



PARSONS BRINCKERHOFF ENGINEERING LTD	
GLASGOW	REG NO 2162
23 SEP 2005	
JOB NO	LOCATION

Parsons Brinckerhoff Limited
Royal Exchange House
2nd Floor
100 Queen Street
Glasgow G1 3DF

Our Ref: 40.02.03.02
GH/MH/CN

Date: 6th September 2005

FAO: Mr David Hutchison

Dear Sirs

Appointment of Provider of System Design Services, Edinburgh Tram Project

On behalf of and as authorised by tie Limited (**tie**), a company incorporated under the Companies Act (registered number 230949) and having its Registered Office at City Chambers, High Street, Edinburgh EH1 1YJ, subject to the terms of this letter, I hereby accept the terms of your Formal Offer (as defined below) and appoint you to execute work required in connection with the provision of System Design Services for the above project in the amount of Twenty Three Million, Five Hundred and Forty Seven Thousand, and Seventy Nine Pounds (£23,547,079.00).

This appointment is subject to your express acceptance of the terms of the Agreement for the provision of System Design Services (the "Agreement") and your execution of the Agreement in accordance with the terms of this letter.

You are to provide satisfactory evidence that all the necessary insurance arrangements as required by the Agreement have been effected and we request confirmation from your Insurance Broker within 10 days of today's date.

This letter is in response to your formal offer to provide System Design Services to the Client (as defined in the Agreement) in respect of the Edinburgh Tram Network, dated 13th May 2005, as the same has been amended and/or supplemented by letters and attachments from Mike Jenkins to Ian Kendall dated 8 June 2005 and 29 June 2005 and letters from David Hutchison to Ian Kendall dated 10 August 2005 and 2 September 2005 (the "Formal Offer").

It is also a condition of our acceptance of your Formal Offer that any publicity announcement connected with this appointment be agreed with **tie** before release to the media or to any source (including your internal website) available to third parties. In this regard, we draw your attention to the confidentiality obligations under the tender conditions and the Agreement.

The formal signing of the contract shall take place on Monday 19th September 2005 in our offices and we look forward to working with you in respect of this commission. For

tie limited

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the avoidance of doubt, if there is any discrepancy or ambiguity between the Agreement and the Formal Offer, the Agreement shall take precedence.

If you have any comments or require any further information please do not hesitate to contact me.

Yours faithfully



Michael Howell
Chief Executive

For and on behalf of **tie Limited**

The terms of the foregoing letter are accepted on behalf of Parsons Brinckerhoff Limited by

Full Name:

Date: