

DATED 23 FEBRUARY 2011

BALFOUR BEATTY PLC
and
BALFOUR BEATTY FIRE AND RESCUE NW LIMITED

FM AGREEMENT GUARANTEE

THIS GUARANTEE is made the 23 day of FEBRUARY 2011

BETWEEN:

- (1) **BALFOUR BEATTY PLC** (a company incorporated in England with company number 00395826), whose registered office is situated at 4th Floor, 130 Wilton Road, London SW1V 1LQ (hereinafter called the **Guarantor**).
- (2) **BALFOUR BEATTY FIRE AND RESCUE NW LIMITED** (a company incorporated in England with company number 07403391), whose registered office is situated at 6th Floor, 350 Euston Road, Regent's Place, London, NW1 3AX (who and whose successors and permitted assignees are hereinafter referred to as the **Contractor**).

WHEREAS:

- (A) The Contractor has entered into an agreement with the Authorities dated of even date herewith (the **Project Agreement**) for *inter alia* the carrying out of the Services during the Contract Period.
- (B) The Contractor has engaged **Balfour Beatty Workplace Limited** (a company incorporated in England with company number 598379) whose registered office is situated at Fourth Floor West Block 1, Angel Square, 1 Torrens Street, London, EC1V 1NY (hereinafter called **BBW**) under a contract dated of even date (hereinafter called the **FM Agreement**) in respect of the carrying out of certain services.
- (C) The Guarantor has agreed to guarantee the due performance by BBW of BBW's obligations under the FM Agreement (the **Guaranteed Agreement**) in the manner hereinafter appearing.

NOW IT IS HEREBY AGREED as follows:

In this Guarantee (including the above recitals) all capitalised words and expressions used herein shall have the same meanings as are respectively assigned to them in the Guaranteed Agreement and/or the Project Agreement (but in case of any conflict or ambiguity the meaning specified in the Guaranteed Agreement shall in each and every case prevail).

1. In consideration of the Contractor entering into the Guaranteed Agreement with BBW, the Guarantor hereby irrevocably and unconditionally guarantees to the Contractor on the Contractor's demand in writing the due and punctual performance by BBW of each and all of the obligations, duties and undertakings of BBW under and pursuant to the Guaranteed Agreement when and if and to the extent that such obligations, duties and undertakings shall properly become due and performable according to the terms of the Guaranteed Agreement and the due payment and discharge of all such sums of money and liabilities due, owing or incurred or payable and unpaid by BBW to the Contractor pursuant to the Guaranteed Agreement and/or as a result of any breach thereof (including all expenses, to include legal fees and taxes, incurred by the Contractor in connection with the Contractor enforcing any of the above) and the Guarantor undertakes to the Contractor fully to perform and observe or procure the performance and observance of all duties, obligations, and undertakings under the Guaranteed Agreement if BBW shall fail in any respect to perform and observe the same, failing which the Guarantor hereby indemnifies the Contractor in respect of any claim, demand, proceedings or liability, loss, damage, costs and/or expenses arising

directly out of any failure by BBW to perform each and all of the obligations, duties and undertakings of BBW when and if and to the extent that such obligations, duties and/or undertakings properly become due and performable according to the terms of the Guaranteed Agreement and the due payment and discharge of all such sums of money and liabilities due, owing or incurred or payable and unpaid by BBW to the Contractor pursuant to the terms of the Guaranteed Agreement and/or as a result of any breach thereof (including expenses, to include legal fees and taxes, incurred by the Contractor in connection with the Contractor enforcing any of the above) PROVIDED THAT subject to clauses 5, 6 and 9 hereof, in no circumstances shall the liability of the Guarantor to the Contractor under this Guarantee (except in relation to any expenses, legal fees and taxes referred to in this clause 1) exceed the liability of BBW to the Contractor under the Guaranteed Agreement and, without prejudice to the foregoing, as between the Guarantor and the Contractor all the defences available to BBW in respect of its liabilities under the Guaranteed Agreement or otherwise available to BBW at law (if and to the extent that those defences are not specific to BBW and would be available to the Guarantor if the Guarantor had been party to the Guaranteed Agreement in place of BBW) shall be available to the Guarantor in respect of its liabilities under this Guarantee and the Guarantor hereby confirms for the benefit of the Contractor that a decision of the Adjudicator given in accordance with the Dispute Resolution Procedure set out in the relevant clause of the Guaranteed Agreement shall bind the Guarantor to the same extent that such decision is binding on BBW under the Guaranteed Agreement.

2. Under this Guarantee the Guarantor shall not be exonerated nor shall the liability of the Guarantor nor the rights, powers and remedies conferred upon the Contractor be lessened, impaired, discharged, diminished or otherwise adversely affected by virtue of time being given to BBW by the Contractor or by virtue of any concession, forbearance or arrangement granted or made by the Contractor to or with BBW or by virtue of anything that the Contractor or BBW may do or omit or neglect to do (including, but without limitation, the assertion or failure or delay to assert any right or remedy or the pursuit of any rights or remedies by the Contractor or the giving by BBW of any security or the release, modification or exchange of any such security or the liability of any person) which, but for this provision, might exonerate the Guarantor.
3. The Guarantor hereby authorises BBW and the Contractor to make any addition or variation to the Guaranteed Agreement, the due and punctual performance of which addition or variation shall be likewise guaranteed by the Guarantor in accordance with the terms of this Guarantee. The obligations of the Guarantor under this Guarantee shall in no way be affected by any addition or variation to the Guaranteed Agreement.
4. This Guarantee is a continuing guarantee and accordingly shall remain in full force and effect until all obligations, duties and undertakings now or hereafter to be carried out or performed by BBW under the Guaranteed Agreement shall have been satisfied or performed in full and this Guarantee is in addition to and not in substitution for any other security which the Contractor may at any time hold for the performance of such obligations and may be enforced by the Contractor without first having recourse to any such security.
5. The liability of the Guarantor and the rights of the Contractor in relation to this Guarantee shall not be discharged or impaired by reason of the insolvency, winding-up, dissolution, administration, receivership or reorganisation of BBW or any change in BBW's status, function, control or ownership of BBW or by any other act, event or omission which might, but for the provisions of this Guarantee, operate to discharge,

impair, diminish or otherwise affect any of the obligations or liabilities of the Guarantor hereunder or any of the rights, remedies or powers conferred upon the Contractor and any discharge or release by the Contractor in favour of the Guarantor or agreement between the Guarantor and the Contractor concerning any obligations or liabilities of the Guarantor hereunder which shall be deemed to have been given or entered into by the Contractor on the express condition that it would be void if given or entered into in reliance upon any act or thing (including, without limitation, any payment to the Contractor by BBW) which is subsequently avoided or reduced by or in pursuance of any provision or rule of law including (without limitation) any provisions or enactments relating to bankruptcy, insolvency or liquidation for the time being in force.

6. The Guarantor shall not by paying any sum due hereunder or by any means or on any ground claim or recover by the institution of proceedings or the threat of proceedings or otherwise recover such sum from BBW or claim any set-off or counterclaim against BBW or prove in competition with the Contractor to claim for any money or liabilities due or incurred by BBW to the Contractor or have the benefit of any security which the Contractor holds or may hold for any money or liabilities due or incurred by BBW to the Contractor and if the Guarantor receives any sums from BBW in respect of any payment of the Guarantor hereunder, the Guarantor shall hold such monies in trust for the Contractor so long as any sums are payable (contingently or otherwise) under this Guarantee.
7. Without prejudice to clause 4 hereof, the Contractor shall not be obliged before enforcing any of its rights or remedies conferred upon it by this Guarantee or by law:
 - (a) to grant any time or indulgence to BBW;
 - (b) to take any legal proceedings or action or obtain judgment against BBW in any Court; or
 - (c) to make or file any claim in bankruptcy, liquidation, winding up or dissolution of BBW; or
 - (d) pursue or exhaust any other right or remedy against BBW and the liabilities of the Guarantor under this Guarantee may be enforced by the Contractor against the Guarantor irrespective of whether any legal proceedings are being or have been taken against BBW.
8. If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.
9. Any sums due and payable under this Guarantee shall be paid in full without set-off or counterclaim and free and clear of and without deduction of or withholding for or on account of any present or future taxes, duties and/or other charges.
10. The Contractor shall be entitled, by giving notice to the Guarantor, to assign the benefit of this Guarantee and/or charge the benefit of this Guarantee by way of security in accordance with the Senior Financing Agreements, without the consent of the Guarantor being required.

