

[DRAFT COST ENGINEERING LETTER]

Dear Sirs

Cost Engineering Workshop in Respect of the Programme Savings (22 week saving on the Rev 4 Programme completion date), Removal of Embargos and Revised Traffic Management at Shandwick Place, Princes Street and York Place

We refer to the cost engineering workshops carried out in November 2011, which resulted in the creation of a time bank programme saving of 22 weeks to the Planned Sectional Completion Date for Section D - 8 July 2014 as identified in Rev 4 Programme Activity Name "Section Completion D". The programme saving relates to the removal of embargos and revised traffic management constraints at Shandwick Place, Princes Street and York Place and recognises the consequent increase in working periods and working areas available to you.

At the time it was agreed that CEC would pay the sum of £6,459,810.44 to Infraco regardless of any erosion in the time bank as a result of matters for which CEC is responsible. The Change Order No. 620 (attached) formalises the commercial element resulting from the cost engineering workshops in respect of the time bank programme saving referred to above. This is all as outlined in the CEC Baseline Project Instructions Report (January 2012) and approved by the parties at the Joint Project Forum held on 25th January 2012.

Terms used in this letter have the meanings given to them in the Infraco Contract, unless otherwise stated.

In order to arrange for the agreed sums to be paid to you, we are writing to you to set out the basis on which the sums will be paid

- 1 CEC will pay the sum of £6,459,810.44 to Infraco (£3,162,987.12 to Bilfinger Berger Civil UK Limited and £3,296,823.32 to Siemens plc) as follows:
 - a) £1,581,493.56 (50% of £3,162,987.12) to Bilfinger Berger Civil UK Limited within 30 days of the date of this letter;
 - b) £1,581,493.56 (50% of £3,162,987.12) to Bilfinger Berger Civil UK Limited in equal instalments over the next 12 months i.e. £131,791.13 each month;
 - c) Bilfinger Berger Civil UK Limited is obliged to keep and not pay out any monies to their subcontractors, namely Crummock in total the sum of £223,605.29 and Lagan in total the sum of £291,652.55 until Infraco and CEC have jointly endeavoured to minimise and agree the disruption costs.
 - d) £1,648,411.66 (50% of £3,296,823.32) to Siemens plc within 30 days of the date of this letter; and
 - e) £1,648,411.66 (50% of £3,296,823.32) to Siemens plc in equal instalments over the next 12 months i.e. £137,367.64 each month.
- 2 The sum of £6,459,810.44 shall be paid to Infraco regardless of any erosion in the 22 week time bank as result of matters for which CEC is responsible.
- 3 Payment of the sum of £6,459,810.44 shall be in full and final settlement of all claims (whether arising in contract or otherwise) that you may have in relation to matters in connection with the adoption of tie Change Order No. 620. In particular, but without

limitation, in relation to the programme saving of 22 weeks you shall have no further or additional claim against us for:

- any cost of re-sequencing or reprogramming any work;
- any cost of accelerating any work;
- any preliminaries, overheads and profit;
- any loss and expense; and
- any prolongation costs (including, without limitation, any on or off-site overheads), additional management time, disruption costs (excluding any Crummock and/or Lagan disruption costs. If these are presented, Infraco along with CEC will jointly endeavour to minimise these costs), finance charges and any other loss and expense that you may incur in relation to any erosion in the 22 week time bank. In the event of a delay beyond the Planned Sectional Completion Date for Section D - 8 July 2014 as identified in Rev 4 Programme Activity Name "Section Completion D", Infraco shall be entitled to an extension of time and costs in accordance with the relevant provisions of the Infraco Contract.

For the avoidance of doubt, any post mediation changes notified by Infraco, or any tie Notice of Changes or any tie Change Orders raised and/or issued by CEC shall remain in full force and effect in accordance with the relevant provisions of the Infraco Contract.

Save as varied by this letter, the Infraco Contract remains in full force and effect.