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**From:** Fitchie, Andrew [Andrew.Fitchie@dlapiper.com]  
**Sent:** 14 April 2008 20:30  
**To:** Horsley, Chris  
**Cc:** Willie Gallagher; Jim McEwan; Geoff Gilbert; Alastair Richards - TEL; Steven Bell; Stewart McGarrity  
**Subject:** RE: Deal

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Al

It is not clear to me how the outcome of today's meeting with BBS is to be recorded but, from my perspective, the outcome reached was:

1. The arrangements in Chris's note were re-instated/reconfirmed as regards items 2, 3, 5, 7, 8, 9, 11.

2. Items 1 and 6: the deal is now essentially that:

there is no BBS mark up in relation to the SDS scope of: known 'to go' Deliverables (circa £4.5mio) plus the £675k spent on SDS shepherding Siemens design through Consent process.

if there is tie Change generated additional SDS Design cost post novation, BBS would exact a mark up. No mark up percentage has been agreed but tie's position would be 10%.

3. There would be no Siemens mark up on any additional SDS design cost.

4. The SDS design relating to MUDFA will be removed from SDS scope under BBS novation. (Note that SDS are now trying to say that this remaining work should be completed on different rates because it is 'new'). This is fantasy in my view and if this is persisted with by Steve Reynolds, tie should simply novate the scope and have BBS assign the scope back which would lock the rates in as they are.

5. Item 4 - BBS have not yet agreed to drop the Halcrow collateral warranty requirement.

6. The reserve account risk pot is set up and shared as described in 6. We must be certain what the conditions of access to this BB account are, so that it is not diluted by BB using it and tie controls its deployment.

7. Item 10 - who is to pursue this in Steven's absence? Guided busway access by November 08?

Please confirm so that this can be written up and signed by BBS tomorrow.

Kind regards

-----Original Message-----

**From:** Horsley, Chris  
**Sent:** 14 April 2008 15:58  
**To:** Fitchie, Andrew  
**Cc:** 'Willie Gallagher'; Jim McEwan; Geoff Gilbert; Alastair Richards - TEL  
**Subject:** RE: Deal

Andrew,

Please find attached the version of the Deal note which has the benefit of Siemens approval from Michael Flynn.

Kind regards

Chris

Christopher Horsley  
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-----Original Message-----

From: Fitchie, Andrew  
Sent: 14 April 2008 15:49  
To: Horsley, Chris; 'willie.gallagher@tie.ltd.uk'  
Cc: 'jim.mcewan@tie.ltd.uk'; 'geoff.gilbert@tie.ltd.uk'; 'alastair.richards@tie.ltd.uk'  
Subject: Deal

Chris

Could you re send me a copy of your note on the 'wrap up' deal from Friday (?) that Michael agreed with Jim and which Richard then blew up with the £ 500k SDS mark-up claim. We need to reconstruct this, with slightly different shades following this morning's meeting.

Kind regards  
Andrew Fitchie  
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