

Calum H.S. MacNeill, Q.C.
c/o Westwater Advocates
DX 549302
EDINBURGH 36

Your reference

Our reference

KK/KK/310299/15

UKM/24618407.1

21 May 2009

FOISA 2002 exempt by virtue of Section 33 of the Act

Dear Sir

**TIE LIMITED
CONTRACT RELATING TO THE EDINBURGH TRAM NETWORK**

We act for **tie** Limited ("**tie**") in the above matter. **tie** entered into a contract ("**Infraco Contract**") with (1) Bilfinger Berger UK Limited; (2) Siemens plc; and (3) Construcciones Y Auxiliar De Ferrocarriles S.A. (collectively "**Infraco**") for the works authorised by the *Edinburgh Tram (Line One) Act 2006* and the *Edinburgh Tram (Line Two) Act 2006* on or affecting areas of ground at or near Edinburgh Airport and all or any of the works to be constructed and completed and/or services to be provided and/or the plant, machinery and equipment to be supplied and installed by the Infraco and which are necessary to deliver the Edinburgh Tram Network and to subsequently maintain it ("**Infraco Works**").

The Infraco Works have commenced and are ongoing. During the carrying out of the Infraco Works various disagreements have arisen between **tie** and Infraco as to the meaning and proper interpretation of the Infraco Contract; the Infraco's obligations under the Infraco Contract (including, but not limited to performance and design); and the Infraco's true and proper entitlement to ascertainment, valuation and additional payment/additional time under the Infraco Contract. For your information, one of those disagreements (concerning valuation of the Infraco's overhead and profit) has been referred to the Dispute Resolution Procedure provided for in terms of the Infraco Contract and is due to be heard before a mediator in the near future. In order to administer the Infraco Contract and manage Infraco **tie** wish to have a clear understanding as to their obligations and the obligations of Infraco under the Infraco Contract.

We have endeavoured to distil a number of the most pressing disagreements into a series of questions, which are listed on the enclosed briefing paper. We also enclose extracts from the Infraco Contract and copies of other relevant documentation. It is those questions which our clients would wish you to consider in advance of the consultation and be prepared to discuss and speak to at the consultation. We understand that you may be requested to consider further issues, which are not expressed in the enclosed briefing paper.

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A list of members is open for inspection at its registered office and principal place of business, Collins House, Rutland Square, Edinburgh, EH1 2AA and at the address at the top of this letter. Partner denotes member of a limited liability partnership.

UK switchboard
+44 (0)8700 111 111



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We understand that you will be able to review the enclosed papers and consider the questions during week commencing 25 May 2009. Thereafter, those questions will be discussed and explored at the consultation arranged for Monday 1 June 2009. At this time the consultation is scheduled to take place from 10:00 am to 4:00 pm and is to be held at Citypoint, 65 Haymarket Terrace, Edinburgh EH12 5HD.

Should you require any further information do not hesitate to contact Keith Kilburn of this office.

Finally, please forward for our consideration your proposed fee arrangements.

We thank you for your assistance.

Yours faithfully

DLA PIPER SCOTLAND LLP

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