commercial attorney • chartered quantity surveyor • dispute resolution consultant

MEETING NOTES

IN RELATION TO

MEETING HELD

AT

CITYPOINT

BETWEEN

TIE

and

THE INFRACO

ON 2nd MARCH 2010

TORQUIL MURRAY BSc., LLM, MRICS, MCIArb., MACA

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04 March 2010

NOTES: Meeting held at 15:00 on Tuesday 02/03/10 at Citypoint, 65 Haymarket Terrace, Edinburgh. EH12 5HD

ATTENDANCE:

TIE: Richard Jeffrey, Stewart McGarrity, Antony Rush

INFRACO: Antonio Campos Irujo (CAF), **Michael** Flynn (Siemens), Richard Walker (Bilfinger Berger)

NOTE TAKER:- Torquil Murray

Richard Jeffery: Stated that the meeting was being held under Clause 6.5 of the Contract. Stated he was concerned about the status, progress, relationships [Between TIE and the Infraco] and the approach being adopted.

Intent of the meeting was to see if there was a way forward.

Michael Flynn: Asked Richard Jeffery the status of Torquil Murray (Note taker) within TIE

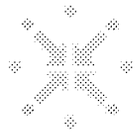
Richard Jeffery: Explained that Torquil Murray was an independent consultant working on some of the audits. It was stated that in respect of the meeting today his only purpose was as note taker.

Richard Jeffery asked for options/proposals to be put on the table.

Michael Flynn: Stated that there were 4-5 items

Richard Walker: Issues included Notified Departures, Haymarket to Newhaven on street section

Stated that the (understood) TIE position was that the Infraco should be working full out in all areas



The Infraco position was that no areas were available with substantial amounts of work. Stated that 100m bites were available at Newhaven but elsewhere no other area was in accordance with the contract.

Michael Flynn: Explained some of the difficulties and reviewed the areas available based on a prepared schedule. The schedule was shown to Richard Jeffery and explained that it highlighted current access identifying areas available and not available and where change had been agreed and not agreed, it also identified occupied areas.

Richard Walker: Noted that work had previously started in the Leith area where it [Infraco] had non-exclusive access. Stated that in 2 months it only achieved 2 weeks progress

Richard Jeffery: Questioned if this was the first time the scheduled had been produced [to TIE]

Michael Flynn: Stated that it was the first time

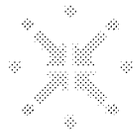
Richard Walker: Noted that as a consequence of the mediation a meeting was held with the purpose of coming up with a plan to complete the work. The result was the supplemental agreement which Infraco stated was the result of a joint proposal. It was noted that it was decided to put planning drawings through the dispute mechanism. Infraco believe a commercial offer was made. Infraco stated that it received a letter rejecting the proposal with threats of termination. Infraco stated that a formal response to the letter would be made.

Anthony Rush: Made comment that it is stated that the proposed agreement that that they [Infraco] won't start work until the agreement is signed.

Richard Walker Responded by saying that the Contract states they cannot start.

Anthony Rush: Restated his point that the Infraco won't start work until the agreement is signed

Richard Walker: Restated his point that the Contract states they cannot start.



Michael Flynn: Commented that the statement was clear and will not be withdrawn. He noted that they [Infraco] were there to discuss the matter

Anthony Rush: Stated that it was a clear position [on the part of Infraco]. Stated that he was not there to be in a position of hassle but to get the contract on the road. He stated that this was not going to be achieved under threat of duress. Stated that a reply was due to the statement. Restated 'is the statement correct [no work started until agreement signed] or is it due to the work availability'

Michael Flynn: Stated that access is not as was envisaged.

Anthony Rush: Asked if that was as envisaged under the programme.

Michael Flynn: Stated that it [Infraco] can progress under the contract [for the area covered by the proposed supplemental agreement]. Stated that the statement was not a threat. Believed that if work was started under the contract there would be problems as soon as work started. In particular once planning started it would have to be stopped within a week or two due to the anticipated requirement for full dept construction. Thereafter there would be delays due to redesign with the plant standing for months.

Anthony Rush: Stated that he understood the problems and both parties' positions. Restated the question to the Infraco 'is the statement withdrawn.

Michael Flynn: Statement won't be withdrawn

Anthony Rush: Stated if you don't we may have to [withdraw from the meeting]. Commented that the statement [in the proposed agreement] read as 'Sign up or we don't start work'. Asked the Infraco to withdraw the statement. Noted that this matter had to be addressed.

Michael Flynn: Commented that the statement [could be redrafted to] 'so as not to state that we wont start work'

Richard Walker: Noted problems could arise in starting the works

Anthony Rush: Commented that the Infraco could start but not unless TIE agreed to the Supplemental Agreement

Michael Flynn: Commented that the work was outside the parameters from those envisaged in 2008. Noted that if the paragraph was 'sorted out' work can start. Asked if alternative view on how works could be progressed.

Richard Jeffery: Asked Infraco if signed sub-contracts were in place.

Richard Walker: Responded by saying no. Purpose of not signing sub-contracts was to mitigate costs to TIE. Stated that letters of intent were being used.

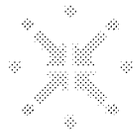
Anthony Rush: Stated that he understood Sub-contractors were not in place for the entire works.

Richard Walker: Stated that the only form signed off was in respect of Farrans. Further stated that it [Infraco] cannot sign any others as it is waiting for approval from TIE.

Anthony Rush: Noted that the OSSA cannot be acceptable in law or based on the financial proposals. Under the proposals best value cannot be demonstrated. Noted that the agreement would be a breach of EU law. Noted that this was explained to Richard Darcy at the beginning of December [2009] and that it was understood the agreement would have to be reviewed. Commented that clause 65 covers the matter and therefore there was no need for the agreement. Noted that [Infraco] obliged to inform of the effect of any issues and mitigation measures to be taken. Upon which a written statement from TIE could be issued stating they were using reasonable endeavours.

It was proposed that in working Under Clause 65 the following would be required:-

(1) Programme, including services issues



(2) Agree procuring and managing civil engineer contractors

(3) Agree method of compensation

By rescheduling and mitigation and accelerating it would be possible to meet the 04/06/12 date. Would be require managing the civil engineer contractors

Richard Walker: Stated that they only have a 7 week extension. Referred to Clause 80 applying in respect of this matter.

Anthony Rush: Stated that he was trying to find a way and if his method was adopted it may be possible to agree to less onerous conditions. There would also be a need to agree a method of compensation. Commented that there would be a need to work in co-operation, as envisaged by the contract, to achieve the 04 June date.

Richard Walker: Asked, 'Do we commence in accordance with the Contract'.

Anthony Rush: Work should start and the 40 day timetable used [clause 65] to resolve any matters. It was acknowledged if they stick to the statement then that is the Infraco's proposal.

Michael Flynn: Asked for an opinion on difference between clause 65 and 80.

Anthony Rush: Commented that in the process of agreeing the contract TIE tried to transfer the risk to the Infraco. The Infraco tried to transfer the risk to TIE. Noted that there is an obligation to co-operate and work together and as such whether it is clause 65 or clause 80 is not relevant. Noted that he could not believe that work was not started off street. Believed it was more sensible rather than waiting for agreement before commencement. Noted that each item will stand on its own merits and will have to be resolved. Noted that off street works were not holding up matters.

Richard Jeffery: Made a statement that that Dr Keisberg, in a conversation, stated that under the contract they [Infraco] will be able to hold TIE to ransom. Stated that the interpretation of clause 80 was that it

[Infraco] was not permitted to commence with the works but that it was not bound to submit estimates etc. in accordance with the clause. Made the comment that the Infraco appeared to believe that it could choose which clause and which sub-clause it wanted to rely on [to the exclusion of others]. Referred to a previous suggestion that had been made to the effect that all demonstrable costs were to be paid and the matters sorted out through the dispute process [this was rejected by the Infraco]. Categorised the Infraco position as holding the city to ransom. Noted that in a conversation at a dinner Richard Darcy had stated that disputes are much easier with when there was progress. When the matter was discussed the next day the position was back to the Infraco would not move forward until everything agreed.

Richard Walker: Infraco wish to move forward but within the constraints of contract through clause 80.

Anthony Rush: Commented that the Infraco should not hold a public authority to ransom

Richard Walker: Commented that Clause 80 was written by TIE lawyers to control cost of change.

Anthony Rush: Stated that the clause permits instruction [to proceed with the works]

Richard Walker Stated that it does not

Anthony Rush: Stated that Clause 80 does not prevent instruction. Stated too much emphasis on schedule 4. Stated that the schedule will have to be applied to each and every event. Questioned if Infraco are refusing to progress works and mitigate.

Michael Flynn: Asked his guys re access and problems. Have looked at re-phasing but analysis not complete, but is currently being looked at. Potential to have Depot and Trams running by July 2011. Other

areas around April 2012. Edinburgh Park to Airport 2012. April 2012 Haymarket to Edinburgh Park. Re-stated a phased approach would be possible. Suggestion meant breaking up into section. Airport to Edinburgh Park was one proposed section and a pragmatic way could be found for dealing/looking at the £12-13m of change.

Anthony Rush: Stated that TIE will deal with changes as quickly as possible but due to history will not move. Each item will be dealt with on its own merits. Suggested that each recommend that the resources are made available. Noted that goodwill was required to achieve the dates. Stated that there would be no conditions precedent. Noted that the teams cannot work together. There was a need to find a solution to get them to work [together].

Richard Jeffery: Asked if doing the work would prejudice payment under clause 80

Richard Walker Stated yes

Richard Jeffery Stated that if TIE gave an undertaking that right to payment would not be prejudiced [would the work proceed]

Michael Flynn Dominant delay is utilities, apart from academic exercise. Commented - is it pragmatic to put in substantiation for delay

Anthony Rush: Yes information required for best value. No global claims unless impossible. Commented that the statements made by the two Doctors from Infraco will make compromise difficult.

Richard Walker: Changes have been put in.

Richard Jeffery: Asked that if the interpretation of Clause 80 by the Infraco is accepted and if statement made [by TIE] that progressing the work would not prejudice payment would the work progress. Commented that this was previously stated. Questioned if Infraco needed a guarantee with money upfront and asked if that was the corporate policy

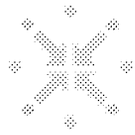
Michael Flynn Stated that they could not confirm remarks made by those that were not in the room. Commented that Clause 65 has been raised by TIE. Infraco suggested looking at phased areas. Discussed that no gun was being held against TIE's head and Infraco had worries regarding receiving payment [being paid].

Richard Jeffery: Commented that re-phasing was attractive and removed the utilities issue. Noted that the devil would be in the detail. Asked if there was a pragmatic approach to be found as there was a fundamental difference in views. Suggested issues are referred to dispute process for resolution because of the fundamental difference. Stated that he could not understand the payment issues the Infraco had. Stated that if Infraco entitled to be paid it will be paid. If conceded that on first estimate the cost excessive what happens. Noted that best value must be achieved. If view that no progress unless agreed then that is a problem

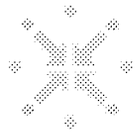
Anthony Rush: Commented that he found it hard to comprehend that three of the largest Infrastructure companies felt they can screw a government organisation. At the end of the day the Infraco will be paid its entitlement. Speed will be based on the detail provided. If pragmatic approach adopted Infraco must co-operate.

Michael Flynn Commented on work undertaken by BB. Stated that there was a history of TIE ignoring entitlement. Russell Road wall was used as an example. Stated that for months entitlement was refused. Finally some acceptance was made. For a period of 6 months TIE was of the view that the Infraco had an entitlement between nothing to approx a 200k. Stated that the Infraco had been hurt in the past. Asked for off line discussion with no notes. Also asked for a pragmatic approach to be adopted.

Anthony Rush: Commented that because an employer states 'no entitlement' does not mean it is the end of the matter. Stated that in practice it was



	normal [not unusual] for employers to refuse entitlement. Noted that now Anthony Rush and Richard Jeffery were involved they will ensure matters raised by the Infraco are dealt with. Accepted that the history not fully known.
Richard Jeffery:	Commented that he had the impression that Infraco was happy with the adjudications in respect of the contract works
Michael Flynn:	Noted that in respect of the Airport to Edinburgh park section there was 28 changes claimed amounting to approx. £12-13 million
Richard Jeffery:	Commented - Alleged changes
Anthony Rush:	Stated that TIE will look at changes when submitted
Stewart McGarrity	Asked if all the information has been provided
Richard Walker:	Responded by saying two thirds
Michael Flynn:	Noted that 583 change claims have been raised, 308 estimates, 44 estimates under preparation, 87 waiting instruction to commence, deny or awaiting on design. Claimed 166 estimates waiting conclusion from TIE. Value of these was £54 million. First proposed section reckoned to be £12-13 million and the information was with TIE
Anthony Rush:	TIE will look at but not on the basis that they have to be dealt with prior to commencement. Commented that Infraco were a contracting business and generate the claims. As a Public Body TIE must be accountable.
Richard Walker:	Commented that in respect of Clause 80.13 the pragmatic approach may be to possibly refer to adjudication.
Anthony Rush:	Asked if the work can work proceed [Airport to Edinburgh Park]
Richard Walker:	Stated that he believed the contract does not permit the Infraco to start.



Anthony Rush: Commented that Clause 80.13 states 'Unless otherwise directed by TIE'. Noted that TIE has directed the Infraco to commence work. Commented that there was a perception that [the Infraco] was afraid will be taken to the cleaners

Michael Flynn: Stated that the changed process is not working

Richard Jeffery: Commented that it was working but against the background of a consortium that resolutely refuse to get on with the work. Commented that there was a refusal by Richard Walker to use Clause 65. Stated that as long as there was a feeling that the consortium is holding city to ransom there was a problem. Noted that when previously challenged claims made have come down.

Richard Walker: Referred to Clause 80 and in particular to issues in Jan 2009. Stated that there was and issue with a temporary bus lane. Noted that the estimate could not be agreed. Infraco relied on clause 80.13. Mediation ensued and the Supplemental agreement. Stated that TIE's view that work should progress did not prevail.

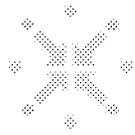
Anthony Rush: Made the statement that he felt meeting should stop. Commented that he found it difficult to understand why the Infraco can't stand up for itself . Noted that change was common on projects.

Richard Walker: Stated that this was not a normal contract

Anthony Rush: Stated he can't believe the Infraco is afraid in case it gets shafted. Can't believe that of a company of Infraco's standing

Richard Walker: Stated that the Infraco can only work within the contract

Richard Jeffery: Commented that there were other constituents of the contract and must all be used. Stated that he had a picture of an organisation that would build and sort it out as it goes. Referred to a shift in corporate attitude to me [Richard Jeffery]. Infraco has stated that it will not mobilise etc. until cost sorted out. Picture of an organisation not committed to progress the works. No further



forward than the stand off against Princess Street. Referred to the Agreement. Noted that the Infraco are not applying all contract obligations

Richard Walker: Stated that at the time they could not see a way forward

Michael Flynn: Stated that the Consortium is not holding or intending to hold to ransom TIE. However, nor does it intend to finance the project therefore must work within the Contract whilst TIE delinquently deals with change. Stated that Princess Street was four months of TIE delay. The OSSA, TIE and Consortium agreed over 3-4 month period. Noted that a framework was agreed and developed between the teams.

Richard Jeffery: Commented that the Infraco's perceived overall approach required a change. If not then it was anticipated that it would be a long and difficult contract

Michael Flynn: Stated that it cannot be expected that the corporate entities will fund the proposed stage 1 Airport to Edinburgh Park.

Anthony Rush: Stated that TIE will not [move] re the issue

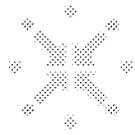
Richard Jeffery: Noted that cash payments were positive and therefore TIE was carrying the financing.

Michael Flynn: Stated that the intent of the statement was the value of the change. The Infraco had to account for value.

Stewart McGarrity: Restated the issue of cash being paid to the Infraco.

Anthony Rush: Stated that he did not want the Infraco to suffer from cash flow problems. However, commented that the mater would not be solved by the Infraco not carrying on with the work

Michael Flynn: Commented that meeting had strayed away from the staged works and a pragmatic approach. Stated that the contract not working



while the work proceeded. Stated the Infraco was not looking for a large payment

Richard Jeffery: Endorsed pragmatic approach whilst work proceeds. Commented that he can't endorse it being a pragmatic approach when cost agreement is before commencement.

Michael Flynn: Stated that parties needed to find solution to progress works. Asked if the parties able to find a solution.

Anthony Rush: Stated that he wanted to know if the penultimate paragraph [proposed supplemental agreement] would be removed. Stated there would be nothing to put on the table until the Infraco sat down with TIE. Stated that he would also need to know that the Infraco will get on with the work

Michael Flynn: Stated he has submitted proposals previously, but time factors and loads of questions were an issue. Stated he was more interested in a joint solution starting with one section of the works.

Anthony Rush: Stated it would have to be a solution for all sections

Michael Flynn: Stated they were looking for a rapid way forward in first section

Anthony Rush: Stated that there was a need to look at all areas and not cherry pick

Michael Flynn: Stated he will come back on clause 65. Needs time to reflect on clause 65. Accepted the need for a solution for whole job but may be easier looking at one section

Richard Jeffery: Commented that the idea of getting one section attractive. TIE could focus on the £13m claim. Stated it was not possible to look at a global claim for the whole job. Asked if the issues included Gogar

Richard Walker: Stated that 58 matters will be parked. 25 of the issues come to £11.6 million. Infraco want to resolve under clause 80. Commented that there was a need to resolve the clause 80 issue.

Richard Jeffery: Stated that he struggles with the clause 80 entitlement

Richard Walker: Stated that under Clause 80 Infraco gains time and under clause 65 it looses time.

Richard Jeffery: Stated TIE was prepared to look at one section, but not that agreement is made first. Pragmatic approach but with no pre-conditions. Stated that he can't go back to board with a solution for only one section. Must be in context of overall agreement

Anthony Rush: Stated that the timing was in Infraco hands and that under clause 80 Infraco has stated that it is impossible to perform to timetable. Noted that the Infraco were obliged to deal with the timings laid down.

Richard Walker: Referred to the first change on the project. Stated that Infraco required [to agree] costs and time before agreement. Stated that in respect of the first change the time and money needed to be settled before the next change could be dealt with. Stated that it was not until December 2009 the first issue was dealt with. Therefore the earliest date the Infraco could look at and prepare the estimate for the next change was December 2009.

Anthony Rush: Stated that if the timetable does not work they must find solution

Richard Walker: Noted that the Infraco were working in 4 areas without change being agreed.

Anthony Rush: Commented that possibly the parties were going round in circles. Stated that TIE can look at the timing but there would be no preconditions accepted.

Michael Flynn: Stated Infraco would give an indication of re-phasing, sticking point changes on first section plus valuation and progressing the work.

Richard Jeffery: Stated TIE will sit down and look at changes. Noted that on certain items the parties were millions apart. Noted that there would be some items that would be easy to deal with and some may not.

Anthony Rush: Commented that negotiation requires the parties to be in the gate and to sit down at the table. TIE will work with Infraco to expedite the change order issues. Noted that full estimates are not being submitted and the quality of submissions was not good also there were cost issues.

Michael Flynn: Commented that the Infraco was not there to say it is all TIE's fault. Infraco wants to get the 25 changes resolved. Some would be difficult some dealt with quite quickly. Need to build trust. Possibly prioritise the changes..

Anthony Rush: Stated that TIE will look at [Changes] but Infraco need to be in the gate and large sums of money will not be made.

Michael Flynn: Asked if delay is beneficial

Anthony Rush: Stated that the on street works was the dominant delay and that the penultimate paragraph [supplemental agreement] was prevention

Richard Jeffery: Stated that the issue was that the Infraco was either capable of starting but not ready or not starting until [supplemental agreement] signed. Stated that the implication, as they have not started, is the cause as TIE not accepting the agreement

Richard Walker: Noted that the agreement (jointly developed) allows for piecemeal work out with the context/intent of the contract. Infraco can commence under that pretext. Can mobilise. It was not the mythology the works were priced on. If TIE wants Infraco to start it can. If it is under the under contract then the Infraco can't start. Designated areas

Anthony Rush: Stated that the Infraco position cannot be accepted as [costs] unlimited. Stated that the issue was raised previously - accept out of sequence etc. under clause 65

Richard Jeffery: Commented that Infraco obliged to come with proposals including working out of sequence. May be more costly but may be best value. Believe Infraco delinquent in not progressing. Stated that the Infraco has not, under contract, come with proposals. Supplemental agreement does not qualify.

Richard Walker: Stated that Infraco have done but rejected. Particularly a request for site investigations.

Anthony Rush: Stated that he had been told that this had not happened

Richard Walker: Stated he had been informed by his Project Manager

Richard Jeffery: Stated TIE could check.

Richard Walker Stated that the biggest issue is under clause 80

Stewart McGarrity: Asked if in respect of the 25 changes that it was a pre-condition that TIE agreed to their being changes.

Michael Flynn: Stated that it was a way of getting through the changes. Noted that there was 63 changes only looking at approx £13.1 million

Richard Walker: Stated 'Yes it is a pre-condition'

Anthony Rush: Noted that Infraco admitted in a letter to the 9 month extension

Richard Walker: Stated that no change order was issued

Anthony Rush: Asked if the letter of acceptance was a pre-condition

Richard Walker: Stated No

Anthony Rush: Recited letter

Richard Walker: Stated that contractually the time had not been awarded.

Richard Jeffery: Stated that it suited him as he was under pressure to withdraw the offer. Noted that the EOT was granted as a package of measures.

Measures that were not lived up to by Infraco. Accepted they would have to live with it. Asked if TIE could still withdraw.

Richard Walker: Stated that it was an offer only not an acceptance. Clarified that the Infraco only agreed to an offer being made.

Anthony Rush: Commented that the parties have gone backwards

Richard Jeffery: Commented on the 25 changes. Stated that they are to be sent to him they are to be sent to him stating the most important changes and if TIE has all the information.

Richard Walker: Stated relief would be possible if correct way used. Method must not deny the Infraco entitlement. Suggested submitted valuation could be dealt with under a dispute process.

Richard Jeffery: Made comment that an Independent Quantity Surveyor is being used.

Anthony Rush: Understood that the suggestion had already been made regarding TIE willingness to look at issues but no pre-conditions. Queried refusal of EOT. Infraco to acknowledge

Richard Walker: Stated that the EOT has not been awarded under contract

Richard Jeffery: Suspended meeting at 16:55

Meeting reconvened at 17:20

Michael Flynn: Explained that in respect of on and off street works there were two scenarios. (1) In respect Valuation of the 25 changes the services of the Independent Quantity Surveyor could be utilised. Stated that if TIE acknowledges the items are changes then Independent Quantity Surveyor can be instructed to value them and the finding will be binding on both parties. Commented that this was a way of expediting the agreement. If the items are agreed by TIE as changes the Infraco will start work.

Richard Walker: Was concerned if the changes are submitted and then Infraco receive a rejection or nothing back at all, where TIE perceived the entitlement is question. e.g. Gogarburn

Anthony Rush: Stated that there were no pre-conditions. Stated that if there was a change then the Independent Quantity Surveyor would be asked to undertake a valuation.

Michael Flynn: Stated that the way forward was not by seeking anyone to ignore the obligations under the contract. Commented that there was a need for momentum to move the project on. If Infraco reciprocated with no preconditions then the project goes nowhere.

Anthony Rush: Stated that TIE would be foolish and considered delinquent if it allowed itself to admit every item was a change.

Antonio Irujo: Restated the Infraco position that it was trying to resolve the matter by concentrating on the 25 changes.

Richard Jeffery: Asked the Infraco that if TIE did not agree to all the items being changes would they progress with the works.

Richard Walker: Made reference to Gogarburn issue.

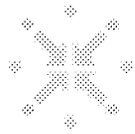
Richard Jeffery: Stated that it was his understanding that Infraco would not progress unless all items agreed as change.

Richard Walker: Stated that it was a mechanism

Michael Flynn: Commented that in respect of on street works carried out. Stated all good faith was applied and TIE disputed account and payment was not made. Stated that the Infraco attempted to make progress and £2million was at large.

Richard Jeffery: Asked Infraco why the £2 million was not referred to the dispute process

Richard Walker Stated that it was difficult to answer as it was not their normal way of working.



Anthony Rush: Stated the matter would be looked at under clause 65.

Richard Walker: Stated no that it would have to be under clause 80

Richard Jeffery: Stated that the programme is not relevant to this matter

Richard Walker Commented that there would be only 200m of work carried out and then there would be changes.

Anthony Rush: Suggested Infraco go away and review the points raised. Stated that TIE was prepared to work with the Infraco

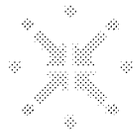
Richard Jeffery: Commented that the mechanism under the contract [clause 80] is being adhered to and that it seamed that the Infraco's position has not changed

Richard Walker: Stated that only under the terms of the contract will they deliver the project.

Richard Jeffery: Closed the meeting at 17:30 and thanked Infarco and everyone for their time

NOTE TAKERS DECLARATION

I confirm that I am a Commercial Attorney and Chartered Quantity Surveyor working as an independent consultant to TIE. I was asked by TIE to attend the meeting only in the capacity as an Independent note taker. I prepared this record based on the notes I took at the meeting. In instances where the notes taken did not provide clarity as to what was said I have inserted wording based on my recollection of statements and comments made. These have been included in squared brackets []. I confirm that since the meeting I have not been asked or approached by anyone to make any changes to statements or comments that were made, nor have I made contact with anyone to clarify or confirm statements or comments made. Further the only instructions I have received were to ensure that the notes were issued to all attendees simultaneously and to invite those in attendance to make comment on any statement they have made.



Given that I am employed as a consultant to TIE it is acknowledged that there may be a perception of bias. I have considered this matter and given my strict instructions, as noted above and particularly as the attendees are given the opportunity to make comment on the notes I declare that this is an independent record of the meeting held at 15:00 on 02 March 2010 at Citypoint, 65 Haymarket Terrace, Edinburgh.

Date:

Signed:

Torquil Murray BSc, LLM, MRICS, MCIArb, MACA

Commercial Attorney, Chartered Quantity Surveyor