply with, and minimise, tax liabilities;
- 6 General procurement services and processing of payments and invoices.

B. Information Technology

Provision of computer and technology systems including word processing systems.

C. Human Resources and Personnel Services

Provision of personnel to enable the Subsidiary to carry out the Project.

D. Company Secretary Services

- 7 Providing full company secretary services;
- 8 Maintenance of registers, seals and compliance with Registrar of Companies requirements;
- 9 Arranging, covering, minuting and servicing the Subsidiary's board of directors and general meetings.

E. Legal Services

- 10 Provision of legal services including:
 - (a) Conveyancing
 - (b) Litigation

(c) Corporate

either by direct provision or by 3rd party provision.

F. Development Services

[To the extent such services are not provided by employees jointly employed by the Parent and the Subsidiary]:

- 11 Agreeing with the consultants the extent and nature of the works comprised in the Project;
- 12 Drawing up and negotiating, with the assistance of professionals as necessary, the terms of appointment of the consultants and the building contract, arranging for execution of those by the Subsidiary and the relevant consultant/contractors;
- 13 Fulfilling the obligations of a "Client" under the Construction (Design and Management) Regulations 1994 (hereinafter called "the CDM Regulations"); drawing up, with the assistance of solicitors as necessary, the terms of appointment of a planning supervisor pursuant to the CDM Regulations ("the Planning Supervisor") and submitting the same for the Subsidiary's approval arranging for execution of the terms of appointment by the Subsidiary and the Planning Supervisor;
- 14 Monitoring compliance with all obligations of the consultants;
- 15 Taking reasonable steps to ensure that the consultants monitor the compliance of the building contractor with the terms of any building contract;
- 16 Attending or arranging for attendance at all site meetings;
- 17 Reporting as required to the Subsidiary on the progress of the Project;
- 18 Preparing a cost budget plan in consultation with a cost consultant and the Subsidiary;
- 19 To require tender documents to comply with the brief for the Project and to ensure that the tendering procedures of the Subsidiary are followed, and to require the necessary warranties, licences or guarantees, performance bonds, relating to the building contract are procured;
- 20 Obtaining appropriate collateral warranties from the building contractor and consultants for funders, landlords and any other third party for whom the Subsidiary may be required to provide such warranty;
- 21 Ensuring that all certificates and invoices payable by the Subsidiary are passed for payment within three working days of receipt.

Schedule B – RBH (Design and Build)

Part I

Calculation of the Price

The Subsidiary will pay for the Services it receives in accordance with the following:

- 1 In respect of the Services provided under paragraph A (Financial) of Schedule A of this Agreement the Subsidiary shall pay to the Parent a fair and reasonable proportion of the costs (including an uplift of 5% for overheads and profit) incurred by the Parent and which proportion shall be not less than 1% of the Group's finance costs for the period of 12 calendar months from the date hereof.

- (F) The cost of Services provided under paragraph B (Information Technology) or C (Human Resources) of Schedule A of this Agreement shall be shared between the Parent and Subsidiary on a fair and reasonable basis (including an uplift of 5% for overheads and profit) with reference to the number of employees employed by the Group and providing the Services to each of the Parent's and Subsidiary's business.

- (G) In respect of the Services provided under paragraph D (Company Secretarial) of Schedule A of this Agreement the Subsidiary shall pay to the Parent the sum of £1000 plus VAT per annum (to be reviewed annually).

- (H) In respect of the Services provided under paragraph E (Legal) of Schedule A of this Agreement the Subsidiary shall pay to the Parent the sum of £1000 plus VAT per annum (to be reviewed annually).

- (I) To the extent that the Services provided under paragraph F (Development) of Schedule A of this Agreement are not provided by employees jointly employed by the Parent and Subsidiary the cost of such Services shall be shared between the Parent and Subsidiary on a fair and reasonable basis (including an uplift of 5% for overheads and profit) with reference to the amount of time spent by the employees providing the Services on each of the Parent's and Subsidiary's business.

Schedule B – RBH (Design and Build)

Part II

Procedure for Payment of the Price

- (A) The Parent will provide invoices (the “Invoice”) to the Subsidiary showing all costs incurred by the Subsidiary in relations to the Services and calculated in accordance with Part I of this Schedule B.
- (B) The Parent will provide the Invoice on a quarterly basis and the Subsidiary will pay the Invoice within fourteen (14) working days of receipt.
- (C) If the Subsidiary wishes to challenge any Invoice it must do so within fourteen (14) days of receipt of the same save that if invoices relate to stages or parts of a whole service then challenge may be at any time within 14 days of receipt of the invoice for the last part or stage of the service.
- (D) Any Invoice which is not settled by the Subsidiary in accordance with paragraph 2 of Pat II of this Schedule B shall accrue interest at the rate of 4% above base rate for the time being of the Bank of England unless there shall be a successful challenge.

As Witness the hands of persons duly authorised on behalf of the parties the day and year first before written.

EXECUTION PAGE

Executed as a Deed by the Common Seal of
ROCHDALE BOROUGHWISE HOUSING LIMITED
was hereunto affixed in the presence of:

Authorised Signatory:

Authorised Signatory:

Executed as a Deed by
RBH (DESIGN AND BUILD) LIMITED
acting by:

Director:

Director/Secretary:

: