

bursting or overflowing of water tanks, apparatus or pipes, aircraft and other aerial devices or articles dropped therefrom, riot and civil commotion.

27.0 PERFORMANCE BOND

27.1 Condition precedent

The Nominated Sub-Contractor shall, as a condition precedent to the commencement of any work under this Sub-Contract, deposit with the Contractor a performance bond in cash or in the form of a Banker's Draft or an approved Banker's or Insurance Guarantee equivalent to five (5 %) per cent of the Sub-Contract Sum to secure the due performance of the obligations under this Sub-Contract by the Nominated Sub-Contractor and such performance bond shall remain valid and effective until twelve (12) months after the expiry of the Defect Liability Period or the issuance of the Certificate of Completion of Making Good Defects, whichever is the later.

27.2 Application of Performance Bond

- (a) If the Nominated Sub-Contractor fails to carry out this Sub-Contract or commits any breach of his obligations under this Sub-Contract, the Contractor may utilize and make payments out of or deductions from the said performance bond, provided that the Contractor shall not be entitled to utilise such Performance Bond unless the S.O. shall have issued to the Contractor (with a duplicate copy to the Nominated Sub-Contractor) a certificate in writing stating in his opinion that the Nominated Sub-Contractor has been in default as aforesaid.
- (b) If a payment is made to the Contractor pursuant to any claim under the performance bond, the Nominated Sub-Contractor shall issue to the Contractor further security in the form of additional performance bond or Bonds for an amount not less than the amount so paid to the Contractor on or prior to the date of such payment so that the total sum of the performance bond shall be maintained at all times at the value specified in clause 27(1).
- (c) The performance bond or any balance thereof remaining for the credit of the Nominated Sub-Contractor shall be released or refunded to the Nominated Sub-Contractor on the completion of making good of all defects, imperfections, shrinkages or any other faults whatsoever for the whole of the Works under the Main Contract and upon the Contractor's receipt of the Certificate of Making Good Defects under the Main Contract.
- (d) Notwithstanding the above, in the event that the Sub-Contract is terminated under clause 32 hereof, the said performance bond or any balance thereof shall be forfeited.

28.0 COMMENCEMENTS AND COMPLETION

28.1 Commencement

The Nominated Sub-Contractor shall commence the Sub-Contract Works within the time as stipulated in the Form of Tender for this Sub-contract after the receipt by him of an order in writing under this Sub-Contract from the Contractor to that effect and shall proceed with the same with due diligence and expedition.

PROVIDED that no work under this Sub-Contract shall commenced unless and until the Performance Bond under clause 27 is submitted to the Contractor and such