



Mr Steven Beattie
MUDFA Project Director
Carillion Utility Services
Western Harbour
Leith Docks
Edinburgh
EH6 6QF

Our Ref: DEL.MUDFA.13043.GB

Date: 27 February 2009

Dear Steven,

**EDINBURGH TRAM PROJECT – MUDFA
Refusal to Accept/Act Upon Issued Site Instruction**

We refer to today's discussion between Messrs Barclay/Mann regarding instructed weekend working, specifically at the Haymarket and Haymarket Yards. It has been confirmed that Carillion will not accept/act upon any written instructions relating to weekend working, as confirmed in the attached signed site instructions reference no's 3173/3174, pertinent to weekend of 28th February 2009. Furthermore, it has been confirmed that this has been a directive issued today by Carillion's Commercial Director, Mr Steve Hudson.

We confirm the instructions have been issued pursuant to CI 13.1, CI 37.3 and CI 39.1 to mitigate current delays and maintain key dates.

We would refer you to CI 14.1 of the MUDFA Contract, wherein your obligations in respect of receipt of instructions from the authorised delegated tie representative are quite explicit.

Moreover, we would remind you of your Contract obligations pursuant to CI.2.6 which requires (but not limited to) Carillion to "minimise disruption to the City of Edinburgh and minimise outturn costs".

We confirm your refusal to accept the written instructions is a direct breach of your

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Contract obligations and as such all associated costs and delays that may be attributable shall be borne by Carillion.

Yours sincerely,



Graeme Barclay
Construction Director – MUDFA

cc. Steven Bell, Dennis Murray, Jim McEwan, John Casserly, Thomas Caldwell