From: Richard Jeffrey [Richard.Jeffrey@tie.ltd.uk]

Sent: 29 July 2010 09:37

To: Fitchie, Andrew; rush_aj@ david_mackay

Subject: RE: Legally Privileged and FOISA exempt

My thoughts.

We need to consider that termination may be/appear the 'easiest' option for BSC, they don't have to take any decisions, so end up there by default. Termination means that financial issues will not crystallise now, it will take several years to resolve, and there is inherent uncertainty, or to put it another way...

A possibly large but uncertain pain in the future is better than a small certain pain now.

I don't think Ed is in clear charge.

I don't think their approach is a clearly thought through tactic, I think it is the result of a confused and un-led approach to this project

We should definitely use Andrew's meeting with Daniel to pass messages, we need to think about what

I am not inclined to call Enekel today, we should wait now until we see what we get today on Carlisle, analyse it and ideally go to Germany armed with the results of 80.13/34.1.

We should discuss this pm.

R

From: Fitchie, Andrew [mailto:Andrew.Fitchie@dlapiper.com]

Sent: 29 July 2010 09:21

To: rush_aj@@accessed Richard Jeffrey; david_mackay@

Subject: Re: Legally Privileged and FOISA exempt

Tony- this is carefully thought over. I will call as soon as I get Brandon what I have promised.

New point: I was called last night by Daniel Hauessermann (European Counsel) of BB. I had a good relationship with Daniel and was also on the othersdie from him on the M80 on some difficult issues. He is Edinburgh on Monday Tuesday- to meet Pinsents I have little doubt. He would like to meet up "for old times sake" - which I will obviously do. We should discuss whether I keep mum or give messages. We should discuss.

I too have reservations about the BSC UK senior team to take tough decisions (Involving risk). Easy for me to say but the idea that after two years Darcy should be somehow ambushed/ shocked that there were actions which David and Richard wanted commitment on is, in truth, pitiful.

Even a win for tie on 80.13 can only force a boost to BSC effort if they want the job. If they do not want it, they may well rather take their chances with litigation.

I cannot judge Ed's real authority but having worked in a German company for a very senior hired gun (divisional director so effectively Darcy level) I know that they can really only out rank management if what they produce generates revenue opportunity.

I have concluded that one part of BSC thinking is an end game where the Scottish Govt is involved, the grant is under threat and they throw in tie Default (a) or (c). This would suit Siemens.

Sorry to seem negative.

A
Andrew Fitchie
Partner
DLA Piper Scotland LLP
T: +44 (0)1

From: Anthony Rush <rush_aj@

To: Fitchie, Andrew

F: +44 (0)1

Cc: david_mackay@ david_mackay@" Richard Jeffrey <Richard.Jeffrey@tie.ltd.uk>

Sent: Thu Jul 29 07:58:20 2010 Subject: Legally Privileged

I have of course been thinking about my conversation last night with Richard and David.

I think we agree with Swinney when he says that not setting aside the 80.13/34.1 issue and getting on with the Works is a sign of bad-will/faith by BSC. I have been telling EK this for some time and our 13 point list handed to Darcy and Wakeford on Monday de-facto gave them the same message.

We did not get an immediate answer – the 24 hours delay implies that discussion with higher authority may have been involved. Whatever, their answer is in relation to the key-points 1 and 12 amply supports John Swinney's observation.

Two future events concern me:

- · What they may deliver today.
- The decision on 6 August.

I fear that neither will give us confidence that we can turn back the "sands of time".

From a negotiating point of view I would very much like us not to play the "pressure from Government" card – it invites more obstinacy from BSC. But, I have to say I am inclined towards thinking that it is safer to believe that EK is just a point of contact – maybe even over stepping his authority – rather than place our confidence in him.

I also accept that we cannot avoid intense scrutiny and pressure from stakeholders.

Taking everything into consideration, I am minded to suggest that David should speak to Enekel this morning and apprise him of the Minister's position and ask him to intervene and agree with what was put to Darcy and Wakeford on Monday. Moreover, to advise that they should be careful not to submit a proposal today which may inflame feelings – completion being an important factor as well. If we have to speak to them I think it should be sooner rather than later. Although hitherto I have thought waiting until 6 August was the best tactic – that may be seen in some quarters as being too late.

Like all such circumstances one cannot be certain what is the right thing to do and I am by no means certain in this case. If it is at least worthy of talking about I shall be at my desk all morning – intending to leave for Citypoint at about 1400.

Tony

This message is confidential and may contain privileged information. If you are not the addressee (or responsible for delivery of the message to the addressee) any disclosure, reproduction, copying, distribution or use of this communication is strictly prohibited. If you have received this email in error, please notify the sender immediately and then

delete it. No liability is accepted for any harm that may be caused to your systems or data by this message or attachments. It is your responsibility to scan for viruses.



This email is from DLA Piper Scotland LLP.

The contents of this email and any attachments are confidential to the intended recipient. They may not be disclosed to or used by or copied in any way by anyone other than the intended recipient. If this e mail is received in error, please contact DLA Piper Scotland LLP on +44 (0) 8700 111111 quoting the name of the sender and the email address to which it has been sent and then delete it.

Please note that neither DLA Piper Scotland LLP nor the sender accepts any responsibility for viruses and it is your responsibility to scan or otherwise check this email and any attachments.

DLA Piper Scotland LLP is a limited liability partnership registered in Scotland (registered number S0300365), which provides services from offices in Scotland. A list of members is open for inspection at its registered office and principal place of business Rutland Square, Edinburgh, EH1 2AA. Partner denotes member of a limited liability partnership.

DLA Piper Scotland LLP is regulated by the Law Society of Scotland and is a member of DLA Piper, an international legal practice, the members of which are separate and distinct legal entities. For further information, please refer to www.dlapiper.com.

The information transmitted is intended only for the person to whom it is addressed and may contain confidential and/or privileged material. If you are not the intended recipient of this e-mail please notify the sender immediately at the email address above, and then delete it.

E-mails sent to and by our staff are monitored for operational and lawful business purposes including assessing compliance with our company rules and system performance. TIE reserves the right to monitor emails sent to or from addresses under its control.

No liability is accepted for any harm that may be caused to your systems or data by this e-mail. It is the recipient's responsibility to scan this e-mail and any attachments for computer viruses.

Senders and recipients of e-mail should be aware that under Scottish Freedom of Information legislation and the Data Protection legislation these contents may have to be disclosed to third parties in response to a request.

tie Limited registered in Scotland No. SC230949. Registered office - City Chambers, High Street, Edinburgh, EH1 1YT.