

---

**From:** Graeme Bissett [graeme.bissett@[REDACTED]]  
**Sent:** 05 December 2007 07:11  
**To:** Willie Gallagher  
**Subject:** RE: Operating Agreements - tie

Instinctively right with you, but I'm not optimistic after the problems so far. I think for some reason they would rather not have this agreed pre 20/12.

The LAC won't solve it. I will call Andrew and Donald this morning to get them to go for the line. If you get this please give me a call – what if anything was agreed on the operating agreements on Monday evening? I'll be in at 10 and catch you then if not before.

Regards  
Graeme

-----  
Graeme Bissett  
m: [REDACTED]

---

**From:** Willie Gallagher [<mailto:Willie.Gallagher@tie.ltd.uk>]  
**Sent:** 04 December 2007 22:01  
**To:** Graeme Bissett (external contact); David Mackay; Neil Renilson (TEL); Stewart McGarrity; Fitchie, Andrew; Norman Strachan  
**Cc:** Steven Bell; Susan Clark  
**Subject:** RE: Operating Agreements - tie

I am not comfortable with this position. As tie Chairman, I require clarity over the responsibility of my Company to enter contracts worth circa £300m for starters. The issues that require resolution are not rocket science and could be dealt with, in the main, within 60mins. I am also not prepared to agree an operating agreement, in advance of a finalised draft.

Graeme – Can you push for a meeting of the involved parties asap. We have the LAC tomorrow, don't know who is coming, but could Rebecca and Colin have the authority to agree most of the required drafting changes prior to the meeting?

Willie

---

**From:** Graeme Bissett [[mailto:graeme.bissett@\[REDACTED\]](mailto:graeme.bissett@[REDACTED])]  
**Sent:** 04 December 2007 21:39  
**To:** David Mackay; Willie Gallagher; Neil Renilson (TEL); Stewart McGarrity; 'Fitchie, Andrew'; Norman Strachan  
**Cc:** Steven Bell; Susan Clark  
**Subject:** Operating Agreements

Nick Smith of CEC Legal called me this afternoon to let me know that :

- 1) Although they have worked on the tie agreement they have not been able to get together with the "Directors" – messrs Holmes and McGougan – and cannot therefore get back to me on the issues in the current draft. They hope to meet early next week, after which they will respond to us.

- 2) The TEL agreement has not progressed. The current out-of-date draft was prepared by Jenny Drummond who is about to leave CEC. They hope to have an update when they meet the directors next week, but may not be able to do so.

The consequences are that we will have no further information for the paper going to the TPB on 7/12 or the tie Board on 11/12 ; I think there is also now little chance that a final agreed form will have been achieved for either company by the time of the Council meeting on 20/12. This will therefore need to be presented as WIP this side of Xmas, which is somewhat frustrating.

The most important section in terms of the BBS negotiations is that covering the authority delegated to tie to enter into the contracts (and related performance obligations) ; and there is a parallel need for agreed language covering TEL's ability to pick up the novated contracts and maintenance obligations in due course. Andrew- would you call me in the morning to discuss how we present these sections convincingly in the absence of final form agreements.

I have not ruled out immediate strenuous representations to Donald and Andrew that this situation is simply unacceptable and then to redouble efforts to reach agreement in the next two weeks. However, the point was made on Monday night I believe and this is the result. Even with assurances, the track record is such that you would not put any money on action following the words.

Views welcome - essentially do we respond immediately or simply go with the flow, with the exception of what's needed to convince BBS that we do actually have a relationship with CEC which enables us to enter the contracts.

Regards  
Graeme

-----  
Graeme Bissett

m : 

-----  
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.

---