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**From:** Graeme Bissett [graeme.bissett@[REDACTED]]  
**Sent:** 21 April 2008 17:02  
**To:** Willie Gallagher; Colin McLauchlan; Stewart McGarrity; Steven Bell  
**Subject:** JS- CONFIDENTIAL

Colleagues, I spoke yesterday and again this afternoon to James Stanley, who has reviewed the main Infraco contract. Steven, give me a shout to get the background to this.

James's review was intended to achieve two things :

- Provide a basis for assessing the legal management approach to the contract post-Close, including the overall balance between our external advisors and an in-house presence.
- Identify any fatal flaws

James' comments were that "the contract doesn't look bad", "its robust", "its obviously been subject to thorough negotiation". His main concern is that it "leaks claims" in the sense that BBS's ability to claim is specific in many places in the contract, where he would have expected there to have been more implicit presumption. He also commented on the complexity of the contract. This seems to jive with the approach taken by our counter-parties and does not mean there is a flawed contract, but that we need to be thoroughly prepared to execute our own obligations and be on our toes to avoid or manage the claims which we can anticipate coming our way.

We concluded unsurprisingly that it would be highly desirable to retain DLA for many months ahead given their knowledge of the contract and its management consequences. I've suggested he comes back to Edinburgh at the end of this week, for a follow up discussion, potentially involving Andrew Fitchie. The issues are 1) what in-house resource do we want, including a possible role for James ; 2) how do we interface with D&W ; and 3) what is our medium term requirement.

He raised a few specific points in the area of securities which I will document and I would be grateful if Stewart would review these as a matter of priority, then take up with DLA before the contracts are sent to Germany.

Colin - James raised with me on both calls that he hadn't heard about Ts & Cs - can you get back to him please.

Regards  
Graeme

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Graeme Bissett

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