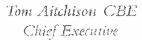


THE CITY OF EDINBURGH COUNCIL





PERSONAL AND CONFIDENTIAL

Mr W Gallagher 21 Glasgow Road KILMARNOCK KA3 1TJ

Our Ref:

ceo\transport\wgoffer

Your Ref:

Bate.

1 June 2006

Dear Mr Gallagher

OFFER OF APPOINTMENT OF CHAIR OF tie LIMITED (NON EXECUTIVE POSITION)

I refer to your interview on 24 May 2006 for the non-executive position of Chair of tie Limited. I am pleased to confirm that at its meeting today the Council approved your appointment as recommended by the Recruitment Committee. The details are set out below

The period of appointment will be for three years, with the possibility of renewal.

You will be required to chair meetings of the Board of tie Limited, which are unlikely to exceed six or seven meetings a year. In addition, you will chair a monthly meeting of the EARL Project Board. You will also be expected to represent the company on official occasions and participate in the business of Board sub-committees.

The appointment carries a basic remuneration of £20,120 per annum plus reasonable expenses incurred during tie business. There is no entitlement to superannuation benefits. This remuneration is based on a time commitment of up to two days a week. However, since it is likely that for an initial period the role will require a greater time commitment, I confirm that in these circumstances the level of remuneration will be increased on a pro rata basis. I also refer to your request at interview regarding allowances and confirm that a degree of flexibility can be applied.

I would be grateful if you would confirm your acceptance of this position by signing the attached copy of this letter.

Yours sincerely

TOM AITCHISON Chief Executive

> Council Henlauariers, Wellington Court, 40 Waterloo Place, Edinburgh, EH1 3EG Fax 0131 469 3010 tom.aitchisoul@ediaburgh.gov.uk

