

• EDINBURGH •  
THE CITY OF EDINBURGH COUNCIL

Tom Aitchison CBE  
Chief Executive

Brian Cox  
tie Ltd  
City Point  
65 Haymarket Terrace  
EDINBURGH  
EH12 5HD

26 SEP 2007

Our Ref: ce/admin/Jlcox(tie ce)

Your Ref:

Date: 21 September 2007

Dear Mr Cox

**THE EXECUTIVE CHAIRMAN OF tie**

I write with reference to the report "Edinburgh Tram: Further update" which was considered and approved by the full council at its meeting this morning. I have attached a copy of the report for your information. You will note that the recommendations include a note that *"the role of Executive Chairman of tie is being reviewed by the tie Board and its remuneration committee and that the contract and responsibilities of the post are being revised."*

I understand that there is a meeting of the tie Board on Monday and that this matter could be considered at that time. An outline of the proposed terms and conditions for this post have been discussed extensively between the Council and tie and I have also attached a draft letter that you may wish to use in writing to the postholder.

I would be happy to discuss this with you further should that be of assistance.

Yours sincerely

TOM AITCHISON  
Chief Executive

Waverley Court, 4 East Market Street, Edinburgh, EH1S 8BC  
Tel: [REDACTED] Fax: [REDACTED] tom.aitchison@edinburgh.gov.uk



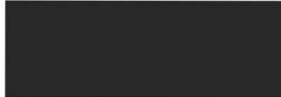
INVESTOR IN PEOPLE

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**STRICTLY PRIVATE AND CONFIDENTIAL**

Date 11 September 2007

Mr Willie Gallagher



Your ref

Dear Mr Gallagher

**TRANSPORT INITIATIVES EDINBURGH LTD – POST OF EXECUTIVE CHAIRMAN**

I refer to recent discussions proposing your appointment as the Executive Chairman of Transport Initiatives Edinburgh Ltd. While any appointment and associated terms and conditions will, of course, be subject to final approval by the TIE Board, the remuneration Committee is recommending that the post of Executive Chairman is offered to you on the basis of an employment contract for the duration of the project and subject to the following terms and conditions:-

1. A full-time appointment to the post of Executive Chairman to commence in August 2007 for the duration of the project and be subject to review in ~~August~~ <sup>January</sup> each year.
2. The person appointed would be responsible for the efficient discharge of the duties of the post of Executive Chairman to the Board of Transport Initiatives Edinburgh Ltd (~~tie~~).
3. The hours worked will be those required to fulfil the duties and responsibilities of the post.
4. The basic salary applicable to the post of Executive Chairman would be  subject to review annually in ~~August~~ <sup>January</sup> each year. In addition, a 50% bonus would be payable, that is :-
  - a. An annual bonus of up to 30% of basic annual salary subject to the achievement of certain defined key business objectives, to be determined by the ~~tie~~ Board in consultation with the postholder; and
  - b. a long term performance award with payment deferred to the end of the project. This would be subject to achievement of the above key business objectives in each year of the project. The long term performance award would be offered at a rate of up to 20% of basic annual salary for each year of the project and reflect the level of % bonus awarded in a. above.

- c. The arrangements surrounding the above bonus proposals will be subject to further discussions between the **tie** Board and the Executive Chairman.
5. The entitlement to holidays would be 35 days and include any entitlement to public holidays.
6. The person appointed would be entitled to receive from and required to give **tie** Ltd notice of termination of employment of six months.

I trust that you will find the terms outlined above acceptable. I would ask that you confirm your willingness to accept the appointment on this basis by return. As outlined earlier in this letter any appointment and associated terms and conditions would, of course, be subject to final approval by the **tie** Board and a full Statement of Particulars would follow in due course.

The contribution you have already made to the project is well recognised and I hope that this arrangement will provide an opportunity for you to continue the good work and help to achieve a successful outcome for the project.

Yours sincerely

Brian Cox  
Chair of the Remuneration Committee  
**tie**

cc: