
From: Julie Thompson
Sent: 20 September 2010 11:45
To: Richard Jeffrey
Subject: FW: MUDFA - email from Steve Kennedy

Importance: High

FYI

From: Kennedy Stephen F [<mailto:Stephen.F.Kennedy@carillionplc.com>]
Sent: 20 September 2010 11:42
To: Julie Thompson
Subject: MUDFA
Importance: High

For the attention of Richard Jeffrey

Dear Richard

I refer to our meeting on Wednesday afternoon. As you will appreciate I was very disappointed with the outcome of the meeting.

More generally, Carillion is disappointed with the approach that **tie** is taking to the dispute between us. The perception is that **tie** has no real interest in seeking to achieve a negotiated resolution. That may or may not be the case, but that is the perception that Carillion have, given the actions of **tie** to date.

Carillion have been entirely open and co-operative at all times, both prior to, and after instigation of, the contractual DRP process. By way of example:-

- as I mentioned in our meeting we have provided **tie** with over 140 lever arch files of information;
- we have dealt with all **tie**'s requests for more info/meetings even where not obliged to do so (we are again meeting your team next week to further explain to them the data in relation to the claims);
- at the meeting I handed over the legal advice we have received from senior counsel;

In contrast to our approach, at our meeting on Wednesday you relied entirely upon the reports you have received from your team. However, we have not seen any such reports, and to date have received little or no detail of **tie**'s position in respect of Carillion's claims. By way of example:-

- even now that the formal DRP process has commenced **tie**'s response, including that set out in its Position paper, is so general as to be worthless containing statements such as "your claim isn't in accordance with the contract", "**tie** do not consider Carillion is entitled to certification or payment in addition to currently certified", etc).
- at the same time **tie** seek to deduct over £1 million from sums due to Carillion, on the basis of entirely unspecific and general allegations in respect of **tie** Deductions;

If **tie** are so robust in their view and the detail of their arguments, as you suggested at our meeting, then there can be no disadvantage or prejudice to **tie** in providing Carillion with the details of that position. Absent that detail, Carillion, and more particularly I, cannot possibly assess whether there is worth in **tie**'s position. If it is your position that we already have that detail then perhaps, in order to avoid confusion, you could clarify where that detail is to be found. I also do not understand why your team thought it necessary to extend the Internal Resolution Procedure and the date for our meeting given the lack of detail you still had available to you. It may of course be that **tie**'s strategy is to hold all of its arguments back until formal adversarial proceedings, however, if that is the approach that **tie** wishes to adopt, please let me know. This however would be particularly disappointing since it is at **tie**'s insistence that we have entered the Internal Resolution Procedure; you will recall that Carillion's initial proposal was to agree to consensual mediation out with MUDFA.

In the circumstances I hope that **tie** will seriously engage in the remainder of the DRP process in an open and transparent manner. Absent such an open approach, it is inevitable that the dispute between us will progress to an ultimate conclusion at some considerable cost. I remain of the view that such a scenario is in neither party's interests.

Finally on administrative matters, I did not hear from you on Friday afternoon as agreed at our meeting; I trust we will talk later today. You did indicate that you could see no point in a further meeting between us. Given that our teams are meeting this week on 21st September to discuss the claims, it may be worthwhile pencilling in a further meeting after that date. In any event, if matters are not resolved by 28th September, by the IRP, we are then required to have a further discussion in order to agree the procedure thereafter. We can no doubt discuss later today.

Regards

Steve Kennedy

Tel: 0 [REDACTED]
Mobil [REDACTED]

CARILLION VALUES

Openness - Collaboration - Mutual Dependency - Professional Delivery - Sustainable Profitable Growth - Innovation

This e-mail transmission, including any attachments, is confidential to the intended recipient. It may contain privileged and confidential information. If you have received this e-mail in error, please delete it and notify the postmaster@carillionplc.com. You must not disclose its contents to anyone, retain, copy, distribute or take action in reliance upon it.

Carillion may monitor outgoing and incoming e-mails. By replying to this e-mail you give your consent to such monitoring

Carillion plc: Registered in England No. 3782379 Registered Office: Birch Street Wolverhampton WV1 4HY.