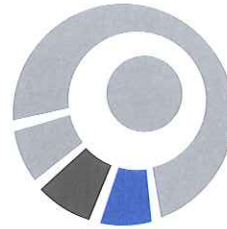


18TH June 2010

Bob Crow,
General Secretary,
RMT,
Unity House,
39 Chalton Street,
London,
NW1 1JD



Tube Lines

15 Westferry Circus
Canary Wharf
London E14 4HD

Dear Bob,

Pay and Terms Agreement 2010 / 12 - OFFER

Further to discussions with your representatives, I have taken the opportunity to review the pay offer that I made on the 26th May 2010. Following discussions with TfL we are now in a position to table below a 3 year pay offer see attached.

I trust you will find this offer acceptable to you. If you can indicate your acceptance of this 3 year pay offer, I will make arrangements for this offer to be implemented within the Company at the earliest possible opportunity.

I am more than happy to clarify any specific points that you have on this Pay Offer or this can be dealt with at our Company Council level.

I look forward to your response.

Yours sincerely,

John Edmonds
HR Business Partner Operations
0207 088 4865



TUBE LINES LIMITED

Pay and Terms Agreement 2010 / 12 - OFFER

3 YEAR PAY OFFER

General pay increase – year one from 1st April 2010

- 4.2 % general increase to base salary, with effect from 1st April 2010. This pay increase will be paid in the first available 4 weekly pay to our employees and is a back dated payment to 1st April 2010.
- 0.5 % of this offer represents reaching the following agreement on rostering arrangements.

Rostering Arrangements and methodology for changing Rosters

Rosters will be drawn up to meet operational business requirements

Rosters and any proposed changes will be drawn up by the relevant Asset Manager or their nominated manager in consultation with the relevant staff representatives concerned, and should take account of workload, possession times and client needs.

New roster proposals will be discussed at the appropriate level within the bargaining machinery and both parties should enter into discussions with a view to reaching a negotiated agreement. Staff representatives will be encouraged to produce suggested rosters that enable the business to meet its contractual obligations. Agreement cannot unreasonably be withheld and where staff representatives cannot agree to changes they must present tangible reasons for failing to agree. During such discussions, new rosters cannot be imposed and no dispute contemplated. All involved must use the current machinery of negotiation to escalate matters that are unresolved. Once existing machinery has been exhausted, matters still unresolved will be referred to the Director of Operations and the appropriate Full Time Trades Union Officer. If their intervention is not ultimately successful the matter may be referred to ACAS providing both parties agree and this could lead to binding arbitration (again providing both parties) agree.

General pay increase – year two from 1st April 2011

- The total increase will be no less than the rate of inflation (RPI) + 0.5% or a minimum 0.5% whichever is the greater. The RPI figure will be based on the actual RPI figure in January 2011 published in February 2011.

General pay increase – year three from 1st April 2012

- The total increase will be no less than the rate of inflation (RPI) + 0.5% or a minimum 0.5% whichever is the greater. The RPI figure will be based on the actual RPI figure in January 2012 published in February 2012.