



THE SCOTTISH OFFICE

Solicitor to the Secretary of State

New St. Andrew's House  
Edinburgh EH1 3TE

Messrs Balfour and Manson,  
Nightingale and Bell  
Solicitors  
58 Frederick Street  
EDINBURGH

Telephone 031-244  
Fax 031-244 4785

24 June 1991

Dear Sirs

**HIV/HAEMOPHILIA LITIGATION  
SETTLEMENT OF SCOTTISH CLAIMS**

I understand that you are instructed on behalf of the Steering Group of Scottish Solicitors coordinating claims of the persons listed in Annexes A and B to receive the offer set out in the terms of settlement attached.

I am authorised on behalf of the Secretary of State to offer formally to you terms of settlement for individual claims at the instance of pursuers listed in Annex A to this letter and for the settlement of claims for damages against the Secretary of State on behalf of those claimants listed in Annex B. The terms of settlement are set out in the document labelled Annex C attached with this letter.

I also attach a copy of the MacFarlane (Special Payments) (No.2) Trust dated 3 May 1991 together with a copy of revised draft Schedule 4 to the Deed of Trust. Arrangements are being made to vary the terms of the Deed of Trust to facilitate payments in terms of the terms of settlement. This will entail substitution of Schedule 4 and also Schedule 3 (Form of Undertaking). The appropriate Form of Undertaking is set out in Schedule 1 to the terms of settlement. I understand that you will arrange for the offers to be communicated to the individual pursuers and claimants through their appropriate legal advisers.

I attach 45 copies of the detailed terms of settlement which I understand should be sufficient to enable you to transmit a copy to each individual pursuer and claimant.

I shall be grateful if you could confirm as soon as possible with each of the pursuers and claimants that they are prepared to settle their claim on the above basis.

So far as the procedure to settlement is concerned I understand that you will forward to this office a formal instruction in the form attached with your letter of 10 June including a schedule providing full details in relation to the individual claimant together with the completed form of undertaking attached as Schedule 1 to the terms of settlement.

ALM00320.061



DHSC0003635\_065\_0001

Upon receipt of that pro forma letter and schedule we will issue the appropriate certificate to the MacFarlane Trust. We understand that thereafter the Trust should be in a position to release payments to individual claimants. So far as the payment is concerned we understand that such payments would be made direct to the individual claimants.

It will be necessary for joint minutes to be prepared in relation to the cases at the instance of persons listed in Annex A. We will prepare drafts at the point when agreement is indicated.

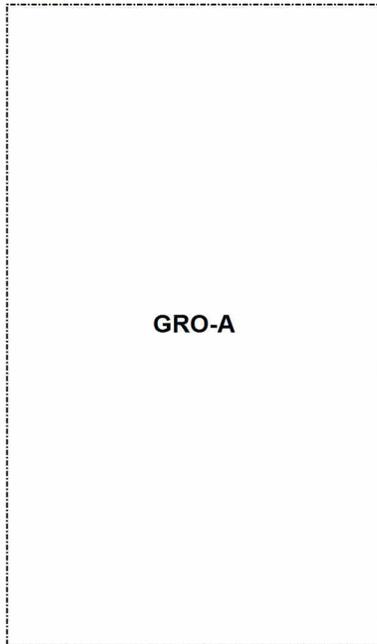
So far as the question of payment of legal expenses is concerned I understand from you that detail accounts have been prepared and that you await confirmation of those accounts from the individual claimants own solicitors. Thereafter you will propose to submit those accounts to this Office for settlement in terms of the terms of settlement.

I look forward to hearing from you. If there is any further information you require or if there is any clarification which you require then I would be grateful if you could let me know.

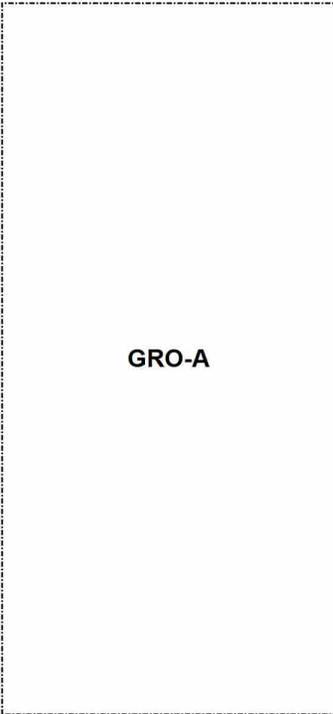
Yours faithfully

GRO-C

RICHARD M HENDERSON



GRO-A



GRO-A