



19 JANUARY 2018

UPDATE TO ALL EMPLOYEES WORKING ON CARILLION CONSTRUCTION LIMITED'S NETWORK RAIL PROJECTS

Dear all,

Firstly, we would like to thank you all for persevering through what has been an extremely challenging week with a number of uncertainties facing all stakeholders, including employees to Carillion. I know that many, if not all, of you will have received a number of calls from suppliers requiring clarity on the situation, which I know you will have felt unable to give this.

As you will be aware, over the past few days PwC has been working with Network Rail to provide reassurance and surety around Carillion Construction Limited's (CCL) Network Rail's, rail projects (listed below) and I am pleased to inform you that these discussions have led to an agreement being reached this morning which allows us to provide more clarity on the position as Network Rail has agreed to underwrite salary costs for those working on their projects until at least mid-April.

What this means for you as employees

Employees should continue working on the Network Rail projects noted below CCL rail employees working on these projects are encouraged to turn up for work as normal and continue to deliver their rail work and projects, secure in the knowledge that they will be paid. Once again, we appreciate your cooperation and support across the rail business and are extremely grateful of this.

We will continue satisfying costs such as training required to allow employees to obtain the necessary credentials to complete work in line with health and safety requirements on rail projects. Therefore, any training courses which you are required to attend should be booked as usual (going through the approval processes which have historically been followed).

What this means for suppliers and the ongoing provision of services

An email has gone out to all known suppliers of the below projects providing an undertaking for all costs from 15 January 2018 onwards, until further notice, as per the terms and conditions of each of the contracts. This should give suppliers sufficient comfort around payment for services/ goods provided post 15 January 2018.

Network Rail and PwC are also working closely together to evaluate the cost of work done on Network Rail contracts in the period up to liquidation with a view to provide clarity to suppliers as quickly as possible. All creditors will be notified of the insolvency in writing by way of a standard letter, and any arrears will be a claim in the insolvency.

If you become aware of a supplier who is unwilling to provide services going forward after receiving the email which has been sent, please send an email to infrastructure.carillion@uk.pwc.com with the name of the supplier, contact details and any other relevant information which will assist in our discussions.

FAQs and more details regarding the insolvency are available on our website (<https://www.pwc.co.uk/carillion>).

Processes for order and payment

The processes for raising and approving purchase orders/ billing and payments will be considered over the coming days, but until further notice, these processes will continue to operate as they did prior to liquidation (albeit PwC and Network Rail will review all payments prior to them being made).



Suppliers should therefore be instructed to go through the same channels that they have done so previously. Please note that this only applies for the payment for services provided from 15 January 2018 onwards.

To reiterate, we appreciate your cooperation over the last few days and thank you in advance for your continued support.

Thank you.

Michael John Andrew Jervis, David James Kelly, Peter Dickens and David Matthew Hammond have been appointed as special managers by the High Court to help manage the affairs, business and property of Carillion Construction Limited, in accordance with the powers and duties contained in the order appointing them. The Special Managers act as agents of the Company, without personal liability. All are licensed in the United Kingdom to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales. The Special Managers are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.

The Special Managers are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP may act as Data Processor on the Special Managers' instructions. Personal data will be kept secure and processed only for matters relating to the appointment.

List of Network Rail contracts

• Brent Cross station - Grip 3/4	• London to Corby MML
• Carmarthen Grip 5-8 LX Renewals	• Market Harborough Grip 3 Phase 3C
• Waverley Station NR12	• NEP - MML/Scotland
• CP5 Renewals Oxford	• North West Electrification Programme
• CP5 Western Design	• OOCA
• Doncaster Station	• Oxford Corridor Trackworks
• Ebbw Vale Frequency Enhancement	• PLTR - LNE - WBI 2017-2018
• L2C T&C (Package 1)	• PLTR - LNW - WBI 2017-2018
• Hinksey Flood Resilience	• Sheffield Tram Train Early/Main Works
• IEP Gauging Priority 2 Sites	• Splott Road Bridge
• Kettering Electric Stabling	• Stroud Valley LX
• Kettering to Corby- GRIP 3-4-5	• Waverley NR3 Grip Design
• Kettering to Corby Works	• West Ealing Sidings
• Knottingley Area LX Renewals	• WITI (Western Inner Track Imp)