Control Number: Fathom-01-00031263

Group Identifier: Fathom-01-00031263

Attachment Status : Freestanding

Key Date: 14/03/2008 21:50

Sort Date: 14/03/2008 21:50

To:

'willie.gallagher@tie.ltd.uk'[willie.gallagher@tie.ltd.uk]

From:

Fitchie, Andrew

Sent: Subject: Fri 14/03/2008 9:50:05 PM Re: Good and Bad News

Have updated Geoff. Andrew Fitchie

Partner

DLA Piper Scotland LLP

T: +

F: +44 (0)131 242 5562

---- Original Message -----

From: Willie Gallagher < Willie. Gallagher@tie.ltd.uk>

To: Alastair Richards - TEL <Alastair.Richards@tie.ltd.uk>; Fitchie, Andrew

Sent: Fri Mar 14 21:28:45 2008 Subject: FW: Good and Bad News

Sorry!

From: Willie Gallagher Sent: 14 March 2008 21:26

To: 'Kenneth.Hogg@scotland.gsi.gov.uk'; 'Strachan Peter'; 'Brian Cox'; Cheney, Hazel

Cc: Graeme Bissett, Stewart McGarrity, Steven Bell; Susan Clark; Colin McLauchlan; Alasdair

Sim; Jim McEwan; Geoff Gilbert; Matthew Crosse; Dennis Murray

Subject: Good and Bad News

Gents,

After the Board, we made good progress on negotiations. As close of play at 12noon Friday, we had achieved agreed Programme, Scope & Price as discussed and communicated with the Board on Wednesday. We also have signed all NR agreements.

We had one sticking point – the agreement on the indemnity for CEC for third party claims. We thought this afternoon we had an agreed position, albeit not as clean as CEC would like. However, at 5.30pm tonight, BBS contacted me to retract their position on the item to a completely unacceptable position where they accept no liability for third party claims under any circumstances. We have completely rejected this position as a deal-breaker and communicated this fact. The change was initiated by Siemens Corporate PLC who refuse to accept this position in inner-city projects.

I have had a long conversation with the BS Principal tonight and he has kicked off some actions to review the current proposal. We have arranged to meet on Monday, either in Edinburgh or in

Germany. Our deadline for processing TS funds for 2007/8 is to release the PIN no later than Tuesday.
CEC Executive are aware of the position.
This is going to the wire.
Will keep you updated on progress.
Kind Regards,
Willie
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