

SCHEDULE 1**Operational Requirements****1. PASSENGER SERVICES**

The Franchisee shall at all times during the Franchise Term operate the Passenger Services on the Railway in accordance with the requirements of this Schedule 1.

2. BASE SERVICE PLANS

2.1 From the Franchise Commencement Date, and unless and until notified otherwise by DLRL in accordance with paragraph 2.2, the Franchisee shall as a minimum operate Passenger Services for the duration of the Base Service Hours to comply with Base Service Plan A.

2.2 DLRL may at any time instruct the Franchisee to operate any of the Base Service Plans in Appendix 1 of this Schedule 1 provided that DLRL provides the Franchisee with at least four months' notice of the date on which such Base Service Plan shall be operated. As and from the date that the Franchisee is required to operate a different Base Service Plan, the Franchise Payment shall be adjusted in accordance with Part 1 of Schedule 15 (Variation Procedure).

2.3 Each Line specified in the Base Service Plan shall be treated as a separate Line and, notwithstanding that the route of one Line specified in the Base Service Plan may replicate wholly or partly the route of any other Line, any particular Train may only count toward satisfaction of the specification of one such Line.

3. TIMETABLING AND PASSENGER SERVICES

3.1 The Franchisee shall produce a Timetable which, subject to the express provisions of this Agreement:

(a) requires Passenger Services as a minimum to be operated during the Base Service Hours; and

(b) complies with the prevailing Base Service Plan,

and the Franchisee shall operate the Passenger Services in accordance with such Timetable.

3.2 The Franchisee may produce a Timetable which includes:

(a) Intervals shorter than the maximum Intervals specified in the Base Service Plan; or

(b) routes additional to or as extensions to the Lines stated in the Base Service Plan.

3.3 The Timetable must also comply with the following requirements:

(a) in order to create smooth transitions between and permit reliable build up and ramp down between different Base Time Periods, the Franchisee shall not be obliged to operate the specified Interval during the first and last half an hour of each Peak Period provided that no individual Interval in such half hour period shall exceed the Interval specified for the immediately preceding or following Base Time Period (as the case may be) plus two minutes;

(b) except as expressly permitted in paragraph (a) above, no individual Interval shall be more than 30 seconds greater than the maximum Interval specified in the Base Service Plan so that the average Interval during any hour of the Base Service Hours is no greater than the maximum Interval specified;

- (c) subject to paragraph (h) below, all Trains must operate to the Terminal Station on the Lines in the Base Service Plan;
- (d) the First Train in Passenger Service on each Service Day must depart from each Terminal Station no later than one minute after the start of the Base Service Hours;
- (e) the First Train from each Station in each direction on each Line shall operate to the Terminal Station of that Line in that direction;
- (f) a Train in Passenger Service must call at every Station in each direction on each Line on every Service Day no later than ten minutes after the start of the Base Service Hours;
- (g) on each Line on each Service Day the Timetable shall comply with the following:
 - (i) from Beckton Station:
 - (A) the Last Train shall depart no earlier than twenty minutes before the end of the Base Service Hours;
 - (B) the Last Train to Tower Gateway shall be timetabled to provide an onward connection for those passengers on board a Train leaving Woolwich Arsenal to Canning Town no earlier than twenty minutes before the end of the Base Service Hours;
 - (ii) from Woolwich Arsenal Station:
 - (A) the Last Train which is direct to a Zone 1 Station shall depart no earlier than thirty minutes before the end of the Base Service Hours;
 - (B) a Train no earlier than twenty minutes before the end of the Base Service Hours shall provide passengers with an onward connection to a Zone 1 Station from Canning Town.
 - (C) the Last Train to Stratford International shall depart no earlier than twenty-five minutes before the end of the Base Service Hours;
 - (D) the Last Train to Canning Town shall depart no earlier than the end of the Base Service Hours;
 - (iii) from Stratford International Station:
 - (A) the Last Train to Woolwich Arsenal shall depart no earlier than thirty minutes before the end of the Base Service Hours;
 - (B) the Last Train to Canning Town shall depart no earlier than the end of the Base Service Hours;
 - (iv) from Stratford Station (platforms 4a/b):
 - (A) the Last Train to Canary Wharf shall depart no earlier than the end of the Base Service Hours;

- (v) from Canary Wharf Station:
 - (A) the Last Train to Stratford shall depart no earlier than the end of the Base Service Hours;
- (vi) from Lewisham Station:
 - (A) the Last Train to Bank shall depart no earlier than fifteen minutes before the end of the Base Service Hours;
 - (B) the Last Train to Canary Wharf shall depart no earlier than the end of the Base Service Hours;
- (vii) from Bank Station:
 - (A) the Last Train to Lewisham and Woolwich Arsenal shall depart no earlier than the end of the Base Service Hours;
- (viii) from Tower Gateway Station:
 - (A) the Last Train to Beckton shall depart no earlier than the end of the Base Service Hours;

and after the Franchisee has first produced a Timetable in accordance with this paragraph 3, the Franchisee shall be required to obtain DLRL's acceptance (to be given or withheld in DLRL's absolute discretion) prior to any alteration of the Timetable which contains an earlier departure time for the Last Train or a later departure time for the First Train than stated in the previous Timetable; and

- (h) the Franchisee must obtain DLRL's prior written approval (not to be unreasonably withheld or delayed) if any Timetable is unable to comply with the prevailing Base Service Plan or the requirements of this paragraph 3.3.

3.4 The Franchisee shall promptly upload and maintain the current version of the Timetable onto such system as required by DLRL (which as at the date hereof is DORIS) in a format acceptable to DLRL. The Franchisee shall ensure that at all times it operates the Passenger Services in accordance with the current, uploaded version of the Timetable.

3.5 The Franchisee may amend the Timetable as reasonably required, provided that:

- (a) the Timetable shall at all times comply with paragraphs 3.1 to 3.3; and
- (b) the Franchisee shall promptly inform DLRL of any such amendments.

3.6 The Franchisee shall produce an updated Timetable if:

- (a) DLRL instructs the Franchisee to operate a different Base Service Plan in accordance with paragraph 2.2; or
- (b) required by a Marginal Base Service Change, a Special Service Requirement, a Possession or any other alteration to the Passenger Services made in accordance with this Agreement.

3.7 For the avoidance of doubt, the First Train and the Last Train must operate at the times specified in the Timetable that is published in accordance with Schedule 6.

3.8 Where any Last Train on any Service Day does not operate as specified, including provision of the appropriate onward connections, the Franchisee shall provide alternative

transport to any passengers waiting for that Train at any Station on that Line, at the time at which it was due to depart.

4. BASE SERVICE HOURS

4.1 Subject to paragraphs 4.2 and 4.3, the Base Service Hours are:

- (a) Weekdays, Saturdays and Bank Holidays from 0530 to 0030 (the next day);
- (b) Sundays from 0700 to 2330.

4.2 The Franchisee shall not run Passenger Services on the Railway on Christmas Day.

4.3 The Base Service Hours on New Year's Eve shall be extended throughout the night (i.e. to operate a 24-hour Passenger Service) at no additional cost to DLRL and this shall not amount to a Marginal Base Service Change.

4.4 DLRL may in its absolute discretion (at no additional cost to DLRL) temporarily or permanently shorten or lengthen the Base Service Hours and the Engineering Hours on any day by up to an hour, provided that:

- (a) the aggregate weekly Base Service Hours and Engineering Hours remain unchanged; and
- (b) DLRL gives the Franchisee at least four weeks' notice of any such changes.

For the avoidance of doubt, the Franchisee shall not be entitled to any increase in the Franchise Payment as a result of DLRL modifying the Base Service Hours in accordance with this paragraph.

4.5 If the Franchisee believes that the required level of Passenger Services on certain days or at certain times or on certain Lines is not warranted to meet passenger demand or that an alternative service pattern would better match passenger demand, it may propose alterations to DLRL in accordance with BCP-25. For the avoidance of doubt DLRL shall be entitled to accept or reject such alterations entirely at its own discretion and subject to such conditions as DLRL deems appropriate.

5. MARGINAL BASE SERVICE CHANGES AND SPECIAL SERVICE REQUIREMENTS

Marginal Base Service Changes

5.1 DLRL may at any time instruct the Franchisee to permanently or temporarily vary any element of the Timetable, including but not limited to the following:

- (a) the frequency of any Passenger Services;
- (b) the Vehicle formations of any Passenger Services;
- (c) the Base Time Periods; and
- (d) the Lines,

or a combination of any of the above, provided that the varied Passengers Services remain within 10% of the Train Kilometres and 30% of the Vehicle Kilometres required by the prevailing Base Service Plan (as calculated over 13 standard Fee Periods using a train service model defined by DLRL) (a "**Marginal Base Service Change**").

- 5.2 Any Variation Payment due to the Franchisee as a result of a Marginal Base Service Change shall be calculated in accordance with Part 1 of Schedule 15 (Variation Procedure).
- 5.3 The Timetable as varied by a Marginal Base Service Change shall become the operating Base Service Plan and shall be subject in full to the provisions and measurements of Schedule 2 (Operational Performance Regime).

Special Service Requirements

- 5.4 Subject to paragraph 5.5, the Franchisee shall be entirely responsible at its own cost for providing all appropriate additional service requirements or resources (including without limitation any appropriate additional staff) required to accommodate demand for any special events and activities (each a "**Special Service Requirement**") occurring on and around the Railway which impact the Railway directly or indirectly, which shall include but not be limited to the London Marathon and events at ExCeL London, the Queen Elizabeth Olympic Park and the London Pleasure Gardens.
- 5.5 At least eight weeks prior to any Special Service Requirement, the Franchisee shall propose for DLRL's acceptance (not to be unreasonably withheld or delayed) a plan (a "**Special Service Requirement Plan**") setting out the additional service requirements and resources which will be provided by the Franchisee to accommodate demand for such Special Service Requirement. The Franchisee shall take into account any comments provided by DLRL (acting reasonably) in relation to such Special Service Requirement Plan and, once the Special Service Requirement Plan is accepted by DLRL, the Franchisee shall provide the additional service requirements and resources as set out in such Special Service Requirement Plan.
- 5.6 No later than eight weeks prior to any Special Service Requirement, the Franchisee shall provide to DLRL any Marginal Base Service Change which the Franchisee proposes is required to accommodate any Special Service Requirement, which DLRL shall be entitled to accept or amend if DLRL considers that the proposed Marginal Base Service Change is excessive for the Special Service Requirement. DLRL shall be required to provide an instruction under paragraph 5.1 above to implement the Marginal Base Service Change accepted by DLRL (as amended, if applicable). Subject to paragraph 5.7 below, any Variation Payment due to the Franchisee as a result of a Marginal Base Service Change in accordance with paragraph 5.2 above shall be the Franchisee's sole entitlement for additional payment as a result of any Special Service Requirement.
- 5.7 If any single Special Service Requirement lasts longer than five days, DLRL shall be required to implement a Variation to reflect the Franchisee's costs of additional services, staffing and operational planning and any Variation Payment due to the Franchisee shall be determined in accordance with Part 2 of Schedule 15 (Variation Procedure).
- 5.8 Notwithstanding the occurrence of any Special Service Requirement, the Franchisee shall at all times during the Franchise Term be obliged to operate the Passenger Services on the Railway (including calling at all Stations as set out in the Timetable) in accordance with the requirements of this Schedule 1 and all Applicable Requirements. Schedule 2 (Operational Performance Regime) shall apply in full during any Special Service Requirement.

6. OPERATING PROCEDURES

- 6.1 The Franchisee shall at all times comply with the current versions of the Operating Procedures.
- 6.2 The Franchisee shall within 6 months of the date of the Franchise Commencement Date review and update each of the existing Operating Procedures and (where necessary)

create new Operating Procedures to ensure that when taken together the Operating Procedures:

- (a) cover all of the procedures and instructions for operating the Passenger Services;
- (b) allow the Franchisee to comply with its obligations in this Schedule 1;
- (c) comply with all Applicable Requirements (including without limitation ROGS and HSWA);
- (d) ensure the safety and security of passengers, staff, Third Parties and relevant equipment;
- (e) govern the execution of routine operations and responses to alarms, failures and emergencies;
- (f) allow the Franchisee to comply with its asset management obligations in clause 9 and Schedule 4; and
- (g) reflect any operating manuals and original equipment manufacturer manuals where appropriate.

6.3 The Franchisee shall continue to update and maintain the Operating Procedures during the Franchise Term and the Franchisee shall regularly review the Operating Procedures as often as is required (but at least annually) throughout the Franchise Term to ensure they meet the requirements of paragraph 6.2.

6.4 The Franchisee shall submit all updated or Operating Procedures to DLRL and the Franchisee shall ensure that the current versions of the Operating Procedures are promptly uploaded onto such system as required by DLRL (which as at the date hereof is DORIS).

6.5 The Franchisee shall comply with BCP-03 and its local change management process required by paragraph 10 of Part 1 of Schedule 7 (as applicable) in relation to making any amendments or updates to the Operating Procedures.

7. ENGINEERING HOURS

7.1 The Engineering Hours shall be as specified below:

- (a) Tuesday to Saturday 0130 until 0430;
- (b) Sunday 0130 until 0600; and
- (c) Monday 0030 until 0430,

provided that Engineering Hours may be increased by DLRL on Bank Holidays, Christmas Day and Christmas Eve.

7.2 The Franchisee shall electrically isolate the Railway prior to the commencement of the Engineering Hours unless a live possession has been booked in accordance with the Working on the Railway Manual. The Franchisee shall restore track power on the Railway at the end of the Engineering Hours.

7.3 The Franchisee shall maximise the time available for undertaking engineering and maintenance work during Engineering Hours by timely isolation of the Railway and by ensuring that Engineering Hours are available to be used to their full extent to undertake engineering and maintenance activities.

7.4 During Engineering Hours the Franchisee shall not be entitled to operate any Passenger Services (except as required in the event of an ongoing operational emergency) or other Trains (except those required to undertake engineering or maintenance works).

8. SAFETY OF PASSENGER SERVICES

8.1 The Franchisee shall ensure that the Railway is safe to operate Passenger Services at all times, including without limitation each morning at the end of Engineering Hours and following all Possessions.

8.2 The Franchisee shall not use any First Train to reset signalling components following overnight engineering or maintenance works. Any First Train used for such purpose shall not constitute a Properly Completed Dispatch for the purposes of Schedule 2 (Operational Performance Regime).

8.3 The Operations Director shall have the authority to restrict operations to any extent necessary (including temporary closures or a cessation of Passenger Services on all or any portion of the Railway during any Service Day at any time) to maintain operational safety. The Franchisee shall not be relieved of its obligations under this Schedule or Schedule 2 as a result of any such restriction and the Franchisee shall bear the full consequences of any failure to comply therewith unless (and then only to the extent that) DLRL, at its absolute discretion, waives compliance by written notice served on the Franchisee.

9. STATION MANAGEMENT PLANS

9.1 Within 6 months of the Franchise Commencement Date, the Franchisee shall produce and submit to DLRL a proposed Station Management Plan for each Station, which shall include but not be limited to the following information:

- (a) address, postcode and GPS co-ordinates;
- (b) external telephone number for operations room of that Station (where relevant);
- (c) rendezvous point;
- (d) map of the local area, including alternative transport e.g. bus stops;
- (e) Station equipment list;
- (f) regular train service routes and frequency;
- (g) Substitute Service stop locations;
- (h) locally-applicable contingency plans;
- (i) staff assembly points;
- (j) location of fire plan box; and
- (k) crowd control arrangements.

9.2 The Franchisee shall manage and operate each Station in accordance with the relevant Station Management Plan.

9.3 The Franchisee shall annually review the Station Management Plans and submit any updated versions to DLRL. The Franchisee shall ensure that the current or updated versions of the Station Management Plans are promptly uploaded onto such system as required by DLRL (which as at the date hereof is DORIS).

10. **STATIONS REQUIREMENTS FOR PASSENGER SERVICE**

- 10.1 The Franchisee shall ensure that at all times during the Station Opening Hours every Station:
- (a) is operated in accordance with all Applicable Requirements;
 - (b) contains all safety equipment which is required by Applicable Requirements and that such equipment is functioning in good operating condition; and
 - (c) is otherwise operated to such standards of safety as agreed with DLRL (acting reasonably).
- 10.2 The Franchisee shall ensure that all Stations are properly and adequately staffed by suitable and sufficient personnel in accordance with Applicable Requirements.
- 10.3 At Interface Stations, the Franchisee shall develop and manage a relationship with any other entity which is responsible for managing such Interface Station. The Franchisee shall use best endeavours to ensure that this relationship is formalised within six months of the Franchise Commencement Date in the form of an Interface Station protocol between the Franchisee and the relevant entity. The Interface Station protocol shall include, without limitation, details of:
- (a) the management of operational performance at the relevant Interface Station;
 - (b) the earliest and latest permissible train times;
 - (c) operational contingency arrangements;
 - (d) any applicable asset access arrangements; and
 - (e) relationship governance.
- 10.4 The Franchisee shall directly manage the Interface Station protocol and the relationship with the relevant entity which shall include, without limitation, the identification and management of joint performance improvement initiatives.
- 10.5 The Franchisee shall establish a specially trained team that will have responsibility to provide advice and assistance to passengers at key strategic points on the Railway (a "**Customer Action Team**") and shall agree the job specification and responsibilities of the Customer Action Team with DLRL, provided that the Customer Action Team must operate from 0700 to 1900 Monday to Friday (the "**Customer Action Team Operational Hours**").
- 10.6 Subject to paragraphs 10.5 and 10.7, the Franchisee shall ensure that for the duration of the Franchise Term during the Customer Action Team Operational Hours:
- (a) one member of the Customer Action Team is always based at Bank Station and primarily situated at the foot of the stairs from the DLR concourse to the Northern Line platforms; and
 - (b) all other members of the Customer Action Team are located at such other Stations as the Franchisee deems appropriate, provided that:
 - (i) such other members of the Customer Action Team are generally located at more than one Station; and
 - (ii) where there is a Special Service Requirement, such members of the Customer Action Team shall not perform a crowd control function.

- 10.7 In the event that there is at any time unusual service disruption or overcrowding at particular Stations, the Franchisee shall ensure that the members of the Customer Action Team are relocated as soon as practicable to the relevant Stations in order to (as appropriate):
- (a) carry out short notice customer assistance;
 - (b) undertake crowd control activities; and
 - (c) carry out train dispatch duties.

11. TRAIN REQUIREMENTS FOR PASSENGER SERVICE

- 11.1 The Franchisee shall ensure that at all times whilst in Passenger Service every Train:
- (a) is operated in accordance with all Applicable Requirements;
 - (b) contains all safety equipment which is required by Applicable Requirements and that such equipment is functioning in good operating condition;
 - (c) is otherwise operated to such standards of safety as are agreed with DLRL (acting reasonably).

12. REMOVAL OF VEHICLES FROM SERVICE

- 12.1 Without prejudice to the Franchisee's other obligations under this Agreement and subject to paragraph 12.2, if any of the following events occur in relation to a Train during Passenger Service:
- (a) two or more pairs of doors on any side of any Vehicle cease to be fully operational;
 - (b) there is any Hazardous Material onboard any Train; or
 - (c) there is any offensive graffiti onboard any Train,
- (each a "**Removal Issue**"),

the Franchisee must immediately take steps to satisfactorily manage or remedy the Removal Issue so that it presents no hazard or significant inconvenience to passengers and shall rectify, clean or remove (as applicable) the Removal Issue as soon as is reasonably practicable, and in any event within an hour.

- 12.2 The Franchisee shall remove a Train with a Removal Issue from Passenger Service:
- (a) immediately, if the Removal Issue cannot be managed or remedied satisfactorily in accordance with paragraph 12.1 above; or
 - (b) after not more than one hour, if the Removal Issue has been managed or remedied satisfactorily in accordance with paragraph 12.1 above, but has not been rectified, cleaned or removed (as applicable) within one hour.

13. DISRUPTION MANAGEMENT

- 13.1 The Franchisee shall develop, maintain and test by periodic and suitable demonstration a set of plans which detail the tactics and scenarios for recovery of Trains and continuance of Passenger Services around blockages, power failures, adverse weather and other disruptions on any track or section of the Railway including those caused by external circumstances beyond the control and responsibility of the Franchisee (each a "**Disruption Management Plan**"). The Disruption Management Plans shall cover a

range of scenarios to be agreed with DLRL (such agreement not to be unreasonably withheld or delayed) and shall subscribe to the following principles:

- (a) it shall enable the Franchisee to fulfil its Operational Response obligations;
- (b) restoration of Passenger Services after failures and delays shall be given the utmost priority subject always to safety considerations; and
- (c) the travel needs of passengers disrupted by the scenario shall be fully considered.

13.2 The Disruption Management Plan shall include (but not be limited to) a description of:

- (a) command, communication and control responsibilities throughout any disruption;
- (b) how the Franchisee will manage Passenger Services during any identified disruption scenario;
- (c) how information will be communicated to DLRL, TfL, staff and passengers during any disruption; and
- (d) the information which will be given to passengers on alternative routing (including ticket acceptance).

13.3 The Franchisee shall submit its Disruption Management Plan to DLRL annually for acceptance and the Franchisee shall take into account any required amendments or comments provided by DLRL and shall continue to update and resubmit the proposed Disruption Management Plan until it has obtained DLRL's acceptance.

13.4 For at least one Service Day in every Quarter, all command and control functions of the Railway normally operated from Beckton Control Centre shall be operated from Poplar Control Centre, in order to demonstrate its continued availability as a backup control facility for the Railway. The Franchisee shall notify DLRL four weeks prior to the designated Service Day and shall note any relevant details in the Asset Management System.

13.5 During any service disruption the Franchisee shall be required to run the maximum amount of Passenger Services in accordance with the Timetable and the Disruption Management Plan which it is possible and safe to run, notwithstanding the impact of any disruption.

14. **GENERAL POSSESSIONS OBLIGATIONS AND FRANCHISEE POSSESSIONS**

14.1 The timing, location and extent of all Possessions (both Franchisee Possessions and DLRL Possessions) shall be as agreed with DLRL in accordance with the provisions of BCP-24 and the Working on the Railway Manual.

14.2 The Franchisee shall be responsible for planning and advertising all Possessions (both Franchisee Possessions and DLRL Possessions) and the details of any Substitute Services in accordance with its obligations for communicating service changes in Schedule 6.

14.3 The Franchisee shall electrically isolate the Railway prior to the commencement of any Possessions (both Franchisee Possessions and DLRL Possessions) unless a live possession has been booked in accordance with the Working on the Railway Manual. The Franchisee shall restore track power on the Railway at the end of the Possession.

14.4 The Franchisee shall maximise the time available for undertaking engineering and maintenance work during all Possessions (both Franchisee Possessions and DLRL Possessions) by timely isolation of the Railway and by ensuring that Possessions are available to be used to their full extent.

- 14.5 The Franchisee shall be responsible for the provision of all required assistance and equipment in relation to all Possessions (both Franchisee Possessions and DLRL Possessions) at its own cost (unless expressly stated otherwise in this Agreement) which shall include:
- (a) management of the processes for booking and planning Possessions;
 - (b) implementation of Possessions;
 - (c) reviewing and approving method statements, risk assessments and work requests;
 - (d) "booking on" staff as required in the Working on the Railway Manual;
 - (e) provision of training courses as required in the Working on the Railway Manual;
 - (f) provision of competent staff to complete check certificates as required by the Working on the Railway Manual;
 - (g) provision of suitable training to DLRL or its nominees;
 - (h) provision of all equipment and materials required to implement isolations and Possessions including marker boards, short circuit straps, short circuit devices, radio and conductor rail tester and prover; and
 - (i) site audits to ensure all parties are working in accordance with the Working on the Railway Manual.
- 14.6 DLRL and the Franchisee shall consult regularly on the planning and coordination of access to the Railway and shall have regard to effective use of Franchisee Possessions and DLRL Possessions. DLRL shall (where reasonable and practical) allow the Franchisee to make use of any DLRL Possessions for undertaking the Franchisee's obligations under this Agreement and the Franchisee shall (where reasonable and practical) allow DLRL to make use of any Franchisee Possessions for undertaking DLRL's obligations under this Agreement.
- 14.7 The Franchisee shall be entitled to take each Leg of the Railway and each of the following:
- (a) Beckton new depot sidings AA, AB, AC, AD, AE, AF and AG;
 - (b) Beckton old depot sidings D, E, F, G, H, J, K, L, M, O, W, X, Y, Z, S1, S2, S3, S4 and S5; and
 - (c) Poplar depot,
- for one 52-hour, weekend possession per Fee Year (at no cost to the Franchisee).
- 14.8 The Franchisee shall use all reasonable endeavours to co-ordinate such 52-hour, weekend possession with any DLRL Possession so as to minimise disruption to the Railway.
- 14.9 During any Franchisee Possession, the Franchisee will be paid the Franchise Payment with Operational Performance Regime Adjustments to be calculated based on the revised Timetable operating on the parts of the Railway not under Possession (such Timetable to comply in full with the requirements of paragraphs 3, 4 and 5.1 to 5.3 of this Schedule 1).
- 14.10 The Franchisee may request further planned Franchisee Possessions from DLRL provided that they extend over a consecutive Saturday and Sunday (and, where appropriate, Bank Holidays) only and do not affect the Base Service Hours of any Weekday. DLRL may, at its absolute discretion, grant or reject the Franchisee's request. The timing, extent and

location of such further Franchisee Possessions must be agreed with DLRL at least 8 weeks' prior to the Franchisee Possession.

14.11 For all further Franchisee Possessions referred to in paragraph 14.10, the Franchisee will be paid the Franchise Payment with Operational Performance Regime Adjustments to be calculated based on the revised Timetable operating on the parts of the Railway not under Possession (such Timetable to comply in full with the requirements of paragraphs 3, 4 and 5.1 to 5.3 of this Schedule 1), less a sum representing DLRL's reasonable Loss and costs arising from any such Franchisee Possession, which shall include without limitation a sum representing DLRL's lost revenue as a result of the Franchisee Possession as estimated by DLRL and the cost of providing Substitute Services during such Franchisee Possession.

14.12 During all Franchisee Possessions:

- (a) DLRL shall be responsible for providing Substitute Services in accordance with paragraph 16 below and for the cost of providing such Substitute Services (except where the Franchisee is responsible for the cost pursuant to paragraph 14.11 above); and
- (b) the Franchisee shall be responsible for providing (and the cost of providing) all ancillary services in relation to such Substitute Services in accordance with paragraph 16 below.

15. DLRL POSSESSIONS

15.1 DLRL is entitled (acting reasonably) to require a DLRL Possession at any time for use by DLRL or any third party on DLRL's behalf.

15.2 For DLRL Possessions:

- (a) of equal to or less than eight hours duration, DLRL will provide the Franchisee with a minimum of five weeks' notice; and
- (b) of greater than eight hours duration, DLRL will provide the Franchisee with a minimum of eight weeks' notice.

15.3 DLRL may cancel any proposed DLRL Possessions by giving the Franchisee at least four weeks' notice. If DLRL cancels any DLRL Possession by giving less than four weeks' notice then DLRL shall reimburse the Franchisee for any costs reasonably and properly incurred to third parties which the Franchisee can demonstrate were incurred by it directly as a result of the Franchisee being given less than the relevant period of notice, provided the Franchisee takes all reasonable steps to mitigate such costs.

15.4 During any DLRL Possession the Franchisee will be paid the Franchise Payment with Operational Performance Regime Adjustments to be calculated based on the revised Timetable operating on the parts of the Railway not under Possession (such Timetable to comply in full with the requirements of paragraphs 3, 4 and 5.1 to 5.3 of this Schedule 1), plus a sum representing any additional direct costs reasonably incurred by the Franchisee in implementing such DLRL Possession.

15.5 During any DLRL Possessions:

- (a) DLRL shall be responsible for providing the Substitute Services in accordance with paragraph 16 below and for the cost of providing such Substitute Services; and
- (b) the Franchisee shall be responsible for providing (but not the cost of providing, which shall be DLRL's responsibility in accordance with paragraph 15.4 above) all ancillary services in relation to such Substitute Services in accordance with paragraph 16 below.

15.6 Save as expressly provided in this Agreement, the Franchisee shall not be entitled to any compensation in relation to the access of DLRL and of any DLR Parties to the Railway and the Franchisee shall have no other rights or remedies and DLRL shall have no other liability to the Franchisee, whether under this Agreement or otherwise, in respect of such access.

16. **SUBSTITUTE SERVICES**

16.1 In the case of Possessions or other planned or unplanned temporary closure or withdrawal of the Passenger Services on one or more Lines, Substitute Services shall be provided to passengers in accordance with this paragraph 16 at frequencies which are at least equal to the prevailing Base Service Plan (or such lesser frequencies as may be determined by DLRL) for at least the Base Service Hours with adequate capacity and at the same or lesser fares compared with the fares which would be charged for the equivalent journey were Passenger Services not withdrawn.

16.2 DLRL shall be responsible for specifying and procuring the Substitute Services for all planned Possessions, planned temporary closures or planned temporary withdrawals of the Passenger Services.

16.3 The Franchisee shall as soon as reasonably practicable notify DLRL in the event that Substitute Services are required as a result of any Possession or other planned closure or withdrawal of the Passenger Services and in any event within 8 weeks.

16.4 The Parties shall be responsible for the costs of providing Substitute Services required as a result of any Possession or other planned closure or withdrawal of the Passenger Services in accordance with paragraphs 14.12(a) and 15.5(a) above.

16.5 For any unplanned temporary closure or withdrawal of the Passenger Services:

- (a) DLRL shall procure a contract for Substitute Services required in such situations (the "**Emergency Substitute Services**");
- (b) DLRL shall provide instructions to the Franchisee on how to call off the contract for the Emergency Substitute Services;
- (c) the Franchisee shall be responsible for implementing the Emergency Substitute Services in accordance with paragraphs 16.6 to 16.8; and
- (d) the Franchisee shall be responsible for DLRL's costs of providing such Emergency Substitute Services.

16.6 The Franchisee shall use best endeavours to ensure that Emergency Substitute Services are provided to customers over the full extent of all parts of the Railway affected by any unplanned temporary closure or withdrawal of the Passenger Services within 120 minutes of the time of first report of the closure or withdrawal of the Passenger Services to the Control Centre.

16.7 The Emergency Substitute Services shall increase in frequency such that they at least meet the frequencies for the relevant Line in the relevant Base Time Period and provide the necessary capacity to meet passenger demand within 240 minutes of the time of first report of the closure or withdrawal of the Passenger Services to the Control Centre.

16.8 The Emergency Substitute Services shall operate for at least the Base Service Hours (starting no later than the First Train in the prevailing Timetable at each Station on each affected Line and finishing no earlier than the Last Train in the prevailing Timetable at each Station on each affected Line) and shall remain in place at least until restoration by the Franchisee of Passenger Service to the level specified in the relevant Base Service Plan.

- 16.9 The Franchisee shall provide all ancillary services necessary for the provision of all Substitute Services (including Emergency Substitute Services), which shall include but not be limited to:
- (a) management and organisation of all arrangements regarding Possessions, temporary closures or temporary withdrawals of the Passenger Services;
 - (b) co-operating and liaising with DLRL and any provider of Substitute Services to determine and agree the required level of Substitute Services and to agree timetables and frequencies;
 - (c) reviewing and commenting on any plans relating to Substitute Services as required by DLRL;
 - (d) management of the Railway during any temporary closures or temporary withdrawal of the Passenger Services;
 - (e) management, co-ordination and provision of assistance to passengers using the Substitute Services provided;
 - (f) provision of all required information regarding Substitute Services to the public; and
 - (g) arranging and agreeing ticket acceptance on other relevant transport services and with relevant TOCs.
- 16.10 If and to the extent that the Franchisee is unable to perform its obligations under the Franchise Agreement as a direct result of the acts or omissions of the Emergency Substitute Services Provider, the Franchisee shall be relieved from its obligation to perform such obligations under the Franchise Agreement.

17. PERFORMANCE MANAGEMENT

- 17.1 The Franchisee shall be responsible for the management and reporting to DLRL of operational performance on the Railway.
- 17.2 The Franchisee shall establish in a timely manner the root cause of all incidents affecting (or potentially affecting) the operational performance of the Railway and shall record this in the Asset Management System.
- 17.3 At a minimum, the Franchisee shall use the Asset Management System to record the following details of all operational performance issues on the Railway, incidents and failures:
- (a) time of commencement of issue/incident/failure;
 - (b) time of closure of issue/incident/failure;
 - (c) geographic location;
 - (d) functional location;
 - (e) symptom/'Problem Code';
 - (f) '(Root) Cause Code';
 - (g) duration of failure ('Breakdown Duration');

- (h) description of Operational Response including of any Disruption Management Plan implemented; and
 - (i) temporal details of any Operational Response (including where relevant dispatch time, travel time, fix time and recovery).
- 17.4 As part of a performance management system the Franchisee shall manage and maintain a single database (which as at the date of this Agreement is "Kestrel") linking all operational issues/incidents/failures with a "Responsible Manager" within the Franchisee's organisation and with the specific impact of each issue/incident/failure on the elements of the Operational Performance Regime.
- 17.5 In the event of any fifteen minute delay (as described in paragraph 11.1 of Schedule 2), howsoever caused, the Franchisee shall undertake a review of the cause of and Operational Response to the delay. Any and all lessons learned from such a review shall be stored in such electronic system as specified by DLRL (which as at the date of this Agreement is DORIS) and shall be used by the Franchisee to undertake regular reviews of training, Operational Procedures, Disruption Management Plans and any other relevant Franchisee processes.
- 17.6 The Franchisee shall grant DLRL full and unfettered remote electronic access to all systems used in the management of the operational performance of the Railway (including but not limited to those mentioned in this paragraph 17).

18. PERFORMANCE BENCHMARKING

- 18.1 The Franchisee shall provide, at its own cost, any information that DLRL reasonably requires in order to undertake performance benchmarking exercises in relation to the Franchisee, including complying with Appendix 5 of Schedule 10.
- 18.2 This information may include, without limitation:
- (a) operational performance data;
 - (b) information on Train Kilometres and Vehicle Kilometres in any given Fee Period;
 - (c) anonymised labour hours and costs for all departments of the Franchisee (including, for the avoidance of doubt, engineering and corporate functions);
 - (d) contractor hours and total contractor costs; and
 - (e) other costs relating to marketing, purchasing, corporate overheads and financial management.

19. STEP FREE ACCESS

- 19.1 In instances where any facility which provides step free access to any public part of a Station subsequently becomes unavailable, the Franchisee shall take appropriate measures to ensure passengers can continue their journey with minimal inconvenience.
- 19.2 In the event that such facility remains unavailable for in excess of 2 hours, and such unavailability prevents any passenger from using the Passenger Services, the Franchisee must provide such passengers with an option of alternative services. The Franchisee shall post information at all relevant points of the Station informing passengers of the failure and the alternative services available. Where the operation allows, additional on-Train announcements will be made advising passengers of the alternative arrangements. In the event of a failure of step free access (greater than 30 minutes), the Franchisee shall make system wide notices using suitable electronic media (e.g. PIDs).

- 19.3 The alternative services described above may include, but are not limited to:
- (a) providing direction to an alternative public transport provider offering the same (or greater) levels of access within a 5 minute walk of the affected Station, provided that the passenger would end up within a 5 minute walk of the nearest DLR Station with step free access where the passenger can continue their journey. The Franchisee shall be obliged to arrange ticket acceptance with the public transport provider; or
 - (b) where there is no alternative transport supplier or the Franchisee fails to obtain ticket acceptance, the Franchisee will arrange alternative transport provision for the passenger to continue their journey to a reasonable destination. In the event of a failure lasting longer than 2 hours, the Franchisee will provide this service within 10 minutes of the passenger contacting the Franchisee.

20. **OMC AND CANTEEN**

- 20.1 The Franchisee shall during the Franchise Term provide DLRL (at no cost) with such office accommodation within the Operations & Maintenance Centre ("**OMC**") and the Poplar Depot as DLRL and its agents, contractors and concessionaries occupy as at the Franchise Commencement Date (the "**DLRL Office Accommodation**"). The Franchisee shall be responsible for the maintenance of the DLRL Office Accommodation and for the provision of a managed office service, including (but not limited to) maintenance, heating, lighting, air conditioning, access security, cleaning (including window cleaning), the provision of water and drainage and the provision of the telephone network linked into the overall DLRL telephone system.
- 20.2 The Franchisee shall during the Franchise Term allow DLRL and its concessionaires and their respective agents and contractors to use the toilets, showers, canteen and reception facilities on the ground floor and first floor of the OMC at all reasonable times and will afford DLRL access to all parts of the OMC required for access to and egress from the DLRL Office Accommodation and in respect of any services or utilities serving the same.
- 20.3 The Franchisee shall provide nominal car parking for not less than ten cars and/or vans at the OMC at all times during the Franchise Term for the use of DLRL, its concessionaires and their respective agents and contractors.
- 20.4 The Franchisee shall provide subsidised canteen facilities at the Beckton and Poplar Depots for all DLRL and Franchisee staff and allow contractors to use the same facilities but not receiving the subsidised rate. The Franchisee shall obtain DLRL's consent to the opening times and other canteen facilities and specification (such consent not to be unreasonably withheld or delayed).
- 20.5 The Franchisee shall during the Franchise Term provide electrical power to the two portacabins occupied by Thales adjacent to the control centre at Poplar.

APPENDIX 1

Base Service Plans

See document circulated separately.

SCHEDULE 2

Operational Performance Regime

1. DEFINITIONS

"Dispatch" means the departure of a Train which is operating as part of the Passenger Services from a Terminal Station to a Terminal Station in accordance with the Timetable;

"Operational Performance Regime Adjustment" has the meaning given in paragraph 4 below;

"Properly Completed Dispatch" has the meaning given in paragraph 5.3 below;

"Required Dispatch" has the meaning given in paragraph 5.4 below;

"Suspension" means:

- (a) where Passenger Services are Timetabled to be provided every ten minutes or less, a cancellation or part-cancellation of two consecutive Trains; or
- (b) where Passenger Services are Timetabled to be provided more frequently than every ten minutes, a cancellation or part-cancellation of three or more consecutive Trains,

provided that, for the avoidance of doubt, where Trains are able to navigate the affected area at reduced speed it shall not amount to a Suspension;

"Systemic Defect" means a defect which is, during a consecutive period of thirteen Fee Periods, discovered in at least 20% of the relevant Franchise Assets introduced onto the Railway by a relevant DLRL Project;

"Target Journey Time" has the meaning given in paragraph 7.3 below.

2. INTRODUCTION

This Schedule 2 sets out the regime for monitoring the operational performance of the Franchisee in relation to its requirements under this Agreement and calculating any Operational Performance Regime Adjustment as a result of such operational performance.

3. OPERATIONS AND REPORTING

3.1 The Franchisee shall use data from the Thales System to measure, collate and analyse all the raw data required to undertake the calculations required by this Schedule. The Franchisee shall record and upload the raw data and the calculations required by this Schedule onto such system as required by DLRL (which as at the date hereof is DORIS) on a daily basis.

3.2 The method of calculations and reporting shall be in a form agreed with DLRL (acting reasonably). Without prejudice to the generality of the foregoing the Franchisee shall provide:

- (a) the raw data required to undertake the calculations required by this Schedule; and
- (b) the calculations (including percentages where required by DLRL) required by this Schedule (applied on a Service Day basis),

on a daily basis by 06:00 a.m. on each Service Day in relation to the Passenger Services on the previous Service Day.

3.3 The Franchisee shall be required to provide the calculations required by this Schedule both with and without any Quality Exclusions applied.

3.4 The Franchisee shall ensure that DLRL has live access to any system utilised in gathering and manipulating the data.

4. **OPERATIONAL PERFORMANCE REGIME ADJUSTMENT**

Subject to paragraph 12 below, the Operational Performance Regime Adjustment for each Fee Period following the Franchise Commencement Date shall be calculated as follows. OPRA, DA, EWTA and JTA may be positive or negative.

$$\text{OPRA} = (\text{DA} + \text{EWTA} + \text{JTA} - (\text{SFD} + \text{SCD} + \text{TMDD}))$$

where:

OPRA means the Operational Performance Regime Adjustment

DA means the Departures Adjustment calculated in accordance with paragraph 5 below

EWTA means the EWT Adjustment calculated in accordance with paragraph 6 below

JTA means the Journey Time Adjustment calculated in accordance with paragraph 7 below

SFD means the Short Formation Deduction calculated in accordance with paragraph 8 below

SCD means the Station Closures Deduction calculated in accordance with paragraph 9 below

TMDD means the Twenty Minute Delay Deduction calculated in accordance with paragraph 10 below

5. **DEPARTURES**

5.1 **Departures Adjustment**

The Departures Adjustment for a Fee Period shall be calculated as follows:

(a) where DAC is higher than DMT:

$$\text{DA} = ((\text{DAC} - \text{DMT}) \times \text{DMPR}) + ((\text{DMT} - \text{DUT}) \times \text{DUPR}) + ((\text{DUT} - \text{DT}) \times \text{DSPR})$$

or

(b) where DAC is lower than DMT but higher than DUT:

$$\text{DA} = ((\text{DAC} - \text{DUT}) \times \text{DUPR}) + ((\text{DUT} - \text{DT}) \times \text{DSPR})$$

or

(c) where DAC is lower than DUT but higher than DT:

$$\text{DA} = (\text{DAC} - \text{DT}) \times \text{DSPR}$$

or

(d) where DAC is lower than DT but higher than DMS:

$$DA = (DAC-DT) \times DMSR$$

or

(e) where DAC is lower than DMS but higher than DLL:

$$DA = ((DAC-DMS) \times DPPR) + ((DMS-DT) \times DMSR)$$

or

(f) where DAC is lower than DLL:

$$DA = ((DLL-DMS) \times DPPR) + ((DMS-DT) \times DMSR)$$

where:

DA	means the Departures Adjustment		
DAC	(or "Departures Actual") is calculated in accordance with paragraph 5.2 below		
DMT	(or "Departures Maximum Target") means		99.5
DUT	(or "Departures Upper Threshold") means		98.9
DT	(or "Departures Target") means		98.4
DMS	(or "Departures Minimum Standard") means		98.0
DLL	(or "Departures Lower Limit") means		94.0
DMPR	(or "Departures Maximum Payment Rate") means	£27,500	
DUPR	(or "Departures Upper Payment Rate") means	£330,000	
DSPR	(or "Departures Standard Payment Rate") means	£55,000	
DMSR	(or "Departures Minimum Standard Rate") means	£55,000	
DPPR	(or "Departures Penalty Payment Rate") means	£110,000	

Illustrative tables:

DAC is above DT (DA is positive)

DMT	99.5	DMPR	£27,500
DUT	98.9	DUPR	£330,000
DT	98.4	DSPR	£55,000

DAC is below DT (DA is negative)

DMS	98.0	DMSR	£55,000
DLL	94.0	DPPR	£110,000

5.2 Departures Actual

Departures Actual for a Fee Period shall be calculated as follows:

$$\text{DAC} = \text{APCD}/\text{ARD} \times 100$$

where:

DAC means Departures Actual (which should be expressed as a value rather than a percentage and rounded to two decimal places)

APCD (or "**Aggregate Properly Completed Dispatches**") is the aggregate number of Properly Completed Dispatches from all Terminal Stations of all Lines during all Base Time Periods on all Service Days during the relevant Fee Period

ARD (or "**Aggregate Required Dispatches**") is the aggregate number of Required Dispatches from all Terminal Stations of all Lines during all Base Time Periods on all Service Days during the relevant Fee Period

5.3 Properly Completed Dispatch

A Dispatch shall comprise a Properly Completed Dispatch if all the following requirements are fully satisfied:

- (a) the Train operates in Passenger Service from a Terminal Station to the other Terminal Station of the relevant Line;
- (b) all Stations on the Line comply with paragraph 10.1 of Schedule 1 for the duration of the relevant journey (except where a Station Closure occurs);
- (c) all Vehicles in the Train comply with paragraph 11 of Schedule 1 for the duration of the relevant journey; and
- (d) the Train should not have been removed from Passenger Service in accordance with paragraph 12 of Schedule 1.

5.4 Required Dispatches

The number of Required Dispatches ("RD") from each Terminal Station of each Line during each Base Time Period on each Service Day in the Fee Period shall be the greater of the number of Properly Completed Dispatches during that Base Time Period on that Service Day in the Fee Period and the number of Minimum Required Dispatches calculated as follows:

$$\text{MRD} = \text{BTP}/\text{MI}$$

where:

MRD (or "Minimum Required Dispatches")

BTP = the duration (in minutes) of the relevant Base Time Period

MI = the maximum Interval for the relevant Line in respect of the relevant Base Time Period (rounded to the nearest whole number)

6. **EXCESS WAITING TIME**

6.1 **EWT Adjustment**

The EWT Adjustment for a Fee Period shall be calculated as follows:

(a) where EA is less than zero, then EA equals zero and:

$$EWTA = ((EMT-EA) \times EMPR \times 10) + ((EUT-EMT) \times EUPR \times 10) + ((ET-EUT) \times ESPR \times 10)$$

or

(b) where EA is greater than or equal to zero but lower than EMT:

$$EWTA = ((EMT-EA) \times EMPR \times 10) + ((EUT-EMT) \times EUPR \times 10) + ((ET-EUT) \times ESPR \times 10)$$

or

(c) where EA is higher than EMT but lower than EUT:

$$EWTA = ((EUT-EA) \times EUPR \times 10) + ((ET-EUT) \times ESPR \times 10)$$

or

(d) where EA is higher than EUT but lower than ET:

$$EWTA = (ET-EA) \times ESPR \times 10$$

or

(e) where EA is higher than ET but lower than EMS:

$$EWTA = (ET-EA) \times EMSR \times 10$$

or

(f) where EA is higher than EMS but lower than EPL:

$$EWTA = ((EMS-EA) \times EPPR \times 10) + ((ET-EMS) \times EMSR \times 10)$$

or

(g) where EA is higher than EPL

$$EWTA = ((EMS-EPL) \times EPPR \times 10) + ((ET-EMS) \times EMSR \times 10)$$

where:

EWTA means the EWT Adjustment

EA (or "EWT Actual") is calculated in accordance with paragraph 6.2 below

EMT (or "EWT Maximum Target") means 0.05 minutes

EUT (or "EWT Upper Threshold") means 0.10 minutes

ET	(or "EWT Target") means	0.18 minutes
EMS	(or "EWT Minimum Standard") means	0.25 minutes
EPL	(or "EWT Penalty Limit") means	0.60 minutes
EMPR	(or "EWT Maximum Payment Rate") means	£27,500
EUPR	(or "EWT Upper Payment Rate") means	£330,000
ESPR	(or "EWT Standard Payment Rate") means	£55,000
EMSR	(or "EWT Minimum Standard Rate") means	£27,500
EPPR	(or "EWT Penalty Payment Rate") means	£55,000

Illustrative tables:

EWT Actual is lower than EWT Target (EWTA is positive)

EMT	0.05 minutes	EMPR	£27,500
EUT	0.10 minutes	EHPR	£330,000
ET	0.18 minutes	ESPR	£55,000

EWT Actual is higher than EWT Target (EWTA is negative)

EMS	0.25 minutes	EMSR	£27,500
EPL	0.60 minutes	EPPR	£55,000

6.2 **EWT Actual**

EWT Actual for a Fee Period shall be calculated as follows:

$$EA = AWT - SWT$$

where:

EA means EWT Actual (which should be expressed as a value rather than a percentage and rounded to two decimal places)

$$SWT = \frac{\sum (SH^2)}{2 \times \sum (SH)}$$

and

$$AWT = \frac{\sum (AH^2)}{2 \times \sum (AH)}$$

and

SH means the interval set out in the Timetable, expressed in minutes and rounded to the nearest quarter of a minute, between each Train and the preceding Train from the same Terminal Station on the same Line measured on departure from the Terminal Station;

AH means the actual interval, expressed in minutes and rounded to the nearest quarter of a minute, between each Train and the preceding Train from the same Terminal Station on the same Line measured on departure from the Terminal Station

except that:

- (a) for the first departure of the day to each destination, from each Station where a Train commences its journey:
 - (i) SH shall be zero; and
 - (ii) AH shall be the elapsed interval, expressed in minutes and rounded to the nearest quarter of a minute, between the departure time of the Train required by the Timetable and its actual departure, except that where the actual departure time is earlier than the scheduled departure time then AH shall be zero; and
- (b) for any Train:
 - (i) the values for SH and AH for that Train shall both be zero where SH is greater than EWTC; and
 - (ii) for any Train where the value of AH exceeds the value of (EWTC + SH), the value of AH shall be (EWTC + SH),

where

EWTC means the Excess Waiting Time Cap, which shall be 30 minutes.

7. JOURNEY TIME

7.1 Journey Time Adjustment

The Journey Time Adjustment for a Fee Period shall be calculated as follows:

- (a) where JTAC is higher than JTMT:

$$JTA = ((JTAC - JTMT) \times JTMPR) + ((JTMT - JTUT) \times JTUPR) + ((JTUT - JTT) \times JTSPR)$$

or

- (b) where JTAC is lower than JTMT but higher than JTUT:

$$JTA = ((JTAC - JTUT) \times JTUPR) + ((JTUT - JTT) \times JTSPR)$$

or

- (c) where JTAC is lower than JTUT but higher than JTT:

$$JTA = (JTAC - JTT) \times JTSPR$$

or

- (d) where JTAC is lower than JTT but higher than JTMS:

$$JTA = (JTAC - JTT) \times JTMSR$$

or

(e) where JTAC is lower than JTMS but higher than JTPL:

$$JTA = ((JTAC - JTMS) \times JTPPR) + ((JTMS - JTT) \times JTMSR)$$

or

(f) where JTAC is lower than JTPL

$$JTA = ((JTPL - JTMS) \times JTPPR) + ((JTMS - JTT) \times JTMSR)$$

where:

JTA	means the Journey Times Adjustment (which shall be rounded to two decimal places)	
JTAC	(or "Journey Times Actual") is calculated in accordance with paragraph 7.2 below	
JTMT	(or "Journey Times Maximum Target") means	98.0
JTUT	(or "Journey Times Upper Threshold") means	97.0
JTT	(or "Journey Times Target") means	95.0
JTMS	(or "Journey Times Minimum Standard") means	93.0
JTPL	(or "Journey Times Penalty Limit") means	88.0
JTMPR	(or "Journey Times Maximum Payment Rate") means	£27,500
JTUPR	(or "Journey Times Upper Payment Rate") means	£165,000
JTSPR	(or "Journey Times Standard Payment Rate") means	£55,000
JTMSR	(or "Journey Times Minimum Standard Rate") means	£27,500
JTPPR	(or "Journey Times Penalty Payment Rate") means	£55,000

Illustrative tables:

JTAC is above JTT (JTA is positive)

JTMT	98.0	JTMPR	£27,500
JTUT	97.0	DHPR	£165,000
JTT	95.0	JTSPR	£55,000

JTAC is below JTT (JTA is negative)

JTMS	93.0	JTMSR	£27,500
JTPL	88.0	JTPPR	£55,000

7.2 Journey Time Actual

Journey Time Actual for a Fee Period shall be calculated as follows:

$$JTAC = APT/ATT \times 100$$

where:

JTAC means Journey Time Actual (which should be expressed as a value rather than a percentage and rounded to two decimal places)

APT (or "**Aggregate Passed Trains**") is the aggregate number of Properly Completed Dispatches on all Service Days during the relevant Fee Period which complete their published journey within their Target Journey Time

ATT (or "**Aggregate Total Trains**") is the aggregate number of Properly Completed Dispatches in the relevant Fee Period

7.3 Target Journey Time

- (a) Subject to paragraph 7.3(b), "**Target Journey Time**" shall mean the journey time of the Line set out below:

Line	Targets		
	(peak)	(offpeak)	(all day)
BAN-LEW	29:02	28:17	
LEW-BAN	29:31	28:46	
BAN-WOA			28:45
WOA-BAN	29:57	29:12	
TOG-BEC			29:42
BEC-TOG			29:48
STR-LEW	33:18	32:33	
STR-CAW			15:05
LEW-STR			32:20
CAW-STR			14:49
STI-WOA			24:50
WOA-STI			24:57
STI-BEC			26:39
BEC-STI			25:44
CAT-BEC			15:31
BEC-CAT			14:17

- (b) In the event that a Train in Passenger Service operates on a Line which is not set out in paragraph 7.3(a) (whether as a result of a Possession or otherwise as agreed with DLRL), the Target Journey Time shall be calculated as follows:

$$TJT = (1.08 \times RT) + (11 \times SS) + (5 \times SDOS) + AF$$

where:

TJT means Target Journey Time

RT means the sum of each point-to-point running time required to complete the Line as set out in Appendix 1, as may be updated in accordance with paragraph 7.3(c) or as otherwise agreed by DLRL acting in its absolute discretion

SS means the number of scheduled Station stops on the Line, excluding the Terminal Stations

SDOS means the number of scheduled Stops on the Line at Stations where selective door opening ("**SDO**") is in operation which, at the date hereof, is CUS (both platforms), ELR (both platforms), GAR (both platforms), and ROA (both platforms)

AF means a Line-specific adjustment factor, at the following locations:

(A) STR (both directions, all day) = 45 seconds

(B) LEW (arrivals, Peak Periods only) = 45 seconds

(C) BAN (arrivals, Peak Periods only) = 45 seconds,

which may be relaxed by DLRL on either a permanent or temporary basis where the Franchisee demonstrates to DLRL's reasonable satisfaction that a relaxation of the adjustment factor is required.

- (c) The Franchisee may review (and at least annually shall review) the point-to-point running times set out in Appendix 1 and shall propose with due regard to the results amendments to DLRL, which DLRL may accept or reject in its absolute discretion.

8. **SHORT FORMATION**

8.1 **Short Formation Deduction**

The Short Formation Deduction for a Fee Period shall be calculated as follows:

$$\text{SFD} = \text{ASF} \times \text{£90}$$

where:

SFD means the Short Formation Deduction

ASF (or "Aggregate Short Formations") means the aggregate number of Short Formations which occur in the relevant Fee Period calculated in accordance with paragraph 8.2 below.

8.2 **Short Formations**

- (a) Subject to paragraph 8.2(b), a Short Formation shall occur when a Dispatch which comprises a Properly Completed Dispatch operates with fewer Vehicles than specified in the prevailing Base Service Plan.
- (b) Short Formation Deductions shall only be applied to Properly Completed Dispatches. If a Dispatch is not a Properly Completed Dispatch it will be counted under the Departures Adjustment and shall not be counted as a Short Formation.

9. **STATION CLOSURES**

9.1 **Station Closures Deduction**

The Station Closures Deduction for a Fee Period shall be calculated as follows:

$$\text{SCD} = (\text{AAJ} \times \text{£}90) + (\text{ASC} \times \text{£}270)$$

where:

SCD means the Station Closures Deduction

AAJ (or "Aggregate Affected Journeys") means the aggregate number of Affected Journeys which occur in the relevant Fee Period calculated in accordance with paragraph 9.2 below

ASC (or "Aggregate Station Closures") means the aggregate number of Station Closures which occur in the relevant Fee Period calculated in accordance with paragraph 9.3 below

9.2 **Affected Journeys**

- (a) Subject to paragraphs 9.2(b) and 9.2(c), a journey shall be an Affected Journey if it is a Dispatch which comprises a Properly Completed Dispatch but it fails to open its doors to allow passengers to embark or disembark at one or more Stations on a Line.
- (b) Affected Journeys shall only apply to Properly Completed Dispatches. If a Dispatch is not a Properly Completed Dispatch it will be counted under the Departures Adjustment and shall not be counted as an Affected Journey.
- (c) The maximum number of Affected Journeys which can occur in relation to each Properly Completed Dispatch shall be one.

9.3 **Station Closures**

- (a) Subject to paragraph 9.3(b), a Station Closure shall occur every time that one (or more) Dispatch which comprises a Properly Completed Dispatch fails to open its doors to allow passengers to embark or disembark at a Station on a Line.
- (b) The maximum number of Station Closures which can occur in relation to each incident whereby a Station is closed to passengers for a continuous period of time is one.

10. **TWENTY MINUTE DELAY**

10.1 **Twenty Minute Delay Deduction**

The Twenty Minute Delay Deduction for a Fee Period shall be calculated as follows:

$$\text{TMDD} = \text{ATMD} \times \text{£}7,500$$

where:

TMDD means the Twenty Minute Delay Deduction

ATMD (or "Aggregate Twenty Minute Delay") means the aggregate number of Twenty Minute Delays which occur in the relevant Fee Period calculated in accordance with paragraph 10.2 below.

10.2 **Twenty Minute Delays**

- (a) Subject to paragraph 10.2(b), a Twenty Minute Delay shall occur when:
 - (i) any Interval between two consecutive Trains at any Station on any Line is greater than the sum of:

- (A) twenty minutes; and
 - (B) the Interval for the prevailing Base Time Period in the prevailing Base Service Plan; or
- (ii) the journey time of any Train between the two Terminal Station on any relevant Line is greater than the sum of:
- (A) twenty minutes; and
 - (B) the relevant journey time set out in the Timetable for the Base Time Period prevailing at the time at which the train departed from the relevant Terminal Station,

(the "**Maximum Journey Time**"),

provided that a Twenty Minute Delay shall not occur where the Franchisee demonstrates to DLRL's reasonable satisfaction that passengers are able to complete their journeys to all Stations on all Lines by other means within the Maximum Journey Time.

- (b) The maximum number of Twenty Minute Delays which can occur in relation to each incident on the Railway shall be one.

10.3 **Twenty Minute Delay Relief**

The Franchisee shall be relieved from paying any Twenty Minute Delay Deduction where the Franchisee can show to DLRL's reasonable satisfaction that a relevant Twenty Minute Delay is not due to the acts or omissions of the Franchisee, provided that the Franchisee must still report each Twenty Minute Delay to DLRL in accordance with paragraph 3 above.

11. **FIFTEEN MINUTE DELAYS**

- 11.1 The Franchisee shall gather data in relation to and calculate and report to DLRL all fifteen minute delays on the same basis as set out in paragraph 10 (as if references to "twenty" were references to "fifteen").
- 11.2 For the avoidance of doubt the data and calculations relating to fifteen minute delays shall not count towards the calculation of the Operational Performance Regime Adjustment.

12. **QUALITY EXCLUSIONS**

12.1 **Meaning of Quality Exclusion**

"**Quality Exclusion**" shall mean any of the following events and circumstances to the extent the Franchisee has demonstrated to DLRL's reasonable satisfaction that it has materially and adversely affected the Passenger Services:

- (a) Suspension of Passenger Services or closures of Stations required by the emergency services as a direct result of incidents which do not take place on the Railway;
- (b) modification of Passenger Services where required as a result of a passenger service disruption incident occurring on London Underground's Jubilee Line, Southeastern Railway or Crossrail (once open for passenger service), provided that the Franchisee is (at its own cost) acting in accordance with a Disruption Management Plan agreed with DLRL in accordance with paragraph 13 of Schedule 1;

- (c) modification of Passenger Services directly caused by:
 - (i) a Concessionaire;
 - (ii) any transport operating company which is responsible for operating an Interface Station; or
 - (iii) works being undertaken in connection with the construction of the Crossrail project;
- (d) a Force Majeure Event;
- (e) concurrent loss of incoming electricity supply at two or more adjacent substations at the point of provision;
- (f) the occurrence of the circumstances described in clause 10.6.5 (Capital Replacement);
- (g) overrun of any Possession in relation to a DLRL Project;
- (h) total failure of an asset (whether or not it has become a Franchise Asset) within the first four weeks of being introduced onto the Railway by a DLRL Project, provided the asset was introduced following the date of this Agreement;
- (i) other than software failures on the Thales System, a Systemic Defect occurs in relation to Franchise Assets which have been introduced onto the Railway by a DLRL Project following the date of this Agreement;
- (j) total failure of a new version of software on the Thales System introduced by a DLRL Project within the first four weeks of becoming a Franchise Asset, provided that the software was introduced following the date of this Agreement;
- (k) Suspension of Passenger Services or closures of Stations directly caused by trespassers entering the non-public areas of the Railway:
 - (i) across physical boundaries which are not the Franchisee's responsibility under this Agreement to maintain; or
 - (ii) where there is no physical boundary;
- (l) the Regulator:
 - (i) withdrawing its acceptance of DLRL's Safety Authorisation;
 - (ii) withdrawing its acceptance of the Franchisee's Safety Authorisation or Safety Certificate as a direct result of withdrawing its acceptance of DLRL's Safety Authorisation; or
 - (iii) suspending or preventing the operation of the Railway due to the acts or omissions of DLRL or the Concessionaire, or
- (m) failure of "B2007 Drive Coupling (TBG500), drawing 5-E-6106712, part 1" ("**Part 1**") prior to the date that all of the replacements for the existing Part 1 items have been delivered to the Franchisee by or on behalf of DLRL or the relevant equipment manufacturer,

provided that no event or circumstance shall be treated as a Quality Exclusion if and to the extent:

- (A) it would not have occurred but for a breach by the Franchisee of the terms of this Agreement;
- (B) it could have been prevented through the exercise of proper foresight and due diligence of the Franchisee Parties; or
- (C) its occurrence could reasonably have been anticipated and appropriate anticipatory mitigation measures could reasonably have been undertaken by the Franchisee.

12.2 Mitigation of effect

Where the Franchisee is affected by an event which is (or which it considers to be) a Quality Exclusion it shall take all reasonable steps to mitigate or remove the effects of such event and the parties acknowledge and agree that once the Quality Exclusion event has finished the Franchisee shall be permitted one hour to return Passenger Services to normal but shall not be afforded any protection under this paragraph 12 in respect of any effects of the Quality Exclusion event which occur more than one hour after it has finished.

12.3 Adjustment for Quality Exclusions

(a) If the calculations under paragraphs 5 to 10 above give rise to any:

- (i) Departures Adjustment;
- (ii) Journey Time Adjustment;
- (iii) Short Formation Deduction; and/or
- (iv) Station Closures Deduction,

(together the "**Relevant Adjustments**")

and the Franchisee considers that the performance data used to calculate any such Relevant Adjustments has been materially affected by a Quality Exclusion, then it shall provide reasonable evidence of such Quality Exclusion and the effect on such performance data to DLRL.

(b) If DLRL is reasonably satisfied that any of the Quality Exclusions set out in paragraphs 12.1(a), 12.1(b), 12.1(d), 12.1(e), 12.1(f) or 12.1(l) has occurred, the Franchisee shall propose revised calculations to DLRL to exclude 100% of the effect of the relevant event attracting the Quality Exclusion from the calculation of the Relevant Adjustments, so that in relation to:

- (i) any Departures Adjustment, the revised calculation shall assume that 100% of the Dispatches affected were Properly Completed Dispatches;
- (ii) any Journey Time Adjustment, the revised calculation shall assume that 100% of Trains affected achieved the Target Journey Time;
- (iii) any Short Formation Deduction, the revised calculation shall assume that 100% of Short Formations did not occur; and
- (iv) any Station Closures Deduction, the revised calculation shall assume that 100% of Station Closures and 100% of Affected Journeys did not occur,

provided always that the recalculations referred to herein shall never allow either of the following to occur on the Service Day on which the relevant event attracting the Quality Exclusion occurred:

- (A) Departures Actual to be greater than Departures Target; and/or
 - (B) Journey Time Actual to be greater than Journey Time Target.
- (c) If DLRL is reasonably satisfied that any of the Quality Exclusions set out in paragraphs 12.1(c), 12.1(g), 12.1(h), 12.1(i), 12.1(j), 12.1(k) or 12.1(m) has occurred, the Franchisee shall propose revised calculations to DLRL on the same basis as described in paragraph 12.3(b) above, but substituting the references to "100%" with references to "85%" (the calculations to be rounded up to the next whole Properly Completed Dispatch where applicable), provided always that the recalculation referred to herein shall never allow either of the following to occur on the Service Day on which the relevant event attracting the Quality Exclusion occurred:
- (A) Departures Actual to be greater than Departures Target; and/or
 - (B) Journey Time Actual to be greater than Journey Time Target.

SCHEDULE 2

Operational Performance Regime

Appendix 1 – Point-to-Point Running Times

These timings represent minimum consistently achievable timings made between the train achieving 'All Doors Closed' status at one Station and the doors being enabled at the next Station, with the Train travelling in 'Brake Rate 2'. They also include a nominal allowance of 8 seconds for the time taken for door procedure and then for the Train to commence movement.

	From	To	Point-to-point time (seconds)
West Route	Bank Headshunt	Bank	54
	Bank	Shadwell	211
	Tower Gateway	Shadwell	137
	Shadwell	Limehouse	114
	Limehouse	Westferry	98
	Westferry	Canary Wharf	154
	Westferry	West India Quay	99
	Westferry	Poplar	93
	West India Quay	Westferry	100
	Westferry	Limehouse	100
	Limehouse	Shadwell	127
	Shadwell	Tower Gateway	158
	Shadwell	Bank	198
	Bank	Bank Headshunt	79
	South Route	West India Quay	Canary Wharf (1/2)
West India Quay		Canary Wharf (3/4)	57
Canary Wharf		Heron Quays	68
Heron Quays		South Quay	97
South Quay		Crossharbour	87
Crossharbour		Crossh'r Headshunt	63
Crossharbour		Mudchute (1)	74
Crossharbour		Mudchute (3)	100
Mudchute		Island Gardens	68

	From	To	Point-to-point time (seconds)
	Island Gardens	Cutty Sark	88
	Cutty Sark	Greenwich	97
	Greenwich	Deptford Bridge	93
	Greenwich	Greenwich	101
	Deptford Bridge	Elverson Road	101
	Elverson Road	Lewisham	80
	Lewisham	Elverson Road	84
	Elverson Road	Deptford Bridge	95
	Deptford Bridge	Greenwich	102
	Greenwich	Cutty Sark	98
	Cutty Sark	Island Gardens	88
	Island Gardens	Mudchute	71
	Mudchute	Crossharbour	75
	Crossh'r Headshunt	Crossharbour	46
	Crossharbour	South Quay	83
	South Quay	Heron Quays	98
	Heron Quays	Canary Wharf	68
	Canary Wharf	West India Quay	59
North Route	Stratford	Pudding Mill Lane	125
	Pudding Mill Lane	Bow Church	116
	Bow Church	Devons Road	77
	Bow Church (2)	Bow Church (1)	100
	Devons Road	Langdon Park	90
	Langdon Park	All Saints	73
	All Saints	Poplar	102
	Poplar	West India Quay	85
	West India Quay	Poplar	77
	Poplar	All Saints	103

	From	To	Point-to-point time (seconds)
	All Saints	Langdon Park	68
	Langdon Park	Devons Road	92
	Devons Road	Bow Church	89
	Bow Church	Pudding Mill Lane	104
	Pudding Mill Lane	Stratford	118
East Route	Poplar	Blackwall	102
	Blackwall	East India	62
	East India	Canning Town	116
	Canning Town	East India	119
	East India	Blackwall	71
	Blackwall	Poplar	90
	Blackwall (2)	Blackwall (1)	132
	Poplar	Westferry	113
	Poplar (4)	Poplar (1)	183
	Canning Town (3)	Royal Victoria	114
	Canning Town (4)	Royal Victoria	133
	Royal Victoria	Custom House	80
	Custom House	Prince Regent (1)	82
	Custom House	Prince Regent (2)	82
	Prince Regent	Royal Albert	102
	Prince Regent (1)	Prince Regent (2)	183
	Royal Albert	Beckton Park	80
	Beckton Park	Cyprus	79
	Cyprus	Gallions Reach	94
	Gallions Reach	Beckton	145
	Beckton	Gallions Reach	117
	Gallions Reach	Cyprus	93
	Cyprus	Beckton Park	77

	From	To	Point-to-point time (seconds)
	Beckton Park	Royal Albert	81
	Royal Albert	Prince Regent	99
	Prince Regent (2)	Custom House	69
	Prince Regent (1)	Custom House	81
	Custom House	Royal Victoria	77
	Royal Victoria	Canning Town	113
	Canning Town	West Silvertown	156
	West Silvertown	Pontoon Dock	96
	Pontoon Dock	London City Airport	124
	London City Airport	King George V	105
	King George V	Woolwich Arsenal	208
	Woolwich Arsenal	King George V	205
	King George V	London City Airport	114
	London City Airport	Pontoon Dock	125
	Pontoon Dock	West Silvertown	90
	West Silvertown	Canning Town (3)	125
	West Silvertown	Canning Town (4)	158
Stratford Int. Extension	Stratford Int.	Stratford	144
	Stratford	Stratford High Street	80
	Stratford High Street	Abbey Road	90
	Abbey Road	West Ham	75
	West Ham	Star Lane	86
	Star Lane	Canning Town	98
	Canning Town (1)	Royal Victoria	104
	Canning Town (2)	Royal Victoria	124
	Canning Town (1)	West Silvertown	172
	Canning Town (2)	West Silvertown	192
	West Silvertown	Canning Town	180

From	To	Point-to-point time (seconds)
Royal Victoria	Canning Town	105
Canning Town	Star Lane	87
Star Lane	West Ham	87
West Ham	Abbey Road	72
Abbey Road	Stratford High Street	91
Stratford High Street	Stratford	71
Stratford	Stratford Int.	162

SCHEDULE 3

Customer Facing Performance Regime

Part 1 - Customer Facing Regime

1. CUSTOMER FACING REQUIREMENTS

- 1.1 The Franchisee shall comply with the Customer Facing Requirements during the Franchise Term in accordance with the provisions set out therein.
- 1.2 The Franchisee shall be responsible for complying with the Customer Facing Requirements within those areas of Interface Stations which the Franchisee is responsible for operating and maintaining pursuant to this Agreement. For the avoidance of doubt, the Franchisee shall not be entitled to any relief from complying with the Customer Facing Requirements in such areas because a Station is an Interface Station.

2. CUSTOMER FACING SYSTEM

- 2.1 Prior to the Franchise Commencement Date, the Franchisee shall establish and obtain DLRL's acceptance of a system (the "**Customer Facing System**") for recording and reporting all non-compliances with the Customer Facing Requirements which complies with paragraph 2.2 below, provided that where the Franchisee does not obtain DLRL's acceptance of the Customer Facing System prior to the Franchise Commencement Date DLRL shall be entitled to determine the Customer Facing System to be used by the Franchisee (at the Franchisee's own cost).
- 2.2 The Customer Facing System shall:
 - (a) be fully integrated and compatible with the Asset Management System;
 - (b) enable the Franchisee to provide the details required by paragraph 4 below; and
 - (c) enable both the Franchisee and DLRL to manually or automatically report any non-compliances with the Customer Facing Requirements at any time.
- 2.3 The Franchisee shall ensure that DLRL has electronic access to the Customer Facing System at all times and is able to analyse any of the data contained therein. The Franchisee shall provide such assistance (including without limitation training and the running of reports) in connection with such analysis as DLRL may reasonably request.
- 2.4 The Franchisee shall obtain DLRL's written consent prior to making any changes to the Customer Facing System during the Franchise Term.
- 2.5 The Franchisee shall record in the Customer Facing System every non-compliance with the Customer Facing Requirements (including each of the items listed in paragraph 4.1(b) below in relation to each non-compliance) which occur at any time during the Franchise Term, irrespective of whether such non-compliance results in a CFR Adjustment.

3. CUSTOMER FACING RECTIFICATION WORK

The Franchisee shall at its own cost carry out all work which is necessary to rectify any non-compliances with the Customer Facing Requirements:

- (a) as soon as reasonably practicable;
- (b) in accordance with any relevant requirements contained within Schedule 4;
- (c) in accordance with the Maintenance Documents; and

(d) in accordance with Good Industry Practice.

4. **CUSTOMER FACING REPORTING**

4.1 The Franchisee shall as part of each Franchise Performance Report provide to DLRL:

- (a) a summary of the Franchisee's performance in respect of the Customer Facing Requirements in the preceding Fee Period, including the Franchisee's assessment of that performance and the reasons for any non-compliances, including appropriate trend analysis. The summary shall include:
 - (i) the number of non-compliances which occurred in the previous Fee Period, including disaggregated statistics by Station and by Train;
 - (ii) any work which is necessary to rectify any outstanding non-compliances; and
 - (iii) any additional relevant comments or issues;
- (b) a report containing the following information in relation to each non-compliance with the Customer Facing Requirements:
 - (i) a description of the non-compliance;
 - (ii) the date and time the non-compliance was reported;
 - (iii) the current status of any work which is necessary to rectify the non-compliance; and
 - (iv) the date and time the non-compliance was rectified (if applicable);
- (c) a statement of the CFR Adjustment in respect of the preceding Fee Period;
- (d) summaries of and (where required by DLRL) copies of the reports relating to any audits carried out pursuant to any CFR Audit Programme; and
- (e) any further statistics, calculations or explanations reasonably required by DLRL.

4.2 Within 48 hours of any request by DLRL, the Franchisee shall provide DLRL with any underlying data relating to any statements or information provided to DLRL by the Franchisee pursuant to this paragraph 4.

5. **CALCULATION OF CFR ADJUSTMENTS**

5.1 Subject to paragraphs 5.3 and 5.4, the CFR Adjustment shall be calculated by the Franchisee at the end of each Fee Period by aggregating:

- (a) the amounts corresponding to each non-compliance with the Customer Facing Requirements which occurred during that Fee Period as set out in Appendix 1 to this Part 1 of Schedule 3; and
- (b) any amounts to be included in the CFR Adjustment pursuant to paragraph 9 below.

5.2 Where a non-compliance:

- (a) has not been correctly recorded by the Franchisee in the Customer Facing System; and/or

- (b) has incorrectly been recorded in the Customer Facing System as having been rectified when it has not in fact been rectified,

it shall for the purposes of calculating the CFR Adjustment be treated as a non-compliance from the date and time of the initial non-compliance until the date and time the non-compliance is actually rectified.

5.3 When calculating the CFR Adjustment, any amounts corresponding to non-compliances with the Customer Facing Requirements set out in rows 4 to 9 and rows 12 to 53 of Appendix 1 to this Part 1 of Schedule 3 shall be deemed to be:

- (a) zero for the period from the Franchise Commencement Date until the date that is 3 Fee Periods following the Franchise Commencement Date; and
- (b) 50% of the full calculated amount from the date that is 3 Fee Periods following the Franchise Commencement Date until the date that is 6 Fee Periods following the Franchise Commencement Date,

and shall apply in full after such date. Any amounts corresponding to non-compliances with the Customer Facing Requirements set out in rows 1 to 3 and rows 10 to 11 of Appendix 1 to this Part 1 of Schedule 3 shall apply in full from the Franchise Commencement Date.

5.4 If the calculations under paragraph 5.1 give rise to a CFR Adjustment and the Franchisee considers that the data used to calculate any such CFR Adjustment has been materially affected by an event which is a Quality Exclusion, then it shall provide reasonable evidence of such Quality Exclusion and the effect on such data to DLRL. If DLRL is reasonably satisfied of the same, the Franchisee shall revise the calculations to exclude 100% of the effect of the relevant event attracting the Quality Exclusion from the calculation of the CFR Adjustment.

5.5 Where non-compliance with the Customer Facing Requirements is materially affected by an event which is a Quality Exclusion the Franchisee shall take all reasonable steps to mitigate or remove the effects of such event and the Parties acknowledge and agree that once the Quality Exclusion event has finished the Franchisee shall be permitted one hour to return the Customer Facing Requirements to normal but shall not be afforded any protection under paragraph 5.4 in respect of any effects of the Quality Exclusion event which occur more than one hour after it has finished.

5.6 If and to the extent that DLRL has not accepted any Repair Works as complete by the end of the period referred to in paragraph 5.3(a), the period in paragraph 5.3(a) shall be extended in relation to any CFR Requirements which are directly affected by such Repair Works not being accepted as complete until such time as DLRL accepts the relevant Repair Works as complete.

6. **FRANCHISEE AUDIT**

6.1 Prior to the Franchise Commencement Date, the Franchisee shall develop an audit programme which shall provide for a reasonable spread and frequency of audits across the Franchise and across those assets and facilities that are the subject of the Customer Facing Requirements in order to ascertain:

- (a) the effectiveness of the Customer Facing System;
- (b) the extent to which non-compliances with the Customer Facing Requirements are being correctly recorded by the Franchisee in the Customer Facing System; and
- (c) the extent to which the Franchisee is rectifying non-compliances with the Customer Facing Requirements,

provided that at a minimum the Franchisee shall ensure that it audits each asset and facility that is the subject of the Customer Facing Requirements once during the first full Fee Year and every two Fee Years thereafter.

- 6.2 The Franchisee shall propose the audit programme to DLRL for acceptance (not to be unreasonably withheld or delayed) prior to its introduction (which once accepted shall be the "**CFR Audit Programme**").
- 6.3 The Franchisee shall carry out the CFR Audit Programme in accordance with its terms.
- 6.4 DLRL or its nominee shall be entitled to witness any audits carried out by the Franchisee under the CFR Audit Programme. DLRL shall be entitled to challenge any such audits carried out or procured by the Franchisee by reference to the Dispute Resolution Procedure. The Franchisee shall at its own cost grant such notice, co-operation, assistance and access as is reasonably required by DLRL (or any nominee) to witness any audits conducted by the Franchisee pursuant to the CFR Audit Programme, including any required training and briefing.
- 6.5 The Franchisee shall promptly share the results of any audits conducted with DLRL and if such audits reveal any failure to comply with the items in paragraph 6.1, then paragraph 8 below shall apply.

7. **DLRL AUDIT**

- 7.1 DLRL shall have the right (at DLRL's cost) to:
- (a) verify any information reported by the Franchisee pursuant to paragraph 4; and
 - (b) carry out its own internal audits or procure external audits of the extent to which the Franchisee is complying with its obligations in this Part 1 of Schedule 3,
- and the Franchisee shall be entitled to challenge any such audits carried out or procured by DLRL by reference to the Dispute Resolution Procedure.
- 7.2 DLRL shall, and shall use all reasonable endeavours to ensure that any persons employed in undertaking external audits carried out pursuant to paragraph 7.1(b) shall, carry out such audits diligently and objectively.
- 7.3 The Franchisee shall at its own cost grant such co-operation, assistance and access as is reasonably required by DLRL (or any nominee) to exercise their rights under paragraph 7.1 in an efficient, secure and safe manner, including any required training and briefing.
- 7.4 DLRL shall promptly share the results of any audits conducted with the Franchisee and if such audits reveal any failure to comply with the items in paragraph 7.1, then paragraph 8 below shall apply.

8. **RECTIFICATION PLAN**

- 8.1 Where paragraph 6.5 or paragraph 7.4 state that this paragraph 8 shall apply, the Franchisee shall as soon as reasonably practicable (and in any event within 20 days) submit a draft rectification plan which contains proposals to rectify any relevant failure for acceptance by DLRL (not to be unreasonably withheld or delayed).
- 8.2 DLRL and the Franchisee shall agree, or in the absence of such agreement, DLRL shall determine (acting reasonably) the terms of the final rectification plan.
- 8.3 The Franchisee shall implement in accordance with its terms any rectification plan agreed or determined pursuant to paragraph 8.2. At DLRL's request, the Franchisee shall record

and track actions contained in any rectification plan on such system as is required by DLRL (which as at the date hereof is DORIS).

9. **MATERIAL INCONSISTENCIES**

9.1 If any material inconsistencies in the Franchisee's performance of its obligations in this Part 1 of Schedule 3 are discovered or revealed (whether as a result of any audit conducted by the Franchisee pursuant to the CFR Audit Programme or any internal or external audit carried out by DLRL or its nominees pursuant to paragraph 7 or otherwise), including any material failure by the Franchisee to:

- (a) record any non-compliances with the Customer Facing Requirements in the Customer Facing System; or
- (b) accurately calculate any CFR Adjustment,

then the Franchisee shall include in the next CFR Adjustment which it calculates pursuant to paragraph 5 following such discovery or revelation an additional amount determined in accordance with the following:

$$\text{CFRII} = (\text{CFR Correct} - \text{CFR Actual}) \times 10$$

where:

CFRII means the additional amount to be included in the next CFR Adjustment calculated pursuant to paragraph 5;

CFR Correct means the CFR Adjustment that should have been made in previous Fee Periods, but for any of the material inconsistencies described above; and

CFR Actual means the CFR Adjustment made in the relevant Fee Periods.

SCHEDULE 3

Customer Facing Performance Regime

Part 1 – Customer Facing Regime

Appendix 1 - Customer Facing Requirements

1. Station Equipment Requirements

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Ref	System (per unit unless otherwise stated)	Requirement	Required Availability Threshold	Required Rectification	Failed Availability (£ per Station Opening Hour or part thereof greater than Required Availability Threshold in Column 3)	Failed Rectification (£ per Station Opening Hour or part thereof greater than Required Rectification in Column 4 for each unit that has failed, unless otherwise stated)
1.	Ticket Vending Machines ("TVMs")	Fully operational, including the following functions: (a) passengers able to use all functions of the TVM; (b) TVM accepts all payment methods; and (c) TVM provides change (to the full amount of the transaction)	Aggregate number of hours that individual TVMs are not fully operational not to exceed 817 Station Opening Hours per Fee Period	Rectified within 20 hours of any single TVM becoming not fully operational	£30	£50

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Ref	System (per unit unless otherwise stated)	Requirement	Required Availability Threshold	Required Rectification	Failed Availability (£ per Station Opening Hour or part thereof greater than Required Availability Threshold in Column 3)	Failed Rectification (£ per Station Opening Hour or part thereof greater than Required Rectification in Column 4 for each unit that has failed, unless otherwise stated)
2.	Lifts	All lifts in a Station to be fully operational and providing step free access to all parts of the Station	Aggregate number of hours that individual lifts are not fully operational not to exceed 182 Station Opening Hours per Fee Period	Attendance of competent lift technician within: (a) 1 hour Monday to Sunday 07:00 to 20:00; and (b) 4 hours Monday to Sunday 20:01 to 06:59, of any lift becoming not fully operational	£230	£50
3.	Escalators	Fully operational	Aggregate number of hours that individual escalators are not fully operational not	Rectified within 20 hours of any escalator becoming not fully operational	£200	£50

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Ref	System (per unit unless otherwise stated)	Requirement	Required Availability Threshold	Required Rectification	Failed Availability (£ per Station Opening Hour or part thereof greater than Required Availability Threshold in Column 3)	Failed Rectification (£ per Station Opening Hour or part thereof greater than Required Rectification in Column 4 for each unit that has failed, unless otherwise stated)
			to exceed 144 hours per Fee Period			
4.	Digital Video Recorders	Fully operational	n/a	Rectified within 8 hours	n/a	£50
5.	Cameras which cover all platform edges, all TVMs and the whole of Bank Station and Woolwich Arsenal Station	To have the correct view, in focus with a clear un-obscured image	n/a	Rectified within 24 hours	n/a	£50
6.	All other CCTV (with the exception of on-Train	To have the correct view, in focus with a clear un-obscured image	n/a	Rectified within 24 hours	n/a	£20

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Ref	System (per unit unless otherwise stated)	Requirement	Required Availability Threshold	Required Rectification	Failed Availability (£ per Station Opening Hour or part thereof greater than Required Availability Threshold in Column 3)	Failed Rectification (£ per Station Opening Hour or part thereof greater than Required Rectification in Column 4 for each unit that has failed, unless otherwise stated)
	CCTV)					
7.	DAISY system	To be fully operational and presenting the correct information (and times) to passengers	n/a	Rectified within 20 hours	n/a	£50
8.	ESUBs	System failure or errors in information to be reported to the maintainer	n/a	Reported within 15 minutes	n/a	£50 (per Station Opening Hour or part thereof from each failure to report within 15 minutes until reported)
9.	ESUBs	Power and communication system to be fully operational	n/a	Rectified within 24 hours	n/a	£50
10.	PIDs	Displaying the correct information	n/a	Rectified within 30 minutes	n/a	£50 (per Station Opening Hour or part thereof from each failure to rectify within 30 minutes until rectified)
11.	PIDs	Fully operational	n/a	Rectified within 20 hours	n/a	£50

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Ref	System (per unit unless otherwise stated)	Requirement	Required Availability Threshold	Required Rectification	Failed Availability (£ per Station Opening Hour or part thereof greater than Required Availability Threshold in Column 3)	Failed Rectification (£ per Station Opening Hour or part thereof greater than Required Rectification in Column 4 for each unit that has failed, unless otherwise stated)
12.	Flight Information Screens	To be fully operational and presenting the correct information (and times) to passengers	n/a	Rectified within 48 hours	n/a	£50
13.	Public Address Speakers (Stations)	One speaker inaudible (but at least one speaker remains audible) within a platform, concourse or approach (e.g. bridge)	n/a	Inaudible speaker rectified within one week	n/a	£50
14.	Public Address Speakers (Stations)	More than one speaker inaudible (but at least one speaker remains audible) within a platform, concourse or approach (e.g. bridge)	n/a	Rectified (so that no more than one speaker is inaudible) within 20 hours	n/a	£50
15.	PEPs	Fully operational	n/a	Rectified within 6 hours	n/a	£50
16.	Lift rescue	No person to be trapped in a lift	n/a	Rescued within 30 minutes	n/a	£50 (per Station Opening Hour or part thereof following each failure to

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Ref	System (per unit unless otherwise stated)	Requirement	Required Availability Threshold	Required Rectification	Failed Availability (£ per Station Opening Hour or part thereof greater than Required Availability Threshold in Column 3)	Failed Rectification (£ per Station Opening Hour or part thereof greater than Required Rectification in Column 4 for each unit that has failed, unless otherwise stated)
						rescue within 30 minutes)

2. **Station Presentation Requirements**

	Column 1	Column 2	Column 3	Column 4
Ref	Input (per unit unless otherwise stated)	Requirement	Frequency/Required Rectification	Failure to deliver Requirement (£ as specified to deliver Requirement in Column 2 in full when required by Column 3)
17.	Daily Light Cleaning	(a) Sweep all public areas; (b) Pick litter and empty bins; (c) Damp wipe (and spot clean where necessary) all seats and handrails; (d) Spot mop and remove stains (including lifts); (e) Remove leaves	Twice a day (not within 2 hours of previous clean)	£100 per failure per Station
18.	Heavy Cleaning	(a) Machine scrub all floors including concourses; (b) Remove impact dirt; (c) Sanitise all lift floors and surfaces; (d) Wash all windows and paintwork; (e) Underside of canopy free from	Once every two Fee Periods	£500 per failure per Station

	Column 1	Column 2	Column 3	Column 4
Ref	Input (per unit unless otherwise stated)	Requirement	Frequency/Required Rectification	Failure to deliver Requirement (£ as specified to deliver Requirement in Column 2 in full when required by Column 3)
		cobwebs; (f) Station furniture cleaned and bright metalwork polished; (g) Remove litter from vegetation; (h) Remove fly stickers		
19.	Deep Cleaning	(a) Clean all guttering; (b) Clean outside Station surfaces (eg: PML & LCA) that require specialist access equipment (excluding bridges over road at EAI & POP)	Once per Fee Year	£1000 per failure per Station
20.	Escalator Cleaning	(a) Side panels and hand rails cleaned and free from stains; (b) Escalator steps and top & bottom landings cleaned and free from stains	(a) Every four weeks (b) Every twelve weeks	£100 per failure per escalator £100 per failure per escalator
21.	Canopies	No leak that creates a puddle on the platform or concourse, or that may result in a passenger or a bench/seat getting wet	Rectified within 30 days	£200 per day or part thereof per Station

	Column 1	Column 2	Column 3	Column 4
Ref	Input (per unit unless otherwise stated)	Requirement	Frequency/Required Rectification	Failure to deliver Requirement (£ as specified to deliver Requirement in Column 2 in full when required by Column 3)
22.	Canopy Cleaning	(a) All glazed canopies (on both sides) clean and free of smears; (b) Free of vegetation, verdure and organic growth	Every 6 months	£1500 per failure per Station every Fee Period until failure is rectified
23.	CCTV cameras and lenses Cleaning	All cameras and lenses cleaned	Every 3 months	£50 per failure per Station every Fee Period until failure is rectified
24.	Public Art Cleaning	Requirements contained in the "Public Art Matrix" included at Appendix 2 of Part 1 to Schedule 3	Within 7 days of the frequency specified in the Public Arts Matrix	£200 per day or part thereof per Station until failure is rectified
25.	Graffiti (non trackside)	None acceptable in any part of Station (including approaches)	Cleaned or painted out within 12 Station Opening Hours	£25 per Station Opening Hour per Station
26.	Graffiti (trackside)	None acceptable in any trackside area	The Franchisee shall determine the earliest practicable date for removal and propose such date for agreement with DLRL (acting reasonably) and shall clean or paint out the graffiti by such agreed date	£100 per Station Opening Hour per Station from agreed date until failure is rectified
27.	Etched Graffiti	No scratched glass or Perspex, poster frame, notice board, mirror or any other surface in any part of the Station	Repaired within 72 hours (unless etched graffiti contains offensive words whereby it should be repaired as soon as practicable)	£50 per Station Opening Hour per Station
28.	Waiting rooms	Open and available for use during	Rectified within 24 hours	£25 per Station Opening Hour per

	Column 1	Column 2	Column 3	Column 4
Ref	Input (per unit unless otherwise stated)	Requirement	Frequency/Required Rectification	Failure to deliver Requirement (£ as specified to deliver Requirement in Column 2 in full when required by Column 3)
		all Station Opening hours. Available for the purposes of this requirement means: (a) all appropriate cleaning standards have been met; and (b) all seats are available, complete and unlikely to mark or damage clothing.		Station
29.	Waiting rooms	All means of heating and/ or cooling is operational if required	Rectified within 48 hours	£50 per Station Opening Hour per Station
30.	Hazardous Material	No Hazardous Material permitted at any location	Rectified within 1 hour	£50 per Station Opening Hour per Station
31.	Trackside Area Cleaning	The Franchisee shall ensure the track side is kept litter free and that vegetation is managed within all Stations and 50m either side of each Station	Every 21 days	£50 per failure per Station every day until failure is rectified
32.	Lighting	All areas of each Station are lit to a lux level equivalent to that required for a 'Secure Station' for the Station Opening Hours	Repaired within 24 hours if below minimum lux levels.	£50 per Station Opening Hour per Station
33.	Lighting	All areas of each Station are lit to	Repaired within 7 days if above	£50 per Station Opening Hour per

	Column 1	Column 2	Column 3	Column 4
Ref	Input (per unit unless otherwise stated)	Requirement	Frequency/Required Rectification	Failure to deliver Requirement (£ as specified to deliver Requirement in Column 2 in full when required by Column 3)
		a lux level equivalent to that required for a 'Secure Station' for the Station Opening Hours	minimum lux levels.	Station
34.	Signage and Information Boards	All signage and information boards at all Stations shall be in an undamaged state	Repaired within 48 hours	£50 per Station Opening Hour per board
35.	Published Customer Information	All Published Customer Information (as required by Schedule 6) is present, correct, up-to-date and in the designated location	Rectified within 8 Station Opening Hours	£35 per Station Opening Hour per Station
36.	Station Information Posters	No posters to be damaged or defaced (including poorly installed or substantially misaligned posters and those damaged by water ingress or rendered partly illegible for any reason)	Rectified within 8 Station Opening Hours	£35 per Station Opening Hour per Station
37.	Out-of-date Information Posters	Information contained in posters to be in date	Removed/replaced by 1800 on the day after the expiry of the information set out in the poster	£35 per Station Opening Hour per Station
38.	Glazing	Glazing (including Perspex) at all Stations is undamaged and in good condition	Repairs effected within 24 Station Opening Hours (unless damaged glazing is unsafe in which case temporary repair should be effected)	£50 per Station Opening Hour per Station

	Column 1	Column 2	Column 3	Column 4
Ref	Input (per unit unless otherwise stated)	Requirement	Frequency/Required Rectification	Failure to deliver Requirement (£ as specified to deliver Requirement in Column 2 in full when required by Column 3)
			within 4 Station Opening Hours and full repair within 24 Station Opening Hours after temporary repair completed)	
39.	Vegetation	No vegetation overhangs any part of the Station or approaches; All landscaped areas are maintained and free from litter	Rectified within 1 week	£50 per day or part thereof per Station

3. Train Presentation Requirements

	Column 1	Column 2	Column 3
Ref	Input (per unit unless otherwise stated)	Requirement	Payment to DLRL
40.	Vehicle Doors (when entering Passenger Service each Service Day)	All 8 pairs of doors on each Vehicle and the end doors are fully operational	£480 per failed pair of doors
41.	Exterior Washing (including Vehicle ends)	90% of all Vehicles every 48 hours	£120 per day or part of day per non-compliant unit
42.	Exterior Washing (including Vehicle ends)	Each Vehicle to be cleaned every 72 hours	£1000 per failure
43.	Train Interior (before Train enters Passenger Service each Service Day)	(a) All floors swept & mopped with all spillages removed; (b) All litter removed; (c) All surfaces (including signage) wiped clean	£480 per failure
44.	Interior Turnaround Cleaning	At every turnaround between 0700 & 1900 on weekdays and between 1200 & 2100 at weekends and Bank Holidays at Bank, Tower Gateway, Stratford International and Stratford (platforms 4a and 4b) Stations: (a) remove all litter; and (b) remove and clean all spillages	£75 per failure
45.	Interior Heavy Clean (Weekly)	Each week each Vehicle shall have: (a) All seats vacuumed; (b) All floors machine washed;	£100 per failure

	Column 1	Column 2	Column 3
Ref	Input (per unit unless otherwise stated)	Requirement	Payment to DLRL
		(c) All interior windows cleaned; (d) Light fittings cleaned; (e) Soiled seat covers replaced	
46.	Interior Heavy Clean (Six Weekly)	Every 8 weeks 75% of all Vehicle shall have: (a) the floors deep cleaned; (b) the floors stripped and sealed	£300 per non compliant unit
47.	Interior Heavy Clean	Each Vehicle to meet the requirement in limbs (a) and (b) in row 46 every 12 weeks	£800 per failure
48.	Seating	When Train enters Passenger Service each Service Day: (a) no missing seats or covers; (b) no torn, damaged or soiled covers	£50 per failure
49.	Destination Displays	When Train enters Passenger Service on each Service Day all destination displays on all Vehicles (both interior and exterior) are fully operational	£1000 per incident

	Column 1	Column 2	Column 3
Ref	Input (per unit unless otherwise stated)	Requirement	Payment to DLRL
50.	AVIS	When Train enters Passenger Service on each Service Day AVIS is fully operational on all Vehicles (or the PSA should make regular and appropriate announcements)	£150 per 1% (or part thereof) below a required compliance of 90% of all Vehicles
51.	Interior train graffiti and vandalism including etched graffiti	None present when Train enters Passenger Service each Service Day	£50 per failure
52.	Exterior train graffiti and vandalism including etched graffiti	None present when Train enters Passenger Service each Service Day	£180 per failure
53.	On board information	All required train maps and service information are present, undamaged and up to date on each Vehicle when entering service on each Service Day	£40 per failure

SCHEDULE 3

Customer Facing Performance Regime

Part 1 – Customer Facing Regime

Appendix 2 - Public Art Matrix

Station(s)	Artwork	Requirements
Langdon Park	Two stainless steel sculptures with associated landscaping (to be planted spring 2013)	Visual inspection and jet wash of sculptures every six months. Vegetation to be kept under control
	Steel discs on both concourse	Clean on same frequency as deep clean concourse. Quarterly visual inspection and replacement of any missing discs.
	Vinyl artwork on underside of bridge	Annual inspection and report back to DLRL on condition. To be cleaned on same frequency as Station deep clean.
Woolwich Arsenal	Large mosaic tile artwork at Greens End entrance	Cleaning to be undertaken as part of Station deep clean.
Shadwell	Light box	Glass to be cleaned as part of Station deep clean. Lamp to be replaced every two years.
Stratford, Stratford High Street, Star Lane, Abbey Road	Artwork glazing	Cleaning to be done as part of Station cleaning activities. Damaged panes to be replaced to match existing.

Station(s)	Artwork	Requirements
Shadwell, Beckton, Royal Albert, King George V, West Silvertown, Gallions Reach, Pontoon Dock, East India	Cycle shelters with artwork on VE panels	VE panels to be cleaned on same frequency as other VE on Stations. Stainless steel to be cleaned as part of Station cleaning activities. Any damage to VE panels to be repaired. Solar lighting to be inspected yearly.

SCHEDULE 3

Customer Facing Performance Regime

Part 2 - CSS Regime

1. Customer Satisfaction Surveys

1.1 DLRL, TfL or a specialist contractor appointed by DLRL or TfL (a "**CSS Contractor**") shall carry out Customer Satisfaction Surveys throughout the year in accordance with the methodologies and questionnaires set out in the documents entitled "DLRL Customer Satisfaction Survey – Q2 P4 2013-14 Version 2", "DLRL CSS Sampling" and "DLRL Customer Satisfaction Survey" as supplied by DLRL to the Franchisee prior to signature of this Agreement.

1.2 The Franchisee shall:

- (a) grant access onto the Passenger Services and at Stations (and provide relevant training and briefing) to DLRL, TfL or any CSS Contractor to carry out any Customer Satisfaction Surveys; and
- (b) otherwise co-operate with DLRL, TfL or any CSS Contractor as reasonably requested in relation to implementing any Customer Satisfaction Survey.

1.3 The Customer Satisfaction Survey will be designed to monitor the following six topics:

- (a) "Overall Satisfaction";
- (b) "Cleanliness";
- (c) "Train Service";
- (d) "Service Information";
- (e) "Personal Safety"; and
- (f) "Staff".

1.4 Where reasonably requested by DLRL, the Franchisee shall review the topics set out above and provide DLRL with its views as to whether they represent the best mechanism in order to monitor customer perception of the DLR (which views may be taken into account at DLRL's absolute discretion).

1.5 DLRL or TfL will collate and present the results of the Customer Satisfaction Survey on a Fee Period basis (the "**Customer Satisfaction Survey Data**").

1.6 Upon receipt of the Customer Satisfaction Survey Data, the Franchisee shall compare the score for each topic with the average score for each topic over the previous 6 Fee Periods. Where there is a decrease of 2 or more points in the score for any topic when compared with the average score over the previous 6 Fee Periods for that topic, the Franchisee shall (irrespective of whether the score for a topic is above the CSS Target for that topic) meet with DLRL to explain the reasons for the decrease and propose how the Franchisee intends to prevent further decreases.

2. Annual Customer Service Plan

2.1 Other than in respect of the first Fee Year, the Franchisee shall prepare and submit to DLRL its proposed annual customer service plan (the "**Annual Customer Service Plan**") for the following Fee Year not later than 90 days before the beginning of each Fee Year.

- 2.2 The Franchisee shall ensure that each proposed Annual Customer Service Plan:
- (a) contains an explanation of how the Franchisee plans to ensure that it meets the CSS Target for each topic in the upcoming Fee Year, including noting any changes in the CSS Targets that are planned to take place within the upcoming Fee Year;
 - (b) contains the Franchisee's plans for managing the Customer Facing Requirements in the upcoming Fee Year;
 - (c) reviews the activities in the previous Fee Year in relation to improving the delivery of customer service;
 - (d) sets out upcoming events due to occur around the Railway, and support requested from customer services;
 - (e) reviews the complaints and areas of complaints received and any resulting drivers of satisfaction;
 - (f) sets out the Franchisee's proposed activities in relation to the production of the printed materials required by Schedule 6;
 - (g) sets out the Franchisee's proposed activities in relation to providing the assistance to DLRL and TfL required by Schedule 6; and
 - (h) contains training delivery plans for staff in the upcoming Fee Year.
- 2.3 DLRL shall (acting reasonably) review the proposed Annual Customer Service Plan and provide the Franchisee with any required amendments or comments. The Franchisee shall take into account any required amendments or comments provided by DLRL and shall continue to update and resubmit the proposed Annual Customer Service Plan until it has obtained DLRL's acceptance.
- 2.4 Each Annual Customer Service Plan shall take effect at the beginning of the Fee Year to which it relates or if later the date it is accepted by DLRL in accordance with paragraph 2.3 above, and the Franchisee shall from such date comply with such Annual Customer Service Plan.

3. **CSS Adjustment**

- 3.1 Starting from the fourth full Fee Period after the Franchise Commencement Date, the Franchisee shall calculate the CSS Adjustment following the end of each Fee Period in accordance with paragraph 3.2. For the avoidance of doubt the CSS Adjustment for the first three full Fee Periods after the Franchise Commencement Date shall be zero.
- 3.2 The CSS Adjustment for each Fee Period as stated in paragraph 3.1 shall equal the aggregate of the CSS Adjustments for each topic calculated as follows:
- (a) where the CSS Score is below or equal to the CSS Lower Limit:

$$\text{CSS Adjustment} = (((\text{CSS Target} - \text{CSS Minimum Standard}) \times (\text{CSS Payment} \times 0.5)) + ((\text{CSS Minimum Standard} - \text{CSS Lower Limit}) \times \text{CSS Payment})) \times -1$$
 - (b) where the CSS Score is above the CSS Lower Limit but below the CSS Minimum Standard:

$$\text{CSS Adjustment} = (((\text{CSS Target} - \text{CSS Minimum Standard}) \times (\text{CSS Payment} \times 0.5)) + ((\text{CSS Minimum Standard} - \text{CSS Score}) \times \text{CSS Payment})) \times -1$$

(c) where the CSS Score is above the CSS Minimum Standard but below the CSS Target:

$$\text{CSS Adjustment} = (\text{CSS Target} - \text{CSS Score}) \times (\text{CSS Payment} \times 0.5) \times -1$$

(d) where the CSS Score is above the CSS Target but below the CSS Upper Threshold:

$$\text{CSS Adjustment} = (\text{CSS Score} - \text{CSS Target}) \times \text{CSS Payment}$$

(e) where the CSS Score is equal to or above the CSS Upper Threshold:

$$\text{CSS Adjustment} = ((\text{CSS Upper Threshold} - \text{CSS Target}) \times \text{CSS Payment}) + ((\text{CSS Score} - \text{CSS Upper Threshold}) \times (\text{CSS Payment} \times 0.5))$$

where:

CSS Score = the average of the score in the Customer Satisfaction Survey Data for the relevant topic in the preceding three Fee Periods

CSS Lower Limit = the lower limit for the relevant topic set out in the column headed "CSS Lower Limit" in paragraph 4 below

CSS Minimum Standard = the minimum standard for the relevant topic set out in the column headed "CSS Minimum Standard" in paragraph 4 below

CSS Target = the target for the relevant topic set out in the column headed "CSS Target" in paragraph 4 below

CSS Upper Threshold = the upper threshold for the relevant topic set out in the column headed "CSS Upper Threshold" in paragraph 4 below

CSS Payment = the figure for the relevant topic set out in the column headed "CSS Payment" in paragraph 4 below

4. **CSS Measures and Payments**

Topic	CSS Lower Limit	CSS Minimum Standard	CSS Target	CSS Upper Threshold	CSS Payment
Overall satisfaction	76	80	86	90	£15,000
Cleanliness	76	80	86	90	£25,000
Train Service	76	80	84	90	£12,500
Service Information	76	80	86	90	£25,000
Personal Safety	76	80	86	90	£25,000
Staff	76	80	84	90	£25,000

SCHEDULE 4

Asset Management

Part 1 – Asset Management Policy

- 1.1 The Franchisee's Asset Management Policy will be to proactively manage assets to enable the Franchisee to deliver its objectives and those of DLRL safely and at an optimal whole life cost, meeting current regulatory and statutory requirements.
- 1.2 During the Franchise Term, the Franchisee will achieve this by:
- (a) applying a consistent approach to asset management across the business and adopting Good Industry Practice aligned with the requirements of ISO 55000 (PAS 55);
 - (b) using whole life principles to improve service reliability through optimising its maintenance regimes, improvement plans and improving asset reliability;
 - (c) continuously improving its activities and processes that enhance the customer experience by encouraging innovation, introducing new technology and benchmarking itself against world-class railways/metros;
 - (d) using an enterprise asset management system to provide knowledge of asset condition that aids work bank, materials, configuration and information management;
 - (e) embedding a robust risk management approach in the Franchisee organisation;
 - (f) collaborating with DLRL to ensure that DLRL's responsibilities (as Infrastructure Manager (track) under ROGS) are met; and
 - (g) developing a collaborative relationship throughout the Franchisee's supply chain to deliver a best value service and to leverage the Franchisee's purchasing power through long-term contracts and/or bulk buying of goods and services.
- 1.3 The Franchisee's senior management team shall be accountable for asset management, ensuring it is embedded across the organisation and improving organisational and business resilience.
- 1.4 All managers and staff involved in planning, designing, procuring, delivery and maintenance of all relevant assets shall be responsible for managing activities in accordance with the corporate governance and asset management processes contained within the Franchisee's management system.
- 1.5 This Asset Management Policy will be signed by the Franchisee's Managing Director and displayed in the Franchisee's offices and depots.
- 1.6 This Asset Management Policy will be subject to annual review in accordance with clause 9 of the Franchise Agreement.
- 1.7 The Franchisee will share all asset management information with DLRL as required.

SCHEDULE 4

Asset Management

Part 2 – Asset Management Strategy

1. INTRODUCTION

1.1 The Franchisee's Asset Management Strategy will be driven by the Franchise Agreement, the Franchisee's vision, Asset Management Policy and business objectives.

2. VISION

2.1 In undertaking the asset management and maintenance role within the Franchise, the Franchisee will implement a 'world-class' asset management regime, certified to ISO 55000, to support a 'world-class' customer experience. The Franchisee's asset management vision is to work with DLRL to deliver outstanding customer experience and continuously increase system performance. The Franchisee will do so by planning, delivering and maintaining all assets on the Railway to meet current and future demands – safely, efficiently and sustainably.

3. WHOLE LIFE ASSET MANAGEMENT

3.1 The Franchisee will implement integrated decision making across the business, as one of the key principles of whole life asset management and ISO 55000. This requires a clear view of how decisions flow from the high level objectives to the delivery of work on the ground (Figure 1).

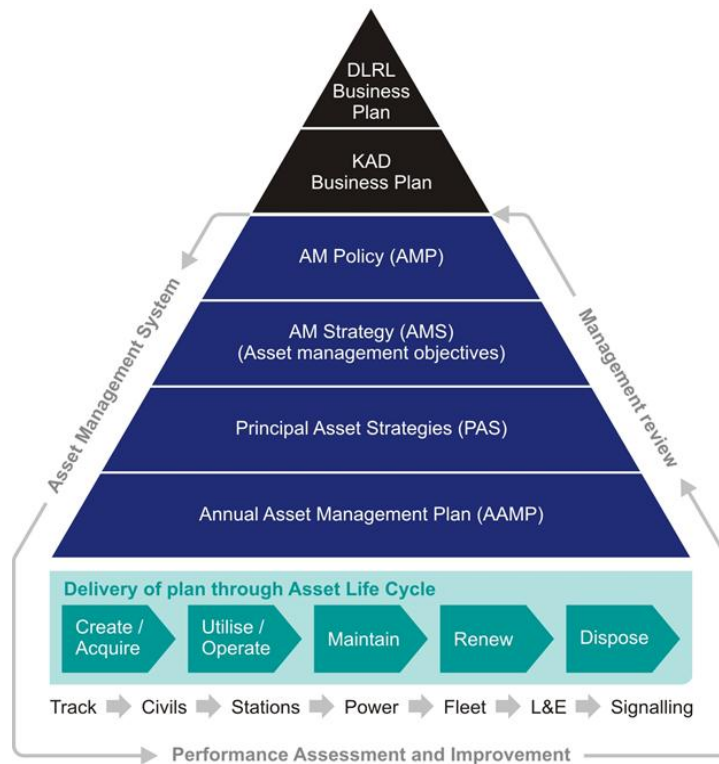


Figure 1: Decisions will flow from high-level objectives to delivery on the ground

4. BUSINESS OBJECTIVES

4.1 Table 2 outlines the Franchisee's business objectives and description of targets. The Franchisee shall use all reasonable endeavours to achieve the target descriptions set out in Table 2.

Business Objective	Criticality Factor	Target Description
Deliver a safe and compliant railway	Safety and compliance	Meet statutory requirements Continually improve the Franchisee's approach to safety
Manage the assets to deliver the required performance improvements	Performance	Improve customer experience Improve operational performance Improve customer facing regime and CSS regime
Asset condition		Reasonable life expectancy Residual life expectancy
Ensure assets support delivery of the Franchisee's environmental obligations	Environmental	Reduce CO ₂ emissions Reduce energy usage Reduce pollutant emissions to air Reduce water usage
Continuously improve asset management capability	Improve asset management capability	Achieve ISO 55000 Grow benchmarking practice Upgrade the Asset Management System and improve information Implement decision support tools Innovate and implement new technology or practices to improve whole life costs Embed asset risk management Implement a new asset management regime

Table 2: Business objectives

4.2 The Franchisee shall use all reasonable endeavours to meet the Franchisee's business objectives as set out in this section 4. The Franchisee's business objectives will represent both the Franchise targets, against which it will be measured, and the Franchisee's strategy. The business objectives will reflect the Franchisee's corporate vision and values.

4.3 The Franchisee's business objectives will be updated annually and in accordance with changes in DLRL priorities, to provide performance measures. Each year the Franchisee's senior management team will review the effectiveness of the previous year's objectives and make any changes appropriate to the changing needs and priorities of the business. Figure 3 details the drivers behind the Franchisee's business objectives.

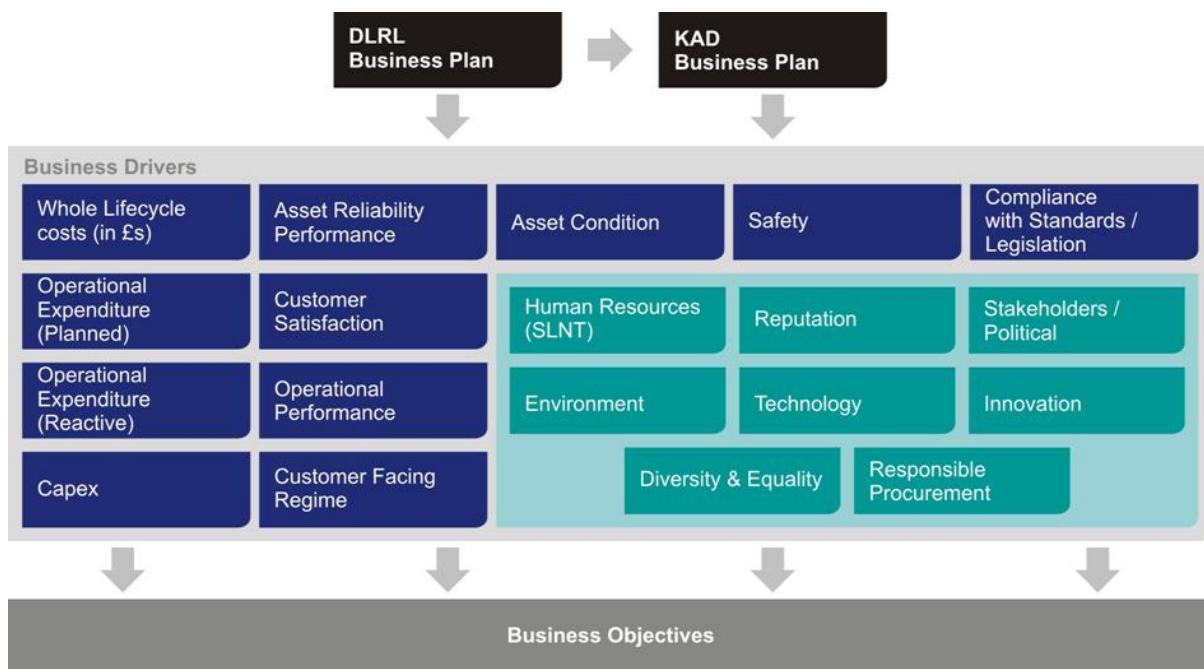


Figure 3: the Franchisee's business drivers

4.4 Principal Asset Strategies

The Principal Asset Strategies will set out the strategy specific to each principal asset group. Combined, the Asset Management Strategy and Principal Asset Strategies will provide the rationale and framework to achieve the Franchisee's asset management objectives. Each Principal Asset Strategy will include:

- (a) definition of the asset base;
- (b) asset requirements;
- (c) whole life asset management approach;
- (d) systems integration;
- (e) assurance;
- (f) continuous improvement; and
- (g) target performance and asset condition levels.

4.5 Annual Asset Management Plan

The Franchisee's Annual Asset Management Plan will be developed as part of the DLRL business planning process in accordance with Part 4 of Schedule 4. The Annual Asset Management Plan will set out the delivery plans to achieve the strategy and business objectives of DLRL. The Franchisee will commence the development of its plan in accordance with the Franchise Agreement. The plan will provide the specified two-year view required by the Franchise Agreement as well as a ten-year view to support the whole life asset management and the DLRL business planning process.

4.6 Delivery of the Annual Asset Management Plan

Maintenance delivery

The Franchisee will be responsible for the day-to-day operation and maintenance of the Franchise Assets. Maintenance will be defined as a number of types and means of intervention, required to keep the Franchise Assets functioning to the required level, in terms of performance requirements, safety and strategic importance.

- 4.7 The Franchisee's objectives in maintenance will be to:
- (a) minimise the risk to safety and service of the Railway;
 - (b) maintain the Franchise Assets to an acceptable standard in line with established maintenance regimes and lifecycle mitigation plans;
 - (c) ensure the Franchise Assets perform to the level of performance required by the Franchise Agreement, performance improvement plans and business objectives;
 - (d) ensure that maintenance plans are carried out diligently and professionally to achieve the planned life expectancy; and
 - (e) meet the minimum mandated maintenance standards in Schedule 4 of the Franchise Agreement.
 - (f) Ensure that the Asset Management System is used to both capture and provide relevant asset data.
- 4.8 The Franchisee will apply maintenance regimes in line with DLRL Maintenance Standards. Changes to standards and regimes will be managed in accordance with BCP 03 procedures and assurances.
- 4.9 The Franchisee will deliver these objectives by optimising the performance of the Franchise Assets through scheduling of maintenance activities; where the intervention has been historically scheduled to fixed frequency and scope, the Franchisee will challenge this approach and take a risk and usage based approach. The Franchisee will carry out works on Franchise Assets where inspection has demonstrated, or predicts, a shortfall in condition or where performance or safety levels may fall short of the required standards. Without prejudice to its obligations in the Franchise Agreement, the Franchisee will carry out works on Franchise Assets where tangible benefits, performance or otherwise, outweigh the delivery costs (that is, a positive business case is achieved).
- 4.10 The Franchisee will seek new and innovative new delivery methods, through internal knowledge management, benchmarking and reference to Good Industry Practice as well as the Franchisee's experience on other projects.
- 4.11 The Franchisee will increase levels of performance and reliability and minimise safety risk for reduced costs, through increasing the time between interventions, mitigating the risk of failure and reducing the resources required for the interventions or otherwise making delivery more efficient.
- 4.12 The Franchisee will put in place appropriate organisations, processes and systems for the economic and efficient delivery of maintenance and fault rectification. The Franchisee will employ suitably qualified and competent staff.
- 4.13 The Franchisee will prepare maintenance delivery plans and work schedules for the maintenance programmes defined in the Annual Asset Management Plan. The Franchisee will schedule maintenance work across asset groups to maximise available access usage.

4.14 The Franchisee will ensure that Franchisee staff will respond to and deal speedily with reported faults, updating the Asset Management System to ensure asset information is current and appropriate.

5. **ASSET MANAGEMENT ENABLERS AND CONTROLS**

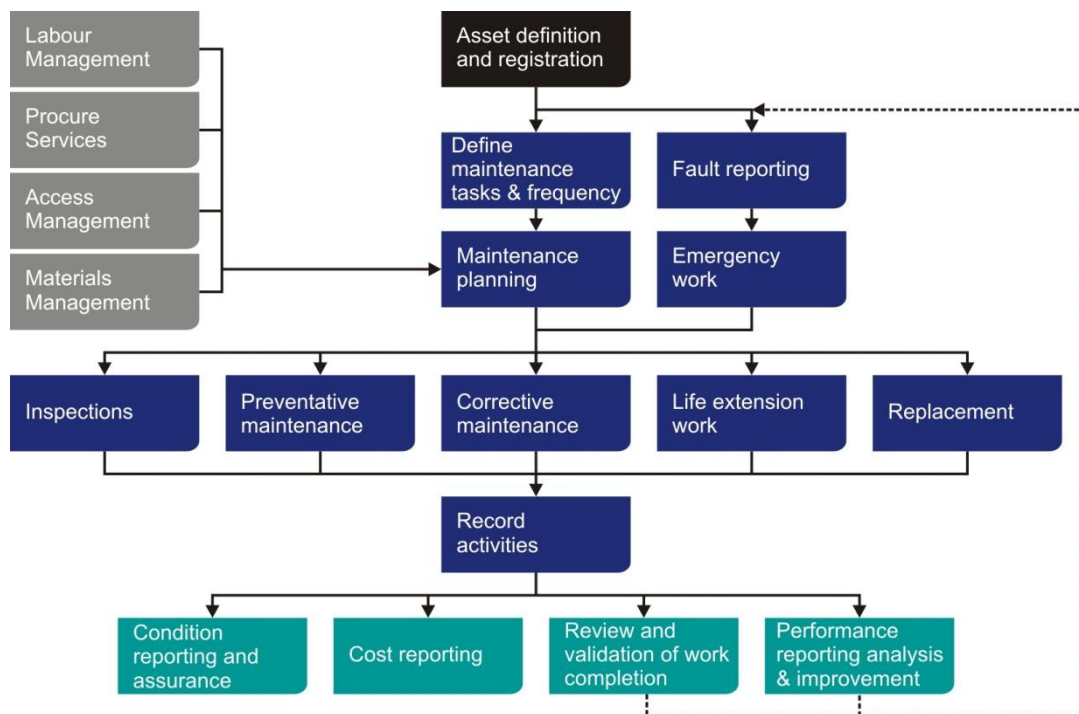
5.1 The Franchisee will ensure controlled processes are in place across the business by developing a Franchisee management system. This will be based on Good Industry Practice.

Franchisee asset management system

5.2 To support the strategic objectives the Franchisee will implement an asset management regime based on the Asset Management System.

5.3 [●]¹.

5.4 The functionality of the Asset Management System which supports whole life asset management is based on Figure 4. This diagram shows the process flow of the functionality of the Asset Management System from its inputs to outputs, including some



iterative processes.

Figure 4: Key business functionality of the asset management system

Asset information

5.5 The Franchisee recognises that good asset information is fundamental to understanding asset condition, which leads to better asset management decisions. The Franchisee will ensure delivery of improved asset information.

¹ Redacted

- 5.6 The Franchisee will improve the completeness and quality of the asset data pertaining to the Railway. The Franchisee will introduce a data quality management process.
- 5.7 The Asset Management System will include the asset register and maintenance planning tool for the Franchisee's assets. As part of the migration to [●]², asset data previously held on SAP will be migrated where data is reusable.
- 5.8 The Franchisee will assess the asset's condition and performance through audit, inspection, monitoring and measuring. The data generated will be turned into information sufficient to make an informed judgement of the asset's ability to perform to the required level, and its current and future needs.

Asset modelling

- 5.9 The Franchisee will adopt an integrated approach to asset management and decision making, ensuring it is both a central part of determining operational and maintenance actions as well as a key mechanism for providing long term visibility of the Railway's capital requirements.

Figure 5: [●]³

- 5.10 Figure 5 shows how the Franchisee will apply its engineering and operational judgement to data and information about the assets (age, performance, condition etc) within it's various modelling and simulation frameworks to make the best possible decisions.

Franchisee governance

- 5.11 Whole life asset management will be embedded across the whole of the Franchisee's organisation. Decisions relating to asset policies, strategies, plans and possible investments will be reviewed and approved by the senior management team.

Asset management accountability

- 5.12 The Franchisee will employ a central asset management team which will be responsible for coordinating the efforts of all the business areas, to ensure the Franchisee delivers its asset management obligations. The team will ensure whole life decisions are made in collaboration with DLRL and facilitated through the Franchisee's governance processes.
- 5.13 The asset management team will be responsible for the development of the asset management regime and in supporting the development and use of the decision support tools in the asset areas.

Management Review

- 5.14 The Franchisee's senior management team will have overall accountability for the delivery of all the Franchisee's objectives relating to asset management. The Maintenance and Engineering Director will have direct responsibility for the enterprise asset management system. The Franchisee's senior management team will take an overview of the delivery of all the performance objectives across the organisation.
- 5.15 The Franchisee shall undertake a management review annually and will include the following inputs:
 - (a) records and reports on asset management performance;

² Redacted

³ Redacted

- (b) extent to which objectives have been met;
- (c) results of internal audits and evaluations of compliance;
- (d) results of stakeholder communication, participation and consultation;
- (e) relevant communication(s) from external stakeholders;
- (f) performance in addressing incident investigation, corrective actions and preventative actions;
- (g) follow-up actions; and
- (h) changing circumstances, including developments in legal and other requirements.

These reviews will be shared with DLRL.

5.16 The Franchisee shall procure that the Maintenance and Engineering Director will ensure that:

- (a) the Principal Asset Strategies and Annual Asset Management Plans are signed off as part of the both the Franchisee's and DLRL's business planning process;
- (b) the Asset Management System, Principal Asset Strategies, Annual Asset Management Plans, business plans and asset condition reports will be reviewed by relevant stakeholders and recommendations made to the senior management team for approval of these documents;
- (c) the asset management regime will be reviewed at a frequency commensurate with the rate at which they change:
 - (i) Asset Management System and Principal Asset Strategy: annually;
 - (ii) asset management objectives: annually;
 - (iii) Annual Asset Management Plans: annually, in accordance with clause 9 of the Franchise Agreement; and
- (d) progress against the Annual Asset Management Plan will be reviewed every Fee Period at the Periodic Asset Management Meeting.

Assurance

5.17 An assurance regime based upon MR-100 (the "**Assurance Regime**") will be developed, agreement obtained from DLRL and implemented by the Franchise Commencement Date and shall be implemented for the Franchise Term.

5.18 The Assurance Regime will include:

- (a) how the Franchisee will provide assurance to itself, its stakeholders and DLRL;
- (b) the assured delivery and assurance processes being used;
- (c) which responsibilities are allocated to whom in the assurance regime; and
- (d) arrangements for reporting, and management of improvement.

5.19 A programme of audits will be developed annually to target areas on a risk basis. The Franchisee will plan the audit programme, based on areas identified by the assurance process in consultation with the delivery managers.

- 5.20 Audit reports and findings will be reviewed by the senior management team. Audit reports and remedial plans will be shared with DLRL.
- 5.21 Audits carried out on or on behalf of the Franchisee will be sufficiently rigorous to provide assurance regarding the management of health and safety issues, and asset management to ensure that:
- (a) operational deficiencies and areas for improvement are identified;
 - (b) Good Industry Practice is prevalent;
 - (c) the appropriate level of safety compliance is attained;
 - (d) recommendations to management can be made; and
 - (e) audit activity will support the Franchisee's need for assured delivery, as described in the Franchisee's assurance regime.
- 5.22 The Franchisee will be subject to DLRL audits.

Procurement

- 5.23 Commercial strategies for procurement will be set out for each asset group, where required, and be approved by the senior management team. BCP 03 will be the governance process to provide assurance for any changes.
- 5.24 The Franchisee's procurement approach will be to award all contracts in the most economic, efficient but responsible manner and in accordance with Schedule 19 of the Franchise Agreement. During the planning stage, the Franchisee will take a decision to self-deliver or buy-in using economic and internal capability criteria. The Franchisee will develop appropriate requirements statements for approval by the senior management team. Tenders will be issued and managed by the procurement team in accordance with the Law and all Applicable Requirements.

Outsourcing of asset management activities

- 5.25 The Franchisee's supply chain policy will adopt the overarching principle that risk should sit with whoever is best placed to manage it. Depending on the cost and risk and associated business case, works will be delivered either in-house or by external suppliers (in accordance with clause 41 of the Franchise Agreement).
- 5.26 In some instances the Franchisee will inherit subcontracts where the terms may not be as economic as possible. These contracts will be reviewed and the work re-tendered (in accordance with clause 41 of the Franchise Agreement); the Franchisee will deploy its business case driven approach to ensure it secures more economic terms.
- 5.27 The Franchisee will develop a working partnership throughout the supply chain and with DLRL, with the aims of delivering a service at best value and leveraging purchasing power.

Risk management

- 5.28 The Franchisee acknowledges that a key principle of asset management is to make decisions based on the balance of cost, performance and risk. The Franchisee's risk management policy, which will be reviewed and updated each year by the senior management team, will commit the Franchisee to managing all risks effectively by anticipating such risks and preparing appropriate mitigation measures. This will enhance the Franchisee's ability to deliver its objectives, including its asset management objectives.

- 5.29 The Franchisee will:
- (a) allocate adequate resources to manage risks;
 - (b) define clear roles and responsibilities;
 - (c) integrate risk into existing procedures;
 - (d) conduct regular risk reviews; and
 - (e) escalate risks to the appropriate level of management.
- 5.30 The Franchisee will establish and maintain documented processes and procedures for the identification, evaluation, management and monitoring of all asset related risks.
- 5.31 Using asset risk workshops, the Franchisee will consider all activities (internal or external) that could affect performance, condition, safety, cost or reputation.
- 5.32 A risk escalation process will be implemented by the Franchisee that ensures key risks are escalated to the right level of the Franchisee's business.
- 5.33 Outputs of risk processes will be used by the Franchisee to support the development of the Asset Management Strategy and to ensure asset objectives are met. The Principal Asset Strategies and Annual Asset Management Plan will highlight key asset risks and how these will be mitigated.

Asset performance monitoring and improvement

- 5.34 The Franchisee will continuously review its progress in fulfilling its obligations under the Franchise Agreement.

Performance monitoring

- 5.35 The achievement of the asset management objectives will be monitored weekly and progress will be cited in the end of Fee Period report. More detailed explanation will be provided at the Periodic Asset Management Meeting.
- 5.36 Performance of assets managed by suppliers will be reviewed by the Franchisee at contract performance meetings, held every four weeks for Key Contracts. More detailed explanation will be provided at the Periodic Asset Management Meeting.

Condition monitoring

- 5.37 The Franchisee recognises that whole life asset management entails a comprehensive understanding of the asset's condition and performance, thereby understanding degradation. Asset condition and performance information will be gained through inspection, monitoring and measuring. This will generate data for analysis, sufficient for the Franchisee to make an informed judgement of the asset's ability to perform to the required level, and its current and future needs. The Franchisee will produce an annual asset condition report to make this judgement.
- 5.38 [●]⁴.
- 5.39 [●]⁵.

Continuous improvement

⁴ Redacted

⁵ Redacted

5.40 The Franchisee regards continuous improvement and innovation (including new processes and technology) as crucial to creating efficiencies, improving performance and reducing/managing risk.

5.41 The Franchisee will employ practices to aid, encourage and reward continuous improvement and innovative ideas.

Asset management improvement

5.42 The Franchisee will improve its asset management capability through a variety of mechanisms that develop its supporting competence, processes and culture.

5.43 [●]⁶.

5.44 [●]⁷.

⁶ Redacted

⁷ Redacted

SCHEDULE 4

Asset Management

Part 3 – Principal Asset Strategy Principles

- 1.1 These Principal Asset Strategy principles will be developed into full Principal Asset Strategies during the mobilisation phase for approval by DLRL before the Franchise Commencement Date.
- 1.2 For all principal assets in the table below the Franchisee's overriding asset management principle is that all assets will be maintained to ensure they are safe, reliable and available when required to operate. The Franchisee will adopt a whole lifecycle approach to asset condition and maintenance to ensure the life expectancy of the assets is maintained and in order to assist DLRL to take informed decisions regarding future asset investment opportunities. The philosophy over the term of the Franchise to move from the current strategy of 'inspect, service and repair' to one of 'predict and prevent'.
- 1.3 In applying the principles in the table below, the Franchisee will provide asset management that is planned and delivered by suitably competent staff in accordance with ISO 55000 and the agreed standards and documentation in combination with approved suppliers and parts. The Franchisee will take a proactive approach using information led asset maintenance plans rather than reactive intervention to provide fit for purpose maintenance documentation. The Franchisee will drive increased asset reliability to reduce in-service asset failures by assessing then managing the risks and lessons learnt from asset failure and loss of service. The Franchisee will undertake regular quality assurance activities to ensure compliance to standards for maintenance activities and component suppliers in order to continually improve asset maintenance activities and component reliability.

Principal Asset	Specific Principles	Asset Management	Strategic Delivery Plan
[●] ⁸			

⁸ Redacted

SCHEDULE 4

Asset Management

Part 4 – Annual Asset Management Plan

- 1. PREPARATION OF ANNUAL ASSET MANAGEMENT PLAN**
- 1.1 Subject to paragraph 1.2, no later than 90 days before the beginning of each Fee Year, the Franchisee shall prepare and submit to DLRL its proposed Annual Asset Management Plan for the following Fee Year.
- 1.2 Prior to the Franchise Commencement Date, the Franchisee shall obtain DLRL's prior acceptance of and have in place an interim Annual Asset Management Plan to cover the period from the Franchise Commencement Date until the start of the next Fee Year.
- 1.3 Each Annual Asset Management Plan must:
 - (a) follow the form and contain the requirements set out in the Appendix to this Part 4;
 - (b) be approved by the Franchisee's Managing Director;
 - (c) contain a review of the current Fee Year and a two year look forward covering the subsequent two Fee Years, including areas of improvement which the Franchisee proposes should be adopted, each set out by the headings in the framework in the Appendix to this Part 4 (which the Franchisee should develop and gain DLRL's acceptance of prior to the Franchise Commencement Date);
 - (d) set out how the Franchisee will comply with its obligations in respect of asset management and maintenance under this Agreement;
 - (e) comply with and be consistent with the Asset Management Policy (except where the Franchisee is proposing amendments to the Asset Management Policy, which shall be submitted to DLRL for acceptance in accordance with clause 9.2);
 - (f) comply with and be consistent with the Asset Management Strategy (except where the Franchisee is proposing amendments to the Asset Management Strategy, which shall be submitted to DLRL for acceptance in accordance with clause 9.2);
 - (g) comply with and be consistent with the Principal Asset Strategies to the extent they have already been developed (except where the Franchisee is proposing amendments to the Principal Asset Strategies, which shall be submitted to DLRL for acceptance in accordance with clause 9.3);
 - (h) contain any proposed updates to the Maintenance Procedures and the Maintenance Task Instructions (for acceptance in accordance with the procedure in clause 9.4.3);
 - (i) summarise any divergence between the current asset condition of any of the Franchise Assets and the required asset condition required by this Agreement on termination or expiry;
 - (j) summarise the status of outstanding Work Bank entries and contain a summary of major items and a forecast of activities intended to address such items;
 - (k) contain the Capital Replacement related details (if any) set out in paragraph 1.5 below;

- (l) set out a programme of the Franchisee's asset management activities with due regard to any Capital Replacement which the Franchisee is aware will be undertaken during the relevant Fee Year;
- (m) contain a proposed audit programme as required by clause 9.7;
- (n) comply with:
 - (i) the Maintenance Documents;
 - (ii) Good Industry Practice;
 - (iii) all Applicable Requirements;
 - (iv) the Annual Safety Improvement Plan and the Annual Security Plan in effect for the Fee Year;
 - (v) the Franchisee's obligations set out in this Agreement including, without limitation:
 - (A) Schedule 4 (Asset Management);
 - (B) Schedule 7 (Safety, Quality, Security and Environment);
 - (C) Schedule 9 (DLR Contracts and Undertakings);
 - (D) Schedule 17 (Handover and Handback of Franchise); and
 - (E) the Rolling Stock Lease.

1.4 Each proposed Annual Asset Management Plan shall set out the matters in paragraph 1.3 above to such level of detail as to:

- (a) reasonably satisfy DLRL that the Franchisee has understood its obligations under this Agreement, is competently managing the Franchise Assets and will be in a position to satisfy such obligations; and
- (b) provide all assurance and investment information which is reasonably required by DLRL, including where required as a result of DLRL's statutory responsibilities.

1.5 The Franchisee's proposed Annual Asset Management Plan shall set out:

- (a) details of the Capital Replacement the Franchisee believes is required to be carried out in the upcoming Fee Year to prevent material degradation in the performance of the Railway, which shall include any Capital Replacement proposed by the Franchisee in previous Annual Asset Management Plans to the extent that such Capital Replacement has not been carried out and the Franchisee believes such Capital Replacement is still required;
- (b) an indication of whether the Franchisee believes that DLRL or the Franchisee is responsible for carrying out such Capital Replacement in accordance with the provisions of clause 10.6 (and for the avoidance of doubt clause 10.6.3 shall apply);
- (c) the Franchisee's preferred programme for the implementation of the Capital Replacement taking account of any anticipated DLRL Projects and any other activities of the Franchisee and DLRL which may be affected by the Capital Replacement (and for the avoidance of doubt clause 10.6.3 shall apply);

- (d) an estimate of the cost of the Capital Replacement;
- (e) an indication of which Capital Replacement is within the Capital Replacement Budget;
- (f) a detailed explanation of any potential effects of any DLRL Capital Replacement not being carried out on the Franchisee's ability to comply with the Operational Performance Regime; and
- (g) any additional Capital Replacement which the Franchisee suggests should be undertaken on the Railway based on its experience (and for the avoidance of doubt clause 10.6.3 shall apply).

2. **CONSULTATION ON ANNUAL ASSET MANAGEMENT PLAN**

- (a) The Franchisee and DLRL shall consult with each other on the contents of the Annual Asset Management Plan for a period of 30 days from receipt thereof by DLRL or, if later, receipt by DLRL of any revised version of that Annual Asset Management Plan pursuant to paragraph 3. The Franchisee shall have due regard for any comments on the Annual Asset Management Plan made by DLRL and in addition:
 - (i) the Franchisee shall comply with any reasonable requirements of DLRL under paragraph 3; and
 - (ii) the Parties shall comply with paragraph 2(b).

DLRL may, at its sole discretion, reduce the required period for consultation by notice in writing to the Franchisee. The parties may by agreement extend the period for consultation.

- (b) The Parties shall discuss the Franchisee's proposals and suggestions provided pursuant to paragraph 1.5 and shall (acting in good faith) endeavour to agree what DLRL Capital Replacement should be included in the Annual Asset Management Plan in accordance with the following priority:
 - (i) DLRL Capital Replacement within the Capital Replacement Budget shall be spent ensuring that the Railway is safe to run Passenger Services and complies with all Applicable Requirements; and
 - (ii) once the requirements in paragraph (i) are achieved, the Parties shall consult with each other in relation to the most appropriate areas for further DLRL Capital Replacement.

Following discussion and consultation, the Franchisee shall include the positions agreed or determined by DLRL in an amended version of the Annual Asset Management Plan to be submitted to DLRL. DLRL shall not be required to accept any of the Franchisee's proposals or suggestions provided pursuant to paragraph 1.5 and, other than as expressly set out in this Agreement, the Franchisee shall not be entitled to any relief from its obligations or increased payment as a result of DLRL not agreeing that any proposed DLRL Capital Replacement is included in the Annual Asset Management Plan.

3. **REQUIRED REVISIONS**

During the period of consultation under paragraph 2 DLRL may by notice to the Franchisee pursuant to this paragraph require that the Franchisee revise the proposed Annual Asset Management Plan if DLRL considers that it does not comply with or is inconsistent with:

- (a) the Asset Management Policy;
- (b) the Asset Management Strategy;
- (c) the Principal Asset Strategies;
- (d) the Maintenance Procedures;
- (e) Good Industry Practice;
- (f) all Applicable Requirements; or
- (g) any other provision of this Agreement,

and following service of any such notice by DLRL the Franchisee shall amend the Annual Asset Management Plan to address the issues raised by DLRL in such notice and submit a revised version of the Annual Asset Management Plan to DLRL for acceptance.

4. ANNUAL ASSET MANAGEMENT PLAN TO TAKE EFFECT

- 4.1 The interim Annual Asset Management Plan referred to in paragraph 1.2 above shall take effect on the Franchise Commencement Date. Any subsequent Annual Asset Management Plan shall not take effect until the beginning of the Fee Year to which it relates or if later, the end of the consultation period under paragraph 2. Any proposed changes to the Asset Management Policy, Asset Management Strategy, Principal Asset Strategies, Maintenance Procedures or Maintenance Task Instructions which are submitted to DLRL for acceptance at the same time as the proposed Annual Asset Management Plan shall not take effect until they have been accepted by DLRL in accordance with the requirements of clause 9.
- 4.2 The Franchisee shall carry out its obligations in this Agreement relating to asset management and asset maintenance, and shall at all times comply with, the Annual Asset Management Plan which is in effect pursuant to this paragraph 4.
- 4.3 For the avoidance of doubt, neither the review and acceptance by DLRL of an Annual Asset Management Plan nor the contents of any Annual Asset Management Plan shall relieve the Franchisee in any way whatsoever from carrying out its obligations contained in this Agreement. In addition, acceptance by DLRL of an Annual Asset Management Plan shall not require DLRL to undertake any Capital Replacement specified therein, other than such DLRL Capital Replacement as may be agreed or determined by DLRL pursuant to paragraph 2(b) above.

SCHEDULE 4

Asset Management

Part 4 – Annual Asset Management Plan

Appendix - Annual Asset Management Plan Framework

1. **Asset Management System Improvement Plan**
 - (a) Detail of coming years plan
 - (i) Plan schedule
 - (ii) Innovations and improvements
 - (b) Achievement of previous years plan
2. **Asset Management Strategies**
 - (a) Principal assets strategies
 - (b) Strategy development/changes
3. **Asset Performance**
 - (a) Review of previous year performance targets versus achievement
 - (b) Trend analysis of failures and future forecasts
 - (c) Targets for principal assets for coming year by asset per period
 - (d) Performance improvement plan by principal asset
4. **Maintenance**
 - (a) Achievement of previous years plan by principal asset
 - (b) Coming years plan by principal asset and sub asset where appropriate, by maintenance activity (with mandated maintenance clearly identified)
 - (c) Proposed risk based changes to periodicity of maintenance and inspections
 - (d) Maintenance Task Instructions reviewed in previous year and planned for the coming year
5. **Work Bank**
 - (a) Periodic review for the previous year detailing
 - (i) Volume by number of items and/or man hours for each principal asset
 - (ii) Movement
 - (iii) Criticality
 - (b) Plan for improvement in coming year for each principal asset

6. **Asset Health**
 - (a) Condition observations by principal asset
 - (b) Description of major failures of assets and resultant corrective actions
 - (c) Trend analysis of major failures

7. **Materials Management**
 - (a) Stores management
 - (b) Improvement plan
 - (c) Processes and procedures
 - (d) Physical capacity
 - (e) Resourcing
 - (f) Inventory management
 - (g) Quantified plans for improvement
 - (i) Value of stock held
 - (ii) Nil stocks
 - (iii) Float management
 - (h) Warranty management
 - (i) Performance in previous year
 - (ii) Plans and targets for coming year

8. **Audit Schedules and Outcomes**
 - (a) Audit schedule for coming year
 - (b) Achievement of previous years plan
 - (c) Audit findings and actions taken

9. **Resources**
 - (a) Direct labour numbers, movers, new starters
 - (b) Third party contracts
 - (i) List of contractors
 - (ii) Assets affected
 - (iii) Contract durations
 - (c) Staff competency
 - (i) Numbers of licensed staff

(ii) Training programmes

10. **Capital Replacement**

SCHEDULE 4

Asset Management

Part 5 – Maintenance Activities

1. Without prejudice to its other obligations in this Agreement, the Franchisee shall carry out the activities contained in the columns headed "Maintenance Activity" and "Mandated Maintenance" in the table below at the frequencies specified in the table and in accordance with the provisions of clause 9 of this Agreement and the Maintenance Documents.
2. The "Maintenance Activities" and "Mandated Maintenance" columns contain activities which the Franchisee is required to undertake, but carrying out the activities contained therein does not diminish or release the Franchisee from carrying out any of its other obligations in this Agreement. In particular, DLRL does not warrant that carrying out the activities in the table below is sufficient to ensure that the Railway is safe to operate Passenger Services, to ensure that the Railway will meet the targets contained in the Operational Performance Regime or to ensure that the Franchisee is in compliance with its other obligations contained in this Agreement.
3. The Franchisee shall carry out the activities stated in the table below at the frequencies specified therein. The frequencies shall be measured from the last equivalent maintenance activity which is recorded in the Asset Management System. If there is no equivalent maintenance activity recorded in the Asset Management System, the frequency shall be measured from the Franchise Commencement Date.
4. If the Franchisee fails to carry out any part of an activity at the frequency specified in the table below, then the timing of the next required undertaking of such activity shall be measured from the date at which the table below required the activity to be carried out, not the date of activity was actually carried out.
5. If the Franchisee fails to carry out any part of an activity at the frequency specified in the table below it shall be a breach of this Agreement.
6. The Franchisee's obligation to undertake the activities in the table below at the frequency specified in the table below is without prejudice to the Franchisee's obligation to comply with its other obligations in this Agreement, including without limitation to hand back the Franchise Assets on termination or expiry of this Agreement in accordance with clause 9.11.1.

4.4.1 ROLLING STOCK

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
B92K Revenue Vehicles	All mechanical and electrical components and sub-systems	Maintenance in accordance with Rolling Stock maintenance standard MR-700 and VMMR-B92K	As set out in VMMR-B92K		All component and vehicle maintenance to be within the periodicity specified in VMMR-B92K, Manufacturers Manuals or a periodicity covered by a change agreed in accordance with DLR BCP 3 or supported by a Concession against the above agreed with DLR Rolling Stock Engineer. All maintenance and repair records to be maintained in the AMS System to comply with the requirements specified in Schedule 4. All finishes to be free of marks and scratches, no visible signs of graffiti removal
B2007 Revenue Vehicles	All mechanical and electrical components and sub-systems	Maintenance in accordance with Rolling Stock maintenance standard MR-700 and VMMR-B2007.	As set out in VMMR-B2007		All component and vehicle overhauls to be within the periodicity specified in the DLR engineering standards, Manufacturers Manuals or a periodicity covered by a change agreed in accordance with DLR BCP 3 or supported by a Concession against the above agreed with DLR Rolling Stock Engineer. Compliance with the above will constitute a significant element of the fair wear and tear requirements within the Franchise Term All maintenance and repair records to be maintained in the AMS System

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
					to comply with the requirements specified in Schedule 4
Vehicle 993 (battery locomotive)	All	Maintenance in accordance with Rolling Stock maintenance standard MR-700, MTI-752 and the manufacturer's maintenance manuals	As set out in MTI	The batteries shall be renewed in the final 2-years of the franchise	Fully operational and in a condition consistent with age and usage.
Vehicle 994 (diesel shunter)	All	Maintenance in accordance with Rolling Stock maintenance standard MR-700 and the manufacturer's maintenance manuals	As set out in MTI		Fully operational and in a condition consistent with age and usage.
Vehicles 996-999 (flat wagons (x4))	All	Maintenance in accordance with Rolling Stock maintenance standard MR-700, MTI-751 and the manufacturer's maintenance manuals	As set out in MTI	996 - Due a G exam in 2019 997 - Due a G exam in 2020 998 - Due a G exam in 2021 999 - Due a G exam in 2022	Fully operational and in a condition consistent with age and usage.
Vehicle 753 (Wickham CT30)	All	Maintenance in accordance with Rolling Stock maintenance standard MR-700, MTI-753 and the manufacturer's maintenance manuals	As set out in MTI	The vehicle shall be overhauled in 2019.	Fully operational and in a condition consistent with age and usage.
Road rail vehicle	All	Maintenance in accordance with Rolling Stock maintenance standard MR-700 and the manufacturer's maintenance manuals	As set out in MTI		Fully operational and in a condition consistent with age and usage.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
All relevant vehicles		The Franchisee will incorporate replacements for "B2007 Drive Coupling (TBG500), drawing 5-E-6106712, part 1" as soon as reasonably practicable following receipt of replacements from or on behalf of DLRL or the relevant equipment manufacturer			

4.4.2 SIGNALLING

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Location cases	Location cases	External checks Inspect and confirm all door hinges and padlocks are in good working order and that the doors open and shut correctly and all applicable seals are in tact. Inspect and confirm that the location case and base are free of damage. Inspect and confirm that the location case is clearly and correctly identified. Inspect that all external aspects are rust free and painted correctly Internal checks	6 months 6 months		Fully functional and operational in a condition consistent with age and usage.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		Confirm that the case is free of rubbish, hazards or debris of any kind. Confirm that all cables, cable cleats, cable ties and cable trunking are secure and free of damage. Confirm that all equipment, mounting bars, fixings, terminals and connectors are secure, in good condition and free of dirt and/or corrosion. Confirm that all equipment is clearly and correctly labelled and identified. Where applicable, measure and record the busbar voltage. If not within 20 per cent. of nominal value, investigate and rectify as necessary.			
Cable routes	Cable routes	Confirm that all troughing and troughing lids are secure, undamaged and correctly fitted.	6 months		Fully operational & free of defects and in a condition consistent with age.
Remote condition monitoring (RCM)	Remote condition monitoring (RCM)	Ensure all RCM equipment is fully functional and defect free. Regular checks should be undertaken to maintain optimum asset performance.	6 months		Fully operational & free of defects and in a condition consistent with age.
Clamp locks points	Clamp locks points	Points should be maintained in line with the Maintenance Task Instruction (MTI). Facing point lock (FPL) tests should be carried out 6 weekly and full maintenance carried out as required to maintain safety and performance requirements. This should not be greater than 13 weekly. Clamp lock points should be considered to have a life of not exceeding 10 years or 1M operations and should be replaced within that timeframe. Points which become life expired shall be replaced with a complete new set of clamp lock points,	6 weekly FPL		Fully operational & free of defects and in a condition consistent with age.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		inclusive of motor. A joint inspection with the PWay team shall occur six monthly.			
HW point machines	HW point machines	Points should be maintained in line with MTI. FPL Tests should be carried out 6 weekly and full maintenance carried out as required to maintain safety and performance requirements. This should not be greater than 13 weekly. A joint inspection with the PWay team shall occur six monthly.	6 weekly FPL		Fully operational & free of defects and in a condition consistent with age.
Point position indicators	Point position indicators	Point position indicators shall be maintained in line with the MTI and each route indication shall be established at every maintenance visit	Maintained with associated points		Fully operational & free of defects and in a condition consistent with age.
Point heaters	Point heaters	Point heaters should be checked at each maintenance visit, October through April and as required May through September, to ensure optimum performance	Maintained with associated points		Fully operational & free of defects and in a condition consistent with age.
Axle counter systems	Axle counter systems	Axle counters shall be maintained in line with the MTI. Correct orientation of head one and head two to signalling plan shall be established during each visit. The latest Thales wayside maintenance manual will be used as a maintenance reference	Not greater than 52 weekly		Fully operational & free of defects and in a condition consistent with age.
Track loops (loop cables)	Track loops (loop cables)	Inductive loops inclusive of Feed in devices (FIDs) shall be maintained in line with the MTI. Each loop shall be visually inspected throughout it's length annually for mechanical installation. The latest Thales wayside maintenance manual will be used as a maintenance reference. Develop a maintenance strategy with DLRL to carry out signal to noise tests on all loops with a rolling five year plan.	26 weekly system maintenance annual physical track walk inspection		Fully operational & free of defects and in a condition consistent with age.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Loop interface equipment	Loop interface equipment	The reciprocal Central Feed equipment located within the VCC DT racks shall also be checked bi-annually in line with the MTI and Thales maintenance requirements.	26 weeks		Fully operational & free of defects and in a condition consistent with age.
Emergency stop buttons and encroachment buttons	Emergency stop buttons and encroachment buttons	These should be depressed at regular intervals. Confirm that correct tracks close and that the tracks cannot be opened with the button depressed	No greater than 26 weekly		Fully operational & free of defects and in a condition consistent with age.
Docking boards	Docking boards	Visual inspection and clean. Rectification of any defects identified by inspections.	26 weeks		Secure, clean and free of defects and in a condition consistent with age.
Selective door opening (SDO) tags	SDO tags	The SDO tag reader shall be used to confirm correct operation and adequate battery life. Replace as necessary SDO tags shall be replaced regardless of condition every 5 years taking into account shelf life.	No greater than annually 5 years	All SDO tags shall be replaced with brand new tags in the last year of the franchise.	Fully operational & free of defects and in a condition consistent with age.
Uninterruptable power supplies (UPS) - batteries standby supplies	Uninterruptable power supplies (UPS) - batteries standby supplies	UPS checks	13 weeks	Batteries to be replaced based upon residual life and in the last year of the franchise	Fully operational & free of defects and in a condition consistent with age.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Station controllers	Station controllers	Station controller UPSs shall be maintained in line with the MTI and manufacturers requirements and should not exceed an interval of 6 months. Station controller electronics racks shall be maintained in line with the MTI and the Thales wayside maintenance manual and shall not exceed a frequency of 6 months	6 months 6 months		Fully functional and operational in a condition consistent with age and usage.
Relays	Relays	Relay maintenance shall be managed with the use of a relay life model, based on number of operations. Appropriate activities should reflect industry best practice using such documents as the Network Rail relay life standard, where 10 years or 1 Million operations shall be used as a guide but some relays such as contactor relays will be far shorter, in the region of 250,000 operations. Relays which reach expiry shall be replaced with new or certified refurbished units.		Relays shall be replaced as determined by the life model and shall have a minimum of 75% residual life at the end of the franchise term.	Fully functional and operational in a condition consistent with age and usage.
Signalling equipment rooms	Internal environment	Confirm that the room is free of rubbish, hazards or debris of any kind. Confirm that all cables, cable cleats, cable ties and cable trunking are secure and free of damage. Confirm that all equipment, mounting bars, fixings, terminals and connectors are secure, in good condition and free of dirt and/or corrosion. Confirm that all equipment is clearly and correctly labelled and identified. Where applicable, measure and record the busbar voltage. If not within 20 per cent of nominal value, investigate and rectify as necessary.	2 months		Structurally sound, undamaged, in good condition and appearance and consistent with age and usage. Roof to be sound and free of leaks and to be wind and weather proof. Free of hazards. External decorations and

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
					surface coatings in good condition.
Passenger information displays (PID)	PID	<p>Confirm that the structure of the PID is clean, secure and undamaged. Confirm with polnet connector that pixel integrity is maintained.</p> <p>Confirm that the PID operates correctly in automatic mode</p>	6 months		Fully functional and operational in a condition consistent with age and usage.
Cables	General	To be maintained as part of a cable management strategy. This will include a rolling programme to test each spare core or fibre and the results recorded in the cable management strategy (within the Asset Management System). Any spare cores or fibres found to be damaged or poor quality must be marked appropriately on the signalling diagrams and issued to the response teams and other stakeholders such as DLRL and Thales. Cores or fibres that are carrying live circuits should be considered as self monitoring, however a representative sample of these should be tested each year, to confirm this strategy.	36 months		Fully operational & free of defects and in a condition consistent with age.
	Spare capacity	To be maintained as part of the cable management strategy	12 months		
Entry loop feed-in devices (EFIDs)	Entry loop feed-in devices (EFIDs)	EFIDs shall be maintained in line with the MTI. Each loop shall be visually inspected throughout it's length annually for mechanical installation. The Thales wayside maintenance manual will be used as a maintenance reference	26 weeks		Fully functional and operational in a condition consistent with age and usage.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Vehicle control centre (VCC)	Vehicle control centre (VCC)	Second and third generation VCCs shall be maintained in line with the MTI and the Thales maintenance manual for VCC. VCC logging terminals shall be considered as an integral part of the VCC and maintained accordingly. All PC equipment will have adequate antivirus protection methods. A regular means to collect all data logs and adequate archiving will be required. The collection shall be of a frequency of not exceeding one week and all data shall be supplied to DLRL in parallel.			Fully functional and operational in a condition consistent with age and usage.
Simulator	Simulator	Second and third generation VCCs where installed shall be maintained in line with the MTI and the Thales maintenance manual for VCC. VCC logging terminals shall be considered as an integral part of the VCC and maintained accordingly. All PC equipment will have adequate antivirus protection methods. SMC hardware shall be maintained in line with the MTI and the Thales maintenance manual for SMC. All PC equipment will have adequate antivirus protection methods, including regular maintenance updates of AV definitions. All Firewalls shall have an appropriate means to be updated with up to date definitions.			Fully functional and operational in a condition consistent with age and usage.
Control centre Selnet management computer (SMC) Poplar and Beckton control centre hardware	Selnet management computer (SMC)	SMC hardware shall be maintained in line with the MTI and the Thales maintenance manual for SMC. All computer equipment will have adequate antivirus protection methods, including regular maintenance updates of AV definitions. All Firewalls shall have an appropriate means to be updated with up to date definitions. A regular means to collect all data logs and adequate archiving will be required. The collection shall be of a frequency of not exceeding one week and all data shall be supplied to DLRL in parallel. All SMC monitors shall be replaced half way through the franchise term and in the last year. As a general	SMC monitors shall be replaced half way through the franchise term and in the last year.		Fully functional and operational in a condition consistent with age and usage.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		principle, when considering cyber security a penetration test shall be carried out every 24 months and scheduled such that the test is done in the last year of the franchise.			
Snooper 2nd generation and 3rd Generation	Snooper analysis tool	Snooper hardware shall be maintained in line with the MTI and the Thales maintenance manual for snooper. All PC equipment will have adequate antivirus protection methods, including regular maintenance updates of AV definitions. All Firewalls shall have an appropriate means to be updated with up to date definitions. A regular means to collect all data logs and adequate archiving will be required.			Fully functional and operational in a condition consistent with age and usage.
Depot signalling	Signals generally (including buffer stop lamps)	Depot signals shall be maintained in line with the existing MTI, either light emitting diode (LED) or incandescent lamp style. Examine the signal base, outer lens/cover, all external surfaces, all door hinges and padlocks, signal/route indicator identifications, signal/route indicator identifications, all door seals/seal gaskets, interior of the signal/route indicator, all terminals, links, signal bases, lamps and internal wiring. Confirm the lamp voltages. Buffer stop lamps shall be included within this regime, both mainline and depot.	6 months		Fully functional and operational in a condition consistent with age and usage.
	Non-lockable depot points	Points should be maintained in line with MTI. Full maintenance carried out as required to maintain safety and performance requirements. This should not be greater than 13 weekly. Point heaters should be checked at each maintenance visit, October through April and as required May through September, to ensure optimum performance. A joint inspection with the PWay team shall occur no less than 6 monthly.	13 weekly		Fully operational & free of defects and in a condition consistent with age.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Programmable logic controller (PLC) PCC and BCC	Depot entry exit panels	The PLC, inclusive of outstations shall be maintained in line with the MTI and the manufacturer's requirements. Remote operation from either depot shall be confirmed as part of each maintenance visit		Central processor unit batteries shall be changed in line with supplier recommendations and in the last year of the franchise	Fully functional and operational in a condition consistent with age and usage.
	Level crossing	To be maintained in line with the MTI and manufacturers maintenance requirements			Fully functional and operational in a condition consistent with age and usage.
	Track circuit equipment	Track circuits shall be maintained in line with the MTI, an appropriate drop shunt, including pick voltages shall be taken with all other readings bi-annually. Track circuit connections within the location cases, between the track circuit and the location cases and trackside shall be inspected as part of each maintenance visit and corrected as required. Track circuit bonding shall be attended to and maintained as necessary, resulting from inspection or failure.	6 months		Fully functional and operational in a condition consistent with age and usage.

4.4.3 PERMANENT WAY

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
All permanent way assets	All	A programme of regular inspection by patrolling and track measuring equipment will be carried out throughout the Franchise to determine condition and undertake corrective action in accordance with DLR Standard MR-400, MTI-404 and MTI-401.	Monthly		
		Tidy and remove of all litter in accordance with the Franchise Agreement Requirements	Monthly		
Plain line	Mainline				Rail to be free of significant defects and continuous welded rail (CWR) de-stressed where applicable in accordance with <i>Network Rail Standard NR/LT/TRK/3011</i> . Rail wear to be within tolerances stated in MR-400. Rail position (alignment) to be within tolerances stated in MR-400.
Plain line	Main line	Track patrol inspection in accordance with DLR standard MR-400 and MTI-401	Weekly		No track patrol inspections to be outstanding at time of audit.
		Detailed supervisors track inspection in accordance with DLR standard MR-400 and MTI-401. Reports to be provided to DLRL within 2 weeks of inspection being completed.	6 months		No supervisors track inspections to be outstanding at time of audit.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Plain Line	Main Line	Detailed Engineers Track Inspection in accordance with DLR standard MR-400 and MTI-401. <i>Reports to be provided to DLRL within 2 weeks of inspection being completed.</i>	12 months		No engineer's track inspections to be outstanding at time of audit.
		Cab riding track inspection in accordance with MTI-401	As required		No cab riding track inspections to be outstanding at time of audit.
		Measurement of track geometry, gauge, twist cant, alignment, gauge and top (using a track recording trolley) in accordance with MTI-404 Provide DLR with a maintenance report within 2 weeks of the inspection of a route being completed.	6 months		track geometry parameters to be within limits prescribed in MR-400 Track geometry to be measured on all routes within one month prior to the end of franchise. Earlier reports to be reviewed as required.
		Rectify all twist exceedence greater than 1 in 200 within 36 hours			Twist faults to be within maintenance target.
		Measurement of ride quality along each traffic route in accordance with DLR standard MR400. Reports to be provided to DLRL within 3 weeks of inspection being completed.	6 months	Ride quality to be measured on all routes one month before the end of franchise.	No maintenance related red exceedences on any traffic route. No more than two maintenance related orange exceedences on any traffic route
		Undertake the following ultrasonic testing in accordance with the most current version of Network Rail RT/CE/S/055 - rail testing - ultrasonic procedures.			
		U1 - fishplated joints	12 months		

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		U2 - Examination of rails at locations not covered by U1 and U3	12 months		
		U3 - Full rail section	6 months		
		U6 - Testing for lack of fusion of aluminothermic welds	Following completion of welding		
		U10 - Adjustment switches	12 months		
		U15 (U3 and U14) - Gauge corner cracking	6 months		
		Ultrasonic testing reports to be submitted to DLRL annually			
		Rectify all defects as required in accordance with MR-400			
		Grinding to be undertaken in accordance with MR-400 and MTI-404	3-year cycle (entire network)		
		Sidewear readings and flangewear clearances checks on all check rail curves	12 months		Side-wear and flange-way clearances to be within limits prescribed in MR-400 on all checked curves except where rails are scheduled for replacement within the succeeding 6 months and an approved DLR derogation or TANC is in place.
		Sidewear and headwear (rail depth) measurements in accordance with DLR Standard MR-400 and MTI-404. Reports to be provided to DLRL within 2 weeks of inspection being completed.	12 months		Side-wear and head-wear clearances to be within limits prescribed in MR-400 at all locations except where rails are scheduled for replacement within the succeeding 6 months and

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
					an approved DLR derogation or TANC is in place.
		Tamping in accordance with DLR standard MR-400 and MTI 404			
		Stressing/distressing (or stress check) to be performed following track maintenance works that may have disturbed the track (e.g. rail replacement, sleeper changing, tamping etc)	Every time that CWR has been disturbed		Rail to be continuous welded rail (CWR) and stress restoration carried out in accordance with the Network Rail NR/L3/TRK/002 series of standards in particular NR/L3/TRK/002/F11.
		Produce and implement a hot weather preparedness plan (with a CRT register)	12 month (by 31 st March)		
		Produce and implement a cold weather preparedness plan	12 month (by 30 th September)		Stressing records up to date
Plain line	Depot lines	A programme of regular inspection by patrolling and use of track measuring equipment will be carried out throughout the Franchise to determine condition and undertake corrective action required accordance with DLR standard MR-400, MTI-404 and MTI -401.			Rail to be free of significant defects and where continuous welded rail (CWR) exists de-stressed in accordance with Network Rail Standard NR/LT/TRK/3011. Rail wear to be within tolerances stated in MR-400. Rail position (alignment) to be within tolerances stated in MR-400.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Plain line	Depot line	Track patrol inspection in accordance with DLR standard MR-400 and MTI-401	2 weeks		No patrol, engineer's or supervisor's inspections to be outstanding at time of audit
		Detailed supervisors track inspection in accordance with DLR standard MR-400 and MTI-401	6 months		
		Detailed engineers track inspection in accordance with DLR standard MR-400 and MTI-401	12 months		
		Measurement of track geometry: gauge and twist (using a track recording trolley or manual measure with a cant gauge) in accordance with MTI-404. Provide DLR with an maintenance report within a month of survey being undertaken.	6 months		Track geometry parameters to be within limits prescribed in MR-400
		Rectify all twist exceedence greater than 1 in 200 within 36hours			
		Undertake the following ultrasonic testing in accordance with Network Rail RT/CE/S/055 rail testing ultrasonic standard.			
		U1 - Fishplated joints	12 months		
		U2 - Examination of rails at locations not covered by U1 and U3	12 months		
		U3 - Full rail section	24 months		
		U15 (U3 & U14 - Gauge corner cracking	12 months		
		Ultrasonic testing reports to be submitted to DLRL annually. Rectify all defects as required in accordance with MR-400			
		Tamping/Grinding in accordance with MTI-404	Engineering shut-downs		
		Plain line	Check rail	Visually inspect as part of weekly patrol.	Weekly

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	and guard rail				to be correctly positioned and within maintenance tolerances to the adjacent running rail, wear to be within maintenance tolerances and all supports to be present and intact.
		Gap measurement to be carried out as part of supervisors and engineers inspections	6 month and Annual		
		To be maintained within the DLR maintenance tolerances set out in DLR Maintenance Standard MR-400 and in accordance with MTI-404	Annually		
Fastenings/rail supports	Rail pads	Condition assessment as part of patrol and supervisors inspections.	Weekly and 6 months		Undamaged with no evidence of tearing, thinning or other deterioration and no loss of elasticity.
		Replace pads during every rail or track replacement exercise. Replace missing or damaged pads.	As required		Rail/track replacement records to document related replacement activities performed at the same time.
	Nylon insulators	Condition assessment as part of patrol and supervisors' inspections.	Weekly and 6 months		Undamaged and in good condition with wear commensurate with the age of the insulators and no evidence of cracks or other defects that might impair the insulator's functionality.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Fastenings/rail supports		Replace insulators during every rail or track replacement exercise. Replace missing or damaged insulators. Earth leakage currents to be monitored and sources of significant leakage corrected.	As required		Rail/track replacement records to document related replacement activities performed at the same time. Review rail/track replacement records.
	Insulated ferrules including ferrules fitted with protective caps	Condition assessment as part of patrol and supervisors' inspections.	Weekly and 6 months		Anchor studs or coach screws to be tight fitting and the ferrules undamaged and minimally worn. Track gauge to be within the maintenance tolerances specified in MR-400 unless the rails and/or track are scheduled for replacement within the succeeding 6 months. Where provided, protective caps to be present, correctly fitted and in good condition.
		Replace ferrules during every rail replacement exercise. Replace damaged ferrules and systematically replace ferrules in areas where gauge spreading exceeds the maintenance tolerances specified in MR-400 and gauge spreading is the consequence of ferrule wear.	As required		Rail/track replacement records to document related replacement activities performed at the same time. <i>Review rail/track replacement records</i>
		Condition assessment as part of patrol and supervisors' inspections. Fastenings to be routinely	Weekly and 6 months		

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Fastenings/rail supports		inspected to ensure that they remain in place and none are broken.			
	Pandrol rail fastenings	Replace clips during every rail or track replacement exercise. Missing/broken clips to be replaced as identified.	As required		Clips to be correctly installed with no more than 0.25% of clips broken or missing during end condition sampling. Review rail/track replacement records. Rail/track replacement records to document related replacement activities performed at the same time.
	Baseplates	Condition assessment to confirm that baseplates are present, secure and correctly aligned. To be undertaken as part of patrol and supervisors' inspections. Any baseplates observed to have rotated such that they are no longer parallel to the rail shall be logged and reported.	Weekly and 6 months		Baseplates to be free from cracks, wear or other damage. Baseplates to remain correctly aligned. Rail/track replacement records to document related replacement activities performed at the same time.
		Replace damaged baseplates. Remove and refit misaligned baseplates during rail replacement exercises.	As required		
	Anchor stud / bolts	Condition assessment to confirm that studs are in place, solidly fixed and not deformed in accordance with MR400.	As part of patrol, supervisor's		No broken or missing studs. No more than 0.1% of

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Fastenings/rail supports		Monitoring and replacement to be undertaken in accordance with the requirements set out in MR400	and engineer's inspections.		studs to contain defects as determined by ultrasonic inspection and awaiting replacement. Sampling of studs and review of ultrasonic records. Defective studs to be systematically replaced.
		Isolated failed studs to be replaced.	Isolated failures replace in 2 weeks.		
		Where clusters of failed studs are found (i.e. 2 or more adjacent stud failures) replace within 36 hours.	Clusters in 36 hours		
	Resilient baseplate pads	Condition assessment to confirm that the pads are intact with no evidence of damage or deterioration.	As part of patrol, supervisor's and engineer's inspections.		Review rail/track replacement records Rail/track replacement records to document related replacement activities performed at the same time.
		Replace damaged or otherwise defective pads during rail replacement works.	As required and arising from inspections		
	Grout pads	Condition assessment to confirm that the grout pads are intact with no discernable defects.	As part of supervisor's		Grout pads to be free from discernable defects with no

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
			and engineer's inspections		evidence of separation from the track-bed.
		Defective grout pads to be broken out and replaced in accordance with suppliers instructions. Where a systematic pad failure problem is suspected, random sample of baseplate assemblies to be stripped down to facilitate inspection of the bearing surface of the grout pad. Integrity of pads to be assessed by hammer test (tapping with a light hammer).	As required and arising from inspections		Review track maintenance records. Track maintenance records to document instances of grout pads failure and remedial action taken.
Track sub-structure and support	Track-bed: ballast	Regular inspection to confirm that ballast is profiled in accordance with MTI-404 is provided in sufficient quantities and is uncontaminated. Undertake as part of patrol and supervisors inspections.	Weekly and 6 months		Ballast profile shall be in good order. Ballast shall be level to the tops of the sleepers and shall be profiled into 'shoulders' over the sleeper ends, all in accordance with MTI-404. Ballast to be clean and well graded with no evidence of fines that might denote wear of ballast and/or sleepers; and/or formation materials, 'wet-beds' or slacks that might indicate formation failure.
	Track-bed: ballast	Voids to be checked wherever vertical top faults have been identified following track recording and routinely in the neighbourhood of slab/ballast transitions.	As required and arising from inspections		Acceptable track geometry and ride quality out-turns. Voids not to exceed the limits stated in MR-400.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Track sub-structure and support					Reports to be reviewed as required
		Replace and undertake maintenance to ensure ballast is clean, free draining and the correct level and shoulder profile is maintained in accordance with MR400 and MTI-404.	Annually		Void not to exceed the limits stated in MR-400
		Annual weed killing and vegetation control programme. Track and trackside environment to be kept clear of vegetation in accordance with MR-400.	Annually		Track and trackside environment to be clear of vegetation as prescribed in MR-400.
		Regular tamping programme of all non-depot ballasted sections in accordance with DLR standard MR-400	3-yearly as a minimum and as required		Key track geometry parameters to be within limits prescribed in MR-400
		Ballast shoulder profile dimensions more than 100 mm smaller than the dimensions specified in MTI-404 to be corrected within 4 weeks.	Rectify within 4 weeks.		No more than 1% of any ballasted track section to fail to meet the standard.
	Track-bed: slab	<p>Condition assessment to be carried out as part of patrol and supervisor's inspections</p> <p>Investigate and repair any sections of slab where cracking or spalling is observed.</p> <p>Regular removal of moss, accumulations of leaves and other plant matter to ensure the free-flow of surface drainage. Remove litter and other matter.</p>	<p>Weekly and 6 months</p> <p>Weekly and 6 months</p>		<p>Slab to be free from cracking & spalling.</p> <p>Lateral drainage to be free flowing with no blockages.</p> <p>Track to be clean, tidy and free of obstruction and graffiti in accordance with DLR-ENG_SPC-C39 cleaning specification. As far as reasonably practicable free from hazardous substances including litter, debris,</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Track sub-structure and support					vegetation or other objects or substances.
	Track formation	Incipient formation problems (e.g. drainage failure, slips or settlements) to be investigated and rectified. Track geometry to be maintained within limits specified in MR-400.	As required and arising from inspections		Track to display no evidence of formation failure (e.g. slacks, pumping, wet beds etc.) Embankments/cuttings to be free from slips and soil creep and to display no evidence of burrowing animal activity. Formation to be free from ballast impregnation, movement (i.e. settlement or wet beds) and vegetation
	Sleepers (conc.)	Visual inspection of condition as part of patrol and supervisor's inspections.	Weekly and 6 months		Sleepers to be in good condition with no cracks, spalling, exposed reinforcement or significant wear of the rail seat. Shoulders to be intact and fast.
		Spot replacement of cracked or broken sleepers or sleepers with damaged or loose rail clip 'shoulders'. If more than 3 sleepers in a group of 5 are damaged or otherwise provide inadequate support, replacement to be effected within 8 weeks.	Rectify within 8 weeks.		
	Sleepers (timber)	Visual inspection of condition as part of patrol and supervisor's inspections.	Weekly and 6 months		Timber sleepers to be free from splits, warps, elongated screw holes, rot, out of tolerance baseplate indentation or gauge spreading
Spot replacement of all of cracked, rotten or broken sleepers or sleepers providing inadequate vertical or lateral restraint to baseplate or rail. If more than 3 sleepers in a group of 5 are damaged or otherwise provide inadequate support, replacement		Rectify within 8			

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		to be effected within 8 weeks.	weeks.		
Track drainage	Slab track, catch pits and interceptors, channels or french drains, piped drains and outfalls.	<p>Inspection to confirm functionality of drainage system. Annual jetting of catch pits, carrier drains and gullies.</p> <p>Maintenance to be undertaken in accordance with MR-400 and MR-500. Shall include the following:</p> <ul style="list-style-type: none"> • Comprehensive removal of litter and green material carried out, annually, on whole Network, before the onset of winter. • Catch pits and carrier drains to be cleared of accumulations of green material and other debris. Jet clean where appropriate to maintain functionality. 	Annually		<p>Slabs to be free from debris with no accumulations of moss, leaves or other green material.</p> <p>Drainage gullies to be free-running and cross-drains and any outlets free from blockages.</p> <p>Slabs to be free from cracking, spalling and other damage.</p> <p>Track drainage to be undamaged and in good condition. Free from blockages.</p>
Track components	Track Scarf expansion switches structural-expansion switch;	<p>Inspection of expansion switches/joints</p> <p>Carry out maintenance in accordance with MTI-404 and MR400, to ensure asset is fully functional has freedom of movement, correct clearance, vertical and horizontal alignment and the gap between the stock rail and switch rails is within the tolerances specified in DLR standard MR-400.</p> <p>Component replacement and remedial works as required in accordance with MR-400</p> <p>Rectify within 36 hours where gaps between the stock rail and switch rails greater or equal to 6 mm</p>	<p>6 months</p> <p>As required and arising from inspections</p>		Track maintenance records to document maintenance

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		(measured at the tip).			activities performed.
		Inspection as part of supervisor's and engineer's inspections Maintenance in accordance with MTI-404.	12 and 6 months		
Conductor rail	Rail (inc. ramps) fastenings, shrouds, insulated support, mid-point anchors, expansion joints	Regular programme of inspection in accordance with MTI-402. To be undertaken as part of supervisor's and engineers inspection's maintenance to be carried out at 6 monthly intervals Replacement and remedial works as required in accordance with MTI-402 and MR-400 Measure and adjust to tolerance in accordance with MTI-402.	12 and 6 months 6 months		Conductor rail apparatus to be safe, with no evidence of damage, melting or electrical arching. Correct gap/temp tolerances. Cables and expansion joint secure. Minimum 60% stainless steel thickness. Fully functional. Final condition to be consistent with age and usage.
Turnout (Switches and crossings)	Turnout (depot) Switch assembly (Depot)	Depot turnout inspection in accordance with MR-400 and MTI-404. To be undertaken as part of engineer's inspections Depot facing points inspection and maintenance in accordance with DLR-ENG-GENR-SPC-00002 Inspection and Maintenance of Switches. Joint depot facing points inspection with the signalling department in accordance with MR-400 and DLR-ENG-	12 months 13 weeks 6 months		Fully functional, vertically and laterally supported and secure. Rail components to be free of defects. Components to be tight with none missing. Assemblies to be clean, correctly lubricated with geometry gauge and wear within tolerances

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Turnout		GENR-SPC-00002 Inspection and Maintenance of Switches. Component replacement and remedial works as required in accordance with MR-400			prescribed in DLR Standard MR-400. End condition to be consistent with age and usage. No Facing Point Inspections to be outstanding at time of audit
	Turnout (main line)	Main line turnout inspection in accordance with MR-400 and MTI-404.	6 months		Fully functional, vertically and laterally supported and secure. Rail components to be free of defects. Components to be tight with none missing. Assemblies to be clean, correctly lubricated with geometry gauge and wear within tolerances prescribed in DLR Standard MR-400. End condition to be consistent with age and usage. No Facing Point Inspections to be outstanding at time of audit
	Switch assembly (main line)	Mainline facing points inspection and maintenance in accordance with MR-400.	13 weeks		
		Mainline facing points inspection with signalling department in accordance with MR-400 and DLR-ENG-GENR-SPC-00002 Inspection and Maintenance of Switches. Component replacement and remedial works as required in accordance with MR-400 Inspection Reports to be made available to DLR within 2 weeks of inspection being completed. <i>Incomplete switch assembly with, 2 or more missing or defective bolts or fixings – rectify within 1 week</i>	6 months		
Crossing (depots)	Depot turnout inspection and maintenance in accordance with MR-400 and MTI-404	12 months			

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		Cast crossings dye penetrant testing in accordance with MTI-401	6 months		
	Crossing (main line) cast	Main line turnout inspection and maintenance in accordance with MR-400 and MTI-404	6 months	.	Fully functional, vertically and laterally supported and secure. Rail components to be free of defects. Components to be tight with none missing. Assemblies to be clean, correctly lubricated with geometry gauge and wear within tolerances prescribed in DLR Standard MR-400. End condition to be consistent with age and usage.
	Cast, fabricated, swing-nose crossings	Cast crossings dye penetration testing in accordance with MTI-401	6 months		Track maintenance records to document maintenance activities performed.
		Restorative arc welding in accordance with BS EN 15594:2009	As required		
		Component replacement and remedial works as required in accordance with MR-400 and end condition requirements	As required and arising from inspections		
Other	Buffer stops	Strip, clean, lubricate and re-fit. Treat corrosion and repaint, all as per applicable O & M requirements. Details of all buffer stops/arrestors to be documented	12 months		Buffer stops to be in good condition, clean and with minimal corrosion. Arrestors to be correctly

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Other		according to manufacturer, type, location and installation date. Annual maintenance plan to have been prepared based on manufacturer's guidelines.			adjusted for 3-car operations. Evidence to be presented that maintenance plan has been consistently implemented
	Signage	Track signage to be subject to regular inspection and maintained to ensure it is clean, structurally sound and legible. Missing or damaged signage to be replaced.	12 months		Signage to be clean, structurally sound and legible and in a condition consistent with age.
	Block joints	Visual inspection and rectification of any defects generated by inspections	12 months		Block joints to be tight and insulating elements in good condition.
	Fish plated fastenings, including lift plates and junction fishplates	Visual inspection and maintenance in accordance with MTI-404. Rectification of any defects generated by inspections 2 or more missing, defective or not properly tightened bolts in any one pair of opposite (in the same bed) rail joints - rectify within 7 days.	12 months		Fishplates to be tight with all fish-bolts present.
	Structures and Platform gauging and visual inspections including mainline sidings at ROV, TOG, CRO, STR	Platform and structure gauge inspections in accordance with MR-400 and MTI-404. Rectification of any defects generated by inspections	12 months		Evidence to be presented that structural gauging has been routinely performed and out of tolerance clearances corrected.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Other	Stations and EGAR underpass				
	Vegetation	Visual inspection and vegetation control within permanent way boundaries (this is in addition to the requirement for annual weed killing and vegetation control of the track ballast)	Annually		Evidence to be presented that visual inspections and vegetation control have been carried out annually, as directed.
	Walkways and level crossings	Visual inspection (including lifting walkways and crossings) and condition assessment including checks for (i) signs of deterioration or defects in any part of the track system concealed by the crossing surface and (ii) deterioration of the level crossing surface system, loose deck units, gaps and steps between the deck panels.	Annually		Evidence to be presented that visual inspections have been carried out annually, as directed.
		Component replacement and remedial works as required in accordance with MR-400	As required and arising from inspections		Walkways and level crossings to be in a safe condition with no loose or damaged components.
	Demarcation boundary boarding and posts. (North and West routes)	Condition assessment to determine maintenance activity required. Undertake as part of engineers inspections	12 months		Demarcation boundary boarding to be in a safe condition with no loose or damaged components, undamaged and in good condition consistent with age.
		Clearance checks Component replacement and remedial works as required in accordance with MR-400	12 months		
	Check rail lubricators	Condition assessment to determine maintenance activity required. Undertake as part of supervisors and engineers inspections Component replacement and remedial works as required in accordance with MR-400	12 months		Meets functional requirements to be undamaged and in good condition consistent with age. Free from surface damage

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	Shoe protector units	Condition assessment to determine maintenance activity required. Undertake as part of engineers inspections Structure gauging Component replacement and remedial works as required in accordance with MR-400	12 months 12 months		Meets functional requirements to be undamaged and in good condition consistent with age, free from surface damage
	Under track crossing and cable chambers	Visual inspection and maintenance in accordance with MTI. Rectification of any defects generated by inspections and replace missing and damaged lids. Ensure lids are secure. Removal of any litter and debris. To be kept free from standing water.	12 monthly		Meets functional requirements to be undamaged and in good condition consistent with age and free from damage and water
	Trackside troughing	Visual inspection and maintenance in accordance with MTI-404. Rectification of any defects generated by inspections and replace missing and damaged lids	12 months		Meets functional requirements to be undamaged and in good condition consistent with age and free from damage

4.4.4 CIVIL STRUCTURES

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Tunnels	All including tunnel linings, shafts, access routes, adits,	General and Principal Inspections in accordance with DLR standard MR-500 Principal Inspection General Inspection	6 year cycle 12 months		Meets functional requirements. structurally sound and to be in good condition consistent with age and usage. Undamaged, free from corrosion, excessive

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	passages and walkways	<p>Defects identified, risk assessed, categorised, recorded in the Work Bank, and work arising undertaken in accordance with DLR standard MR-500, including replacement of missing or defective fixings</p> <p>Structure gauging</p> <p>Removal of discarded construction materials.</p>	<p>As required arising from inspections, fault reports and incidents</p> <p>12 months</p> <p>12 months</p>		<p>water ingress, staining, spalling, free from litter, discarded construction materials. Structure gauge and kinematic envelop maintained.</p> <p>All Routine maintenance carried out and defects repaired</p>
Tunnels	Tunnel drainage	<p>Visual inspection to confirm functionality of drainage system</p> <p>Principal Inspection by closed circuit television camera, (CCTV) inspection for serviceability and structural condition assessments.</p> <p>Jetting of all drainage pipes and anti corrosion painting where appropriate.</p> <p>Each element of the drainage system is to be maintained by cleaning, clearing and/or emptying from the point at which water drains from the paved or other areas, structures and subsoil to the outfall into</p>	<p>Annually, or as required if Statutory Notice has been issued.</p> <p>Once during Franchise term</p> <p>Annually</p>	<p>Chemical analysis of surface water run off and ground water at point of discharge into sewer or the ground, or at designated sampling points, to assure compliance with Consent to Discharge.</p>	<p>Drainage system is structurally sound and operate correctly to:</p> <ul style="list-style-type: none"> • avoid the accumulation of water. • adequately drain structure to help realise the design life of the asset. • avoid disruption caused by flooding. <p>Water discharge systems perform their proper function and the discharge to groundwater complies with legislation.</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		receiving waters or soakaway			
Gravity drainage system	Interceptor, drain, sewer, catch pits, sumps & soak away	<p>Visual inspection to confirm functionality of drainage system</p> <p>Principal Inspection by CCTV inspection for serviceability and structural condition assessments. Copies of reports to be provided to DLRL within 3 weeks of inspection being complete</p> <p>Work arising undertaken in accordance with DLR standard MR-500</p> <p>Jetting of all pipes and application of anti corrosion painting where appropriate.</p>	<p>6 months.</p> <p>6 years</p> <p>At least annually and as required arising from inspections, fault reports and incidents As required if Statutory Notice has been issued.</p>	<p>Visual, CCTV inspections, and hydraulic assessment following incidents of flooding and/or collapse.</p> <p>Chemical analysis of surface water run off and ground water at point of discharge into receiving waters, and sewer or the ground, or at designated sampling points, to assure compliance with Consent to Discharge.</p>	<p>Meets functional requirements. Undamaged and in good condition consistent with age. structural and serviceability grade 1, 2 or 3, as defined by WRc. Pipes free flowing, covers and grilles seated in their frames and free from corrosion and damage, chambers and sumps free from damage, signs of vermin, roots, pollutants, builders' washings - cement & plaster, and detritus.</p> <p>Inspection, survey and assessment reports, and incident report available with status report on the implementation of arising recommendations.</p>
	Lifting beams and	Inspections in accordance with DLR standard MR-500		Painting or	Meets functional requirements. In good condition free from

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	supports	<p>General Inspection in accordance with Lifting Operations and Lifting Equipment Regulations 1998(LOLER) (Note: certification by specialist contractor)</p> <p>Principal Inspection</p> <p>Work arising undertaken in accordance with DLR standard MR-500.</p> <p>Maintenance of load bearing elements to be consistent with lift and escalator installers recommendations.</p>	<p>Annually</p> <p>6 years</p>	<p>similar treatment to elements / surfaces with protective coating systems. (including all metal work) . To be undertaken at least once within the 7 year franchisee term and in accordance with DLR-ENG-SPC-M60 painting and clear finishing specification.</p>	<p>corrosion, and damage. Operational cranes and lifting equipments' safe working load certificate in date.</p> <p>Inspection, fault, survey and assessment reports, and incident reports available, with status report on the implementation of arising recommendations.</p>
Underground Plant Rooms		<p>General and Principal Inspections in accordance with DLR standard MR-500</p> <p>Principal Inspection</p> <p>General Inspection</p> <p>Work arising undertaken in accordance with DLR standard MR-500.</p>	<p>6 yearly cycle</p> <p>12 months</p>	<p>Painting or similar treatment to elements / surfaces with protective coating systems. (including all metal work). To be undertaken at</p>	<p>Meets functional requirements, be undamaged and in good condition consistent with age, free from dirt, grease, corrosion, surface damage, staining, blemishes and graffiti. Rooms to be structurally sound, free from cracks, spalling and water ingress. Decorations and surface coatings in good condition.</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		Cleaning undertaken in accordance with DLR-ENG-SPC-C39 cleaning specification		least once within the 7 year franchisee term and in accordance with DLR-ENG-SPC-M60 painting and clear finishing specification.	Inspection, survey and assessment reports, and incident report available, with status report on the implementation of arising recommendations.
Access routes		<p>General Inspection in accordance with DLR standard MR500</p> <p>Work arising undertaken in accordance with DLR standard MR-500.</p>	6 months		<p>Meets functional requirements. Surfaces undamaged and to be in good condition consistent with age and usage, brickwork pointed, edging not damaged. Route markings in good condition, clearly visible</p> <p>A safe, even and comfortable surface for all users, without standing water, obstructions and slippery conditions.</p> <p>Access routes are free from obstructions (including vegetation), defects (e.g. potholes, damaged kerbscracks, ruts or unevenness), trip hazards, standing water Covers, gratings, frames and boxes are free of defects.</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	Fencing	Fencing inspection Rectify all defects in accordance with MR-500	3 month		Surfaces undamaged, and to be in good condition consistent with age and usage
Equipment rooms	Doors, walls, floor, ventilation, cable containment, fire stopping	Equipment rooms to be inspected and kept free of rubbish, hazards or debris of any kind. maintenance to be carried out to ensure ; <ul style="list-style-type: none"> - All cables, cable cleats, cable ties and cable trunking are secure and free of damage. - All equipment, mounting bars, fixings, terminals and connectors are secure, in good condition and free of dirt and/or corrosion. - All equipment is clearly and correctly labelled and identified. - All fire stopping to be present for all wall penetrations. - room is dry, and any water leaks have been investigated and repair any water leaks. Undertake vermin control	2 months 3 months	Paint doors, internal walls and floor once during the Franchise term.	Fully functional, in good condition. All assets undamaged, secure and clean. Dry, free from debris, rubbish, redundant materials and equipment All cables correctly and clearly labelled All wall penetrations to be suitably fire stopped Internal and external doors to be fully functional and secure
Miscellaneous civil assets	Noise barriers (timber or metal), boundary walls, cable posts, stiles, man-safe systems, cable management systems,	Visual inspection to assess the integrity of the asset. Principal inspection to assess the structural condition of the asset Remedial works to be undertaken in accordance with MR500 including the replacement of missing or defective sections and fixings. <i>Typical cyclical maintenance actions that need to be addressed by the Franchisee include ;</i>	3 months 2 years	Painting or similar treatment to elements / surfaces with protective coating systems. (including all metal work) to be undertaken at least once	End condition to be consistent with age and usage. Structurally sound, in good condition, free form damage, staining and corrosion Assets fit to serve the purpose for which they were intended. Environmental barriers: any repairs or replacement sections

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	walkways, Bostwick Gates	<ul style="list-style-type: none"> • replacement of rotten wooden elements treatment of corroded metal that affects function or promotes deterioration • repair of concrete cracking, spalling or reinforcement corrosion • repair of brickwork cracking, spalling or loss or mortar • replacement of missing, broken, deformed or cracked components • replacement of loose nuts, bolts and other components that may represent a hazard or promote deterioration • repair of sections with loss of paint, galvanising or other protective system 		within the 7 year franchise term and in accordance with DLR-ENG-SPC-M60 painting and clear finishing specification.	must have a uniform appearance with the existing, unless the existing is obsolete.
Stations, building, depot, workshop, ancillary buildings and structures - (to include depots, equipment rooms BCC, PCC, OMC, Ritz, Hilton, 212 Poplar high street and staff rooms)	All structural elements including - columns, beams, girders, frames, stairs, ramps, foundations, floors, barriers and walls.	<p>General and Principal Inspections in accordance with DLR standard MR-500 and the Structures Rolling Programme DLR-ENG-GENR-PRG-00001.</p> <p>Principal inspections</p> <p>General Inspection</p> <p>Work arising undertaken in accordance with DLR standard MR-500</p>	<p>6 year cycle</p> <p>12 months</p>	Painting or similar treatment to elements / surfaces with protective coating systems. (including all metal work). To be undertaken, externally and internally, at least once within the 7 year franchise term and in accordance with DLR-ENG-SPC-	<p>Meets functional requirements, and condition to be consistent with age and usage. Compliance verified by inspection / audit.</p> <p>Structures in good condition, no signs of surface damage, staining or corrosion. Brick work to be sound pointed.</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
				M60 painting and clear finishing specification.	
Station structures	Platform including mainline sidings at ROV, TOG, CRO, STR Stations and EGAR underpass	<p>General and Principal Inspections in accordance with MR-500 and the Structures Rolling Programme.</p> <p>Principal Inspection.</p> <p>General Inspection.</p> <p>Above inspections shall include inspections of all platform voids</p> <p>Remedial works in accordance with DLR standard MR-500.</p> <p>Station platform condition to be documented as part of inspection and all damaged precast units/coping stones replaced as necessary</p> <p>Condition of tactiles and corduroys on the network to be assessed as part of inspections and damaged units replaced</p> <p>Cleaning in accordance with DLR –ENG-SPC-C39 DLR-ENG-SPC-C39 cleaning specification</p>	<p>6 year cycle</p> <p>12 months</p>	<p>Painting or similar treatment to elements / surfaces with protective coating systems. (including all metal work) . To be undertaken, externally and internally, at least once within the 7 year franchise term and in accordance with DLR–ENG-SPC-M60 painting and clear finishing specification.</p>	<p>Meets functional requirements, and condition to be consistent with age and usage.</p> <p>Platform surfaces and edges: undamaged, free from obstructions and hazards. In compliance with structures gauge. Platform clearances in accordance with MR400</p> <p>DLR-ENG-SPC-C39 cleaning specification met, verified by audit.</p>
	Lighting masts and towers	<p>General and Principal Inspections in accordance with DLR Standard MR-500 and the Structures Rolling Programme DLR-ENG-GENR-PRG-00001 .</p> <p>Principal Inspection.</p>	6 year cycle	Painting or similar treatment to elements / surfaces with	Meets functional requirements. Masts to be in good condition, with no sign of damage or corrosion. Compliance verified

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		<p>General Inspection</p> <p>Remedial works to be undertaken in accordance with DLR standard MR-500.</p> <p>The structure must be maintained to a condition that gives assurance of safety and serviceability for the next 12 months unless local conditions or experience has shown more regular monitoring is required.</p>	12 months	<p>protective coating systems. (including all metal work). To be undertaken at least once within the 7 year franchise term and in accordance with DLR-ENG-SPC-M60 painting and clear finishing specification.</p>	<p>by inspection / audit.</p> <p>Structures are safe, sound, operate as intended and clean.</p> <p>Structures are free from graffiti and other deleterious material.</p>
Station structures	Lifts support tower and escalator truss (including all lifts in buildings, depots and offices)	<p>General and Principal Inspections in accordance with MR-500 and the Structures Rolling Programme.</p> <p>Principal Inspection</p> <p>General Inspection</p> <p>Remedial works to be undertaken in accordance with DLR standard MR-500.</p> <p>Cleaning in accordance with DLR-ENG-SPC-C39 cleaning specification.</p>	<p>6 year cycle</p> <p>12 months</p>	<p>Painting or similar treatment to elements / surfaces with protective coating systems. (including all metal work) to be undertaken at least once within the 7 year franchise term and in accordance with</p>	<p>Meets functional requirements. Towers and trusses to be in good condition, with no sign of damage, unauthorised works (cutting through / removal of structural elements), or corrosion, and free from grease and dirt. Compliance verified by inspection / audit.</p> <p>DLR-ENG-SPC-C39 cleaning specification met, verified by audit.</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
				DLR-ENG-SPC-M60 Painting and clear finishing specification.	
Station, building, depot, workshop, ancillary buildings and structures	Roofs, canopies, stairways, walkways, concourses, approaches and balustrades	<p>General and Principal Inspections in accordance with MR-500 and the Structures Rolling Programme.</p> <p>Principal Inspection (structural elements)</p> <p>General Inspection</p> <p>Remedial works in accordance with DLR standard MR-500.</p> <p>Cleaning in accordance with DLR-ENG-SPC-C39 cleaning specification</p>	<p>6 year cycle</p> <p>12 months</p>	<p>Painting or similar treatment to elements / surfaces with protective coating systems. (including all metal work). To be undertaken, externally and internally, at least once within the 7 year franchise term and in accordance with DLR-ENG-SPC-M60 painting and clear finishing specification.</p>	<p>Meets functional requirements, undamaged, in good condition consistent with age and usage, structurally sound and clean, in accordance with DLR Limited's DLR-ENG-SPC-C39 cleaning specification. Free of leaks, corrosion, staining, surface damage and graffiti. Maintained in accordance with Structures Rolling Programme.</p> <p>Surface protection renewed in compliance with ES-500</p> <p>DLR-ENG-SPC-C39 cleaning specification met, verified by audit.</p>
Civil structures	Bridges, underpasses, footbridges, viaducts, subways,	<p>General and Principal Inspections in accordance with MR-500 and the Structures Rolling Programme.</p> <p>Principal Inspection (structural elements)</p>	6 year cycle	Painting or similar treatment to elements / surfaces with	Meets functional requirements and structurally sound. Undamaged, free from corrosion, spalling, staining,

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	arches, retaining walls, gantries, culverts and cable troughs	<p>General Inspection</p> <p>Above inspections shall include the inspection of confined spaces in structures listed under the component/sub-system column</p> <p>Remedial works to be undertaken in accordance with DLR standard MR-500.</p> <p><i>Typical cyclical maintenance actions that will be required to be addressed by the franchisee include</i></p> <p>repair of concrete cracking, spalling or reinforcement corrosion</p> <ul style="list-style-type: none"> • repair of brickwork cracking, spalling or loss or mortar, pointing of brickwork • replacement of missing, broken, deformed or cracked components • treatment of elements/surfaces with corrosion, Loss of paint, galvanising or other protective system • timely remove undesirable vegetation (e.g. that blocks drainage) which may cause structural damage or restricts access • Remove debris, bird droppings and other detritus that blocks drainage and promotes corrosion or other deterioration • Clear and ensure correct operation of drain holes, drainage channels and drainage systems • Repair defective gap sealant to movement joints, expansion joint gaskets and rubber and glazing gaskets/seals 	Annual cycle	protective coating systems. (including all metal work) to be undertaken at least once within the 7 year franchise term and in accordance with DLR-ENG-SPC-M60 painting and clear finishing specification.	<p>and graffiti, and in good condition consistent with age and usage, Drainage systems free flowing, clear of detritus, brickwork to be sound and pointed. No signs of vermin, and no intrusion by vegetation</p> <p>Aesthetically match adjacent parts where possible. Structures are free from graffiti and other deleterious material.</p> <p>. DLR-ENG-SPC-cleaning specification requirements met, verified by audit.</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Civil structures		<ul style="list-style-type: none"> • Remove graffiti • Remove general dirt or debris from bearings and re-grease. • Ensure correct operation of ancillary equipment (e.g. drainage pumps and associated sumps and pipework) • Check (and rectify where necessary) seating of drainage gratings or covers, replace missing or defective items • Check holding down assemblies • Repair superficial defects in surface protection systems • Ensure special finishes are clean and perform to the appropriate standards 			
	Shock transmission units(STU)	<p>General inspection and maintenance. Shall include;</p> <ul style="list-style-type: none"> - inspection of condition of mounting brackets and holding down bolts - inspection of protective paint system and making good any damage - inspection of mounting pins and lubricating if required - inspection of cylinder locking ring and flexible bellows. Any major defect to be reported to manufacturers and DLR informed 	12 months		
Bridges, footbridges, underpasses, viaducts, subways, arches, retaining walls, culverts,	Underwater parts of structures in watercourses	<p>General and Principal Inspections in accordance with DLR Standard MR-500 and the Structures Rolling Programme.</p> <p>Principal Inspection</p> <p>General Inspection</p>	<p>Every 3 yrs</p> <p>Annually</p>		<p>Meets functional requirements and structurally sound. Undamaged, free from scour, corrosion, spalling, staining, and in good condition consistent with age and usage, Drainage systems free flowing, clear of detritus, brickwork to be sound and pointed. Where</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
cable troughs		Remedial works in accordance with DLR standard MR-500.			applicable navigation aids in place and in good condition
Earth structures	Earthworks, cuttings, embankments, trackside land within the permanent way	General and Principal Inspections in accordance with DLR standard MR-500 Principal Inspection General Inspection Remedial works in accordance with DLR standard MR-500. Vegetation control to DLR Standard MR-500	6 year cycle Annual cycle		. Meets functional requirements and structurally stable. Undamaged, free from surface ravelling, cracks, erosion. slips, and be in good condition consistent with age and usage, no evidence of vermin / burrowing. Free from litter, discarded construction materials and items dumped by Third Parties.
Lands and buildings	Tree, shrubs, grass, planted areas, and adjoining land (not within the permanent way)	General Inspections in accordance with DLR standard MR-500 General Inspection Vegetation control, gardening and tree surgery. Any tree identified as having the potential to fall is to be made safe. Identify, record and treat invasive plants (i.e. giant hog weed, Japanese knotweed and Budlia). All sites of invasive plants to be treated so that it is in submission. All sites identified shall be eradicated as soon as reasonably practicable. Compliance with Wildlife and Countryside Act 1981 required maintenance should ensure vegetation does not constitute a hazard. Sight lines are kept clear.	6 months 6 months 3 months		All trees are safe. Meets functional and environmental requirements. Undamaged, and be in good condition consistent with age and usage, free from litter, vermin and discarded construction materials.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		<p>Visibility of signs, lights, signals, CCTV and marker posts is not obstructed. Fire hazards are controlled.</p> <p>The soft estate is to be managed so as to promote nature conservation and biodiversity and to integrate into the surrounding landscape.</p>			
	Hard landscaping	<p>Annual inspection, vegetation control / weed killing to DLR Standard MR-500</p> <p>Identified defects undertaken in accordance with timescales stated in DLR standard MR-500.</p> <p>Cleaning in accordance with DLR-ENG-SPC-C39 DLR-ENG-SPC-C39 cleaning specification</p>	6 months		<p>Meets functional requirements. Surfaces undamaged and to be in good condition consistent with age and usage, brickwork pointed, edging not damaged. Route markings in good condition, clearly visible</p> <p>A safe, even and comfortable surface for all users, without standing water, obstructions and slippery conditions.</p> <p>Access routes are free from obstructions (including vegetation), defects (e.g. potholes, damaged kerbscracks, ruts or unevenness), trip hazards, standing water</p> <p>Covers, gratings, frames and boxes are free of defects.</p>
	Fences, walls, gates	<p>inspections in accordance with DLR Standard MR-500</p> <p>Inspection</p>	3 months	Painting or similar treatment to	Fences, walls and gates serve the purpose for which they were intended.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		<p>Remedial works in accordance with DLR standard MR-500.</p> <p>Typical cyclical maintenance activities that need to be addressed by the franchisee include :</p> <ul style="list-style-type: none"> • replacement of rotten wooden elements that affects function or promotes deterioration • replacement of corroded metal that affects function or promotes deterioration • repair of concrete cracking, spalling or reinforcement corrosion that affects the function or promotes deterioration • repair of brickwork cracking, spalling or loss or mortar that affects the function • replacement of missing, broken, deformed or cracked components that affect function or promote deterioration • replacement of loose nuts, bolts and other components may represent a hazard or promote deterioration 		<p>elements / surfaces with protective coating systems. (including all metal work). To be undertaken at least once within the 7 year franchisee term and in accordance with DLR-ENG-SPC-M60 painting and clear finishing specification.</p>	<p>Undamaged, and be in good condition consistent with age and usage, free from corrosion, surface damage, graffiti, staining and spalling. Brickwork pointed.</p> <p>Fences, walls and gates are maintained and free of defects</p>
	Car parks, pathways and roads	<p>Inspections in accordance with DLR standard MR-500</p> <p>General Inspection weed killing and vegetation control</p>	3 months minimum or as required arising from inspections, fault reports and incidents, which ever is		<p>Meets functional and environmental requirements. Undamaged, and be in good condition consistent with age and usage,</p> <p>Car parks, pathways and roads have an even and comfortable surface free from defects (e.g.</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		Remedial works in accordance with DLR standard MR-500.	the most frequent		potholes, cracks, ruts or unevenness), free of defective kerbs, edgings and preformed channels.
		Cleaning /sweeping / gulley emptying in accordance with DLR-ENG-SPC-C39 cleaning specification	24 months		Covers, gratings, frames and boxes are free of defects.
		Remark car park, walkway and depot warning and demarcation lines			

4.4.5 LIFTS AND ESCALATORS

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Lifts	Lift cars inc door, lighting, passenger alarm, floor, walls, handrails and control buttons. electronic control equipment hydraulic pump, tank, valve units and rams	Regular maintenance to be undertaken during non-operational hours To be maintained to manufacturer's recommendation and to fulfil statutory requirements. Statutory thorough examination especially Lifting operations and lifting equipment regulations (LOLER) Issue of certificates to DLRL	1 month Minimum 6 months 6 months		Condition to be consistent with age and use for a machine maintained to maintenance manual. Fully functional, in good mechanical and electrical condition. All assets undamaged, secure and clean.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	electric motor, ropes, pulleys and counter weights	<p>Passenger lift alarm test</p> <p>Clean lamps, diffusers and deflectors in lift cars</p> <p>Re-lamp in lift cars</p> <p>Cleaning of lift cars and pits</p> <p>SCADA signal check</p>	<p>Daily</p> <p>12 months</p> <p>24 monthly</p> <p>As per cleaning schedule</p> <p>12 months</p>		
Escalators	Escalator steps, step guides, main truss, lighting, control equipment, emergency stop buttons, all architectural metalwork, motor, gear box, brakes, chains, bearings, handrail, guides and drive	<p>Regular maintenance to be undertaken during non-operational hours.</p> <p>To be maintained to manufacturer's recommendation and to fulfil statutory requirements.</p> <p>Statutory thorough examination</p> <p>Step cleaning</p> <p>In truss deep clean</p> <p>Issue of certificates to DLRL</p>	<p>1 month</p> <p>Minimum 6 months</p> <p>As per Schedule 3</p> <p>48 months</p> <p>6 months</p>	<p>Maintainer's condition report required by end of year 6 of franchise term.</p>	<p>Condition to be consistent with age and use for a machine maintained to maintenance manual.</p> <p>Fully functional, in good mechanical and electrical condition. All assets undamaged, secure and clean. Escalators able to operate in both directions</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		Reverse direction of escalator running to ensure escalator remain suitable for reverse operations SCADA signal check	Weekly 12 months		

4.4.6 ELECTRICAL AND MECHANICAL

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Pumps system	System	Functional check To be maintained to manufacturer's recommendation	3 months		Condition to be consistent with age and load for a machine maintained to maintenance manual
	Control panel	Regular electrical maintenance, contactor check, terminal checks.	6 months		
	Pump Float system	Regular maintenance and flow check Regular maintenance, clean and verify operation	6 months 6 months		
Low voltage (LV) system	General electrical assets	Electrical routine checks Defect report - review defects list and check defects have been rectified Visual Inspection for breakages, wear, deterioration, overheating, missing parts, loose fixings. Confirm doors and enclosures are secure, adequate labelling in place, switch gear is accessible. Operation, where reasonable check isolation equipment and switchgear.	12 monthly		
	LV main distribution	Periodic inspection and testing	36 months	Periodic inspections to	Condition to be

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	switch panel	(in accordance with BS 7671) To be maintained to manufacturer's recommendation Residual current device (RCD) check Thermographic survey with exception reporting and defect correction Issue of IEE certificates and inspection report to DLRL	3 months 24 months On completion of tests	be as stipulated on installation certificate sheet or determined via a risk assessment undertaken by a competent person.	consistent with age and load for a machine maintained to maintenance manual
	Distribution boards (consumer units / power distribution units)	Periodic inspection and testing (BS 7671) To be maintained to manufacturer's recommendation RCD check Issue of certificates to DLRL Thermographic survey with exception reporting and defect correction	36 months 3 months On completion of tests 24 months	Periodic inspections to be as stipulated on installation certificate sheet or determined via a risk assessment undertaken by a competent person.	Condition to be consistent with age and load for a machine maintained to maintenance manual
	Main Earth Terminal (MET) / earthing	System inspection and testing as stipulated BS 6651: 1999 Protection of structures against lightning or BS 7430: 1998 Code of practice for earthing Supply test sheets to DLRL To be maintained to manufacturer's recommendation	11 months 11 months		Compliant installation with no outstanding issues on inspection and test sheets
	Containment including tray work, conduit and racking	Condition Inspections and report production by exception	24 months		Shall not be significantly damaged or corroded
	Electricity meter	Readings	Monthly		
	Transformers (dry type)	Inspection and test. To be maintained to manufacturer's	36 months		Condition to be consistent with age,

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		recommendation			location and load for a machine maintained to maintenance manual
	Transformers (wet type)	Inspection and test. To be maintained to manufacturer's recommendation	24 months		Condition to be consistent with age, location and load for a machine maintained to maintenance manual
	General electrical control panels	Operational check and overhaul. To be maintained to manufacturer's recommendation	12 months		Condition to be consistent with age, location and load for a machine maintained to maintenance manual
Uninterruptable power supplies (UPS)	Main unit	Operational check including alarm signals as per O&M manual, verifying system is working appropriately. To be maintained to manufacturer's recommendation	3 months		Condition to be consistent with age, location and load for a machine maintained to maintenance manual
	Bypass switch	Operational check including SCADA signals, as per O&M manual, verifying system is working appropriately. To be maintained to manufacturer's recommendation	12 months		Condition to be consistent with age, location and load for a machine maintained to maintenance manual
	Auto changeover switch	Operational check including SCADA signals, as per O&M manual, verifying system is working appropriately. To be maintained to manufacturer's recommendation	3 months		Condition to be consistent with age, location and load for a machine maintained to maintenance manual

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	UPS batteries	Operational check / voltage check Battery change	12 months On condition	Batteries to be renewed in the last 6 months of the Franchise term if remaining life is less than 1 year.	Condition to be consistent with age, location and load for a machine maintained to maintenance manual
Lighting systems	Light Emitting Diode (LED) systems	Clean lamps, diffusers and deflectors Re-place LED modules and control gear	12 months Based on estimated life calculation but lux level shall not fall below 70% of initial	Undertake measurement of the lux levels for platform, stairs, concourse and escalator areas in the 1st and last year of the franchise	Lux levels shall not have degraded during franchise. Assets shall be clean, undamaged and fully operational.
	Long life thermo lamps	Clean lamps, diffusers and deflectors Re - lamp	12 months 72 months - based on estimated life calculation but lux level shall not fall below 70% of initial.	Undertake measurement of the lux levels for platform, stairs, concourse and escalator areas in the 1st and last year of the franchise	Lux levels shall not have degraded during franchise. Assets shall be clean, undamaged and fully operational.
	Station luminaires including platforms, concourses, walkways, footbridges, staircases and under passes	Clean lamps, diffusers and deflectors Re-lamp Replace diffusers affected by solarisations Operational Inspection, ensure lamps are working and PEC and Time clock works.	12 months 24 months As required 3 months		
	Depot and sidings	Clean lamps, diffusers and deflectors Re-lamp	12 months 24 months		Assets shall be clean, undamaged and fully operational
	Tunnel luminaries	Clean lamps, diffusers and deflectors	12 months		Assets shall be clean,

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		Re-lamp Operational Inspection, ensure lamps are working and PEC and Time clock works.	24 months 3 months		undamaged and fully operational
	Office luminaries	Clean lamps, diffusers and deflectors Re-lamp	12 months 24 months		Assets shall be clean, undamaged and fully operational
	Luminaries in lift shafts, escalator pits, equipment rooms and other voids	Clean lamps, diffusers and deflectors Re-lamp	24 months 48 months		Assets shall be clean, undamaged and fully operational
	Emergency lighting	Indication checks of central power supplies As per BS5266 Basic functional test as per BS5266 Battery change Re-lamp Discharge full test as per BS5266 Emergency lighting certificate provision	Daily 1 month On condition 24 months 12 months 12 months	Batteries to be renewed in the last year of the Franchise term.	Assets shall be clean, undamaged and fully operational
	High mast lighting	Clean Re-lamp and dispose of appropriately Operational inspection, ensure lamps are working and PEC and time clock works.	12 months 24 months 3 months		Undamaged and fully operational. General condition consistent with age and usage.
	Control panels	Functional check and test	12 months		Condition to be

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	(contactors/ timers)				consistent with age, location and load for a machine maintained to maintenance manual
	Timer	Adjustment	6 months		Condition to be consistent with age, location and load for a machine maintained to maintenance manual
Lightning protection		Checks as per BS6651 To be maintained to manufacturer's recommendation and to fulfil any statutory requirements. Issue of test certificates to DLRL	11 months 11 months		Compliant installation with no outstanding issues on inspection and test sheets
Gas monitoring systems		Functional check To be maintained to manufacturer's recommendation and to fulfil any statutory requirements. Calibration and maintenance	3 months 12 months		Compliant installation with no outstanding issues on inspection and test sheets
Gas heating systems	Gas heater	Maintenance overhaul and inspection to GAS regulations To be maintained to manufacturer's recommendation and to fulfil any statutory requirements.	6 months		Compliant installation with no outstanding issues on inspection and test sheets
Fire systems	Detection system	Alarm check in accordance with BS5839 Inspection and servicing (manned building) in accordance with BS5839 Inspection and servicing (unmanned building) in accordance with BS5839 To be maintained to manufacturer's recommendation and to fulfil any	Weekly 3 months 6 months		Compliant installation with no outstanding issues on inspection and test sheets

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	Detection system batteries	statutory requirements. Battery replacement	On condition - maximum 4 years	Batteries to be renewed in last 6 months of the Franchise term if remaining life less than 1 year.	
	Fire suppression system - extinguishers	Test and inspection / recharge To be maintained to manufacturer's recommendation and to fulfil any statutory requirements.	12 months		Compliant installation with no outstanding issues on inspection and test sheets
	Fire suppression system - hose reels	Test and inspection EN671/3 To be maintained to manufacturer's recommendation and to fulfil any statutory requirements.	12 months		Compliant installation with no outstanding issues on inspection and test sheets
	Fire Suppression system (gaseous type)	Inspection and servicing in accordance with BS5839 To be maintained to manufacturer's recommendation and to fulfil any statutory requirements.	6 months		Compliant installation with no outstanding issues on inspection and test sheets
	Fire doors	Inspection and maintenance To be maintained to manufacturer's recommendation and to fulfil any statutory requirements.	6 months		Clean, fully functional and in good mechanical consistent with age and usage.
	Fire Risk assessment	Assessment review FPW Act 1999 and issue to DLRL	12 months		
	Water main - wet	Pressure test EN671/3 Inspection and test BSEN12845 / LPC Rules. To be maintained to manufacturer's recommendation and to fulfil any statutory requirements.	60 months 6 months		Compliant installation with no outstanding issues on inspection and test sheets
	Water main - dry	Inspection and test BSEN39990 To be maintained to manufacturer's recommendation and to fulfil any	6 months		Compliant installation with no outstanding issues on inspection

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		statutory requirements.			and test sheets
	Fireman's switch	Test in accordance regulatory reform order To be maintained to manufacturer's recommendation and to fulfil any statutory requirements.	6 months		Compliant installation with no outstanding issues on inspection and test sheets
	Sprinkler system	Inspection and test BSEN12845 / LPC Rules To be maintained to manufacturer's recommendation and to fulfil any statutory requirements.	6 months		Compliant installation with no outstanding issues on inspection and test sheets
Heating, ventilation, air conditioning and cooling	Comfort cooling (split type)	Maintenance, inspection and test, leak check in accordance with CIBSE TM13 / HSE code of practice / F-gas Regulation No 842/2006	3 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
	Comfort cooling (through wall type)	Maintenance, inspection and test, leak check In accordance with CIBSE TM13 / HSE code of practice / F-gas Regulation No 842/2006	3 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
	Comfort cooling above 3kg	Maintenance, inspection and test, leak check in accordance with CIBSE TM13 / HSE code of practice / F-gas Regulation No 842/2006	3 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
	Fan coil units (chilled water)	Maintenance, inspection and test In accordance with CIBSE TM13 / HSE code of practice / F-gas Regulation No 842/2006	3 months		Clean, fully functional and in good mechanical and electrical condition consistent with age

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
					and usage.
	UVEX system (UV water treatment)	Maintenance, inspection and test In accordance with CIBSE TM13 / HSE code of practice	3 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
	Cooling coils (chilled water) and (DX)	Maintenance, inspection and test In accordance with CIBSE TM13 / HSE code of practice Issue of test certificates for above to DLRL	3 months When available		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
	Air handling units	Maintenance and inspection Filter changes	3 months 12 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage. Renewed within 3 months of franchise end
	Fans	Inspection and service	6 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
	Refrigeration systems	Compliant with Ozone regulations / F-gas Regulation No 842/2006	3 months		Clean, fully functional and in good mechanical and electrical condition

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
					consistent with age and usage.
	Ventilation systems	Duct cleaning	36 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
Heating / gas systems	Gas mains	System check, inspection and test (Gas Safety Regulations 1998) & British Compressed Gas Association (BCGA) Codes of Practice: CP4 To be maintained to fulfil statutory requirements.	12 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
	General gas systems	System check, inspection and test (Gas Safety Regulations 1998) To be maintained to fulfil statutory requirements.	12 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
	Calorifier	System check, inspection and test (Gas Safety Regulations 1998) To be maintained to fulfil statutory requirements.	12 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
	Boiler	Overhaul and test including thermostats (Gas Safety Regulations 1998) To be maintained to fulfil statutory requirements.	12 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
	Heat Emitters (Gas)	Overhaul and test including thermostats (Gas Safety Regulations	12 months		Clean, fully functional and in good

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		1998) To be maintained to fulfil statutory requirements.			mechanical and electrical condition consistent with age and usage.
	Gas metering and pipework	Inspection for corrosion and leaks To be maintained to fulfil statutory requirements.	12 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
	Flues	Inspection & overhaul (Gas Safety Regulations 1998) To be maintained to fulfil statutory requirements.	12 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
Water systems including shower heads (with risk of legionella)	General	Inspection and test To be maintained to fulfil statutory requirements. Legionella testing Water risk assessment in accordance with CIBSE TM13:2002 and HSC ACOP L8 Issue of test certificates to DLRL	In accordance with CIBSE TM13 / HSE code of practice 3 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
	Hot and cold water	Temperature checks ACOPL8 To be maintained to fulfil statutory requirements. Water sampling / chlorination Pressure checks / full visual for cleanliness	1 month 12 months 12 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
	Instantaneous water heaters	Treatment / descale & maintenance To be maintained to fulfil statutory requirements.	3 months		Clean, fully functional and in good mechanical and electrical condition

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
					consistent with age and usage.
	Sanitary & waste water systems	Condition inspection	6 months		Clean, fully functional and in good mechanical condition consistent with age and usage.
	Chiller systems	Inspection and functional test To be maintained to fulfil statutory requirements.	12 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
Portable equipment	General Appliances 230V cleaning / kitchen appliances	Testing and inspection - In accordance with IET in service inspection and testing of portable equipment To be maintained to fulfil statutory requirements.	12 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
	Microwave cookers	Microwave emission test	12 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
	Computers and information technology equipment	Testing and inspection - In accordance with IET in service inspection and testing of portable equipment	12 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
	110V handtools	Testing and inspection - In accordance with IET in service inspection and testing of portable equipment	6 months		Clean, fully functional and in good mechanical and

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
					electrical condition consistent with age and usage.
650V signalling supply		Insulation resistance test and visual inspection Thermographic survey	36 months 12 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
Track heating	Rail heaters	Operational control panel check Site check, inc thermographic, and maintenance	12 months 12 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
Building management system		System check / functional testing	12 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
Platform heated mirrors		Functional check Alignment Cleaning	12 months (autumn) 12 months 3 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
Air systems	Compressors	Overhaul and inspection	6 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
	Duct work and	Check of access, connections,	12 months		Clean, fully functional

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	actuators	mountings and operation			and in good mechanical condition consistent with age and usage.
	Filters	Air flow checks, filter change	12 months		
Advertising displays		Visual inspection	12 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
Bank tunnel ventilation	Fan	Operational checks Maintenance	Weekly Undertaken by LUL		
	Dampers	Operational checks Maintenance	Weekly Undertaken by LUL		
Lewisham tunnel ventilation	Fan	Operational checks Maintenance	Weekly Undertaken by CGLR		
Mechanical systems	Lifting equipment (bolts / slings / beams etc)	Load test and condition as per LOLER	12 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
	General motors	Clean, inspect, lubricate	12 months		
	General fans	Clean, inspect, lubricate	12 months		
	General pumps	Clean, inspect, lubricate, pressure check	12 months		
Woolwich tunnel ventilation	Portal jet fans	Operational checks Run fans in supply and extract and record status and faults Run fans in supply and extract, visually	Weekly 2 months 6 months		Clean, fully functional and in good mechanical and electrical condition consistent with age

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		inspect checking for noise and vibration and record status and faults Re-grease motor bearings Annual inspection regime as per O&M	2000 Operational hours 12 months		and usage.
	Axial fans	Operational checks and visual inspection Run fans in supply and extract, visually inspect checking for noise and vibration and record status and faults 6 monthly tests as per O&M Annual inspection regime as per O&M	Weekly Monthly 6 months 12 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
	Dampers	Open and close fans via SCADA and check correct indication Open and close fans via SCADA, check correct indication and visual witness operation Annual inspection regime as per O&M Annual inspection regime as per O&M Isolate dampers and internally inspect the control mechanism of actuators	weekly 2 months 12 months 12 months 48 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage. Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
Woolwich tunnel	Cross passage doors	Inspect, test and maintenance			Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
Stair pressurisation	Fan	Operational checks	Weekly		Clean, fully functional

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
systems	Dampers Ductwork	Inspect, test and maintenance	As per O&M		and in good mechanical and electrical condition consistent with age and usage.
Woolwich station smoke control system	Axial fans Dampers Ductwork	Operational checks Inspect, test and maintenance	Weekly As per O&M		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
Station and tunnel fire mains	Pipework Hydrants Header tank	Inspect, test and maintenance	As per O&M		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage.
Station inspections inc station fire plans	Fire Plan box Fire plan	Visual inspection of condition and security of box containing station fire plan Inspection of station fire plan, report any identified non-compliances or if plan is in poor condition i.e waterlogged	12 months 12 months		Plans in fire box and dry and legible. Station Fire Plans up to date to reflect current station arrangement
Equipment rooms	Doors	Equipment rooms to be inspected and kept free of rubbish, hazards or debris of any kind.	2 months	Paint doors, internal walls and floor once during the Franchise term.	Fully functional, in good mechanical and electrical condition.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	Walls	All cables, cable cleats, cable ties and cable trunking are secure and free of damage.	1 month		All assets undamaged, secure and clean. Dry, free from debris, rubbish, redundant materials and equipment All cables correctly and clearly labelled All wall penetrations to be suitably fire stopping
	Floor	All equipment, mounting bars, fixings, terminals and connectors are secure, in good condition and free of dirt and/or corrosion.	1 month		
	Ventilation	All equipment is clearly and correctly labelled and identified.	1 month		
	Cable containment	All fire stopping to be present for all wall penetrations.	1 month		
	Fire stopping	Confirm that room is dry, investigate and repair any water leaks. Internal and external doors to be fully functional and secure.	1 months		
	Vermin control	Undertake Vermin control	As required, but no greater than 3 months		
General	Asbestos Register	Review of any encapsulated asbestos	36 months		Clean, fully functional and in good mechanical and electrical condition consistent with age and usage. Demonstration that assets have been maintained to fulfil statutory requirements
	Oil / fuel / chemical storage tanks	Integrity, filter valve inspection	12 months		
	Bunding systems	Inspect / drain	Monthly		
	Roller shutter doors	Inspection and maintenance	12 months		
	Panic alarms (toilets)	Operation check	1 month		
	Interceptors	Visual inspection, drainage (COSHH), system check	12 months		
Software	Amtech Prodesign	Software to be kept up to date to reflect changes in BS7671. Free and unhindered access to this model will be made to DLRL.	Continuous development of database and update with any	The Franchisee shall be responsible for updating the LV model of the central section of the	Software to be the newest version, with data to reflect the whole railway LV

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		Update software when released by Amtech. Backup data	maintenance or project changes to the LV systems 3 months	Railway using 'Amtech Pro-design' and for expanding the model to cover the whole of the Railway (excluding the Lewisham Extension). The Franchisee will be responsible for keeping the model up to date and making the model freely available to DLRL, and returning the model to DLRL on expiry or termination of this Agreement."	system Fully populated database for all of the assets under maintenance
	SCADA software inc I/O schedule and Cromos Software	Database to reflect operational railway (adaptive maintenance) Software to be updated to reflect most up to date software releases. Update software when released by Siemens	Ongoing update		Software to be the newest version, with data to reflect the whole railway LV system
		Analysis of false alarms and minimisation plan. Mirror server is operable Backup of database (architecture and data)	12 months Ongoing		Log of false alarm analysis and stored back-up of database
Keys	Keys, door locks and key store	Check that door locks are working correctly as part of routine maintenance and equipment room checks. Audit key stores to ensure all keys are present and that booking in/out process is fit for purpose	2 months Annual	.	Keys available at both Poplar and Beckton for all equipment rooms, electrical cabinets, lifts, escalators doors and accesses across the railway including

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		System to be in place to allow keys to be clearly labelled to indicate which rooms they provide access for but does not allow lost keys to be identified with a specific location			depots.

4.4.7 HIGH VOLTAGE

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Trackside bonding and power supply equipment	Current collection system	Track bonding - As per DLR standards MR-600 and existing Franchisee maintenance procedures and MTI, inc. integrity check	12 months		Free of defects, inc. continuity, all bolted joints secure and cable sheath undamaged
		SCC and Earth Leakage Cabling - As per DLR standards MR-600 and existing Franchisee maintenance procedures and MTI, inc integrity check	12 months		Free of defects, inc. continuity, all bolted joints secure and cable sheath undamaged
	Conductor rail to sub-station, positive cable	As per DLR standards MR-600 and existing Franchisee maintenance procedures and MTI, inc integrity & continuity check	12 months		Free of defects, inc. continuity, all bolted joints secure and cable sheath undamaged
	Positive continuity cables, jumper cable cables, etc	As per DLR standards MR-600 and existing Franchisee maintenance procedures and MTI, inc. integrity check	12 months		Free of defects, inc. continuity, all bolted joints secure and cable sheath undamaged
	Negative return cables	Running rail to sub-station - As per DLR standards MR-600 and existing Franchisee maintenance procedures and MTI	12 months		Free of defects, inc. continuity, all bolted joints secure and cable sheath undamaged
		Negative Return Reinforcing Cable - As per	12 months		Free of defects, inc.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		DLR standards MR-600 and existing Franchisee maintenance procedures and MTI, inc integrity check			continuity, all bolted joints secure and cable sheath undamaged
	Conductor rail	Visual inspection and gauging, as per DLR standards MR-600 & MR-400 and existing Franchisee maintenance procedures and MTI	Weekly	In addition, during the final 2-years of the franchise undertake wear survey to determine the level of wear across the network	<ul style="list-style-type: none"> - Shrouding secure - Ramp ends free of arc damage - Correct gauge
	Cable runs	Checking for security, sharp edges & drainage	Weekly		<ul style="list-style-type: none"> - Good physical condition - free of standing water
	Motorised feeder isolators and control cables	Functional tests	12 months		Fully operational & free of defects. In a condition consistent with age, including free from evidence of dirt or water ingress
		Isolator maintenance, as per MTI612 and the OEM maintenance instructions	24 months		
	Motorised bypass isolators and control cables	Functional tests	12 months		Fully operational & free of defects. In a condition consistent with age, including free from evidence of dirt or water ingress
		Isolator maintenance, as per MTI612 and the OEM maintenance instructions	24 months		
	Trackside isolation indicators and control cables	Functional tests	12 months		Fully operational & free of defects. In a condition consistent with age, including free from evidence of dirt or water ingress

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		Isolation Indicator maintenance, as per the OEM maintenance instructions	24 months		
	Tunnel trip system	Functional tests, as per MTI-613	6 months		Fully operational & free of defects. In a condition consistent with age, including push buttons (inc. housing) corrosion free and cable sheath undamaged
High Voltage (HV) cables & routes	11kV incoming feeder circuits	Assist REC with outages	As and when required		
	11kV cables and associated pilot cables	Route integrity check and requirements of MTI-610	12 months		Free of defects, inc. continuity, all joints secure and cable sheath undamaged
HV rooms	General	Substation general inspection, as per MTI-603	3 months		Free of water ingress and no evidence of vermin. All sumps & drains clear
traction substations & HV switch rooms	General	Substation General Inspection, as per MTI-603	3 months		Free of water ingress and no evidence of vermin. All sumps & drains clear
Switchgear	11kV switchboards and protection	Switchboard maintenance in accordance with HSG-230 and, as per OEM maintenance instructions, including Partial Discharge testing using a handheld tool such as UltraTEV Detector	72 months		Fully operational & free of defects and in a condition consistent with age.
		Protection tests, as per relay manufacturers instructions	36 months		Fully operational & free of defects and in a condition consistent

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
					with age.
	11 kV circuit breakers	Circuit breaker maintenance in accordance with HSG-230 and, as per OEM maintenance instructions, including Partial Discharge testing using a handheld tool such as UltraTEV Detector	48 months		Fully operational & free of defects and in a condition consistent with age.
	11 kV fuse switch	Switch maintenance in accordance with HSG-230 and, as per OEM maintenance instructions, including Partial Discharge testing using a handheld tool such as UltraTEV Detector	36 months		Fully operational & free of defects and in a condition consistent with age.
	750V dc switchboards and protection	Protection tests, as per OEM maintenance instructions	24 months		Fully operational & free of defects and in a condition consistent with age.
		Switchboard maintenance, as per OEM maintenance instructions	48 months		Fully operational & free of defects and in a condition consistent with age.
	750V dc circuit breakers	Siemens & HSS circuit breaker truck maintenance - as per OEM maintenance instruction	12 months		Fully operational & free of defects and in a condition consistent with age.
		Other manufacturer, circuit breaker truck maintenance	9 months		Fully operational & free of defects and in a condition consistent with age.
Rectifier and associated transformers	Rectifier transformers	Transformer maintenance, (inc fluid analysis, where applicable) – as per MTI-604 and OEM maintenance instructions. For dry type transformers, inc. Partial Discharge testing using a handheld tool such as UltraTEV Detector	12 months		Fully operational & free of defects and in a condition consistent with age. Dry Type transformer enclosures to be dust free and no evidence of discharge

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	Traction rectifiers	Rectifier Maintenance – as per OEM maintenance instruction	24 months		Fully operational & defect free, and in a condition consistent with age
Auxilliary transformers	>500kVA	Transformer Maintenance, (inc fluid analysis, where applicable)	12 months		Fully operational & defect free, and in a condition consistent with age. Breathers dry and free of leaks
	<500kVA	Transformer maintenance, (inc fluid analysis, where applicable) – as per MTI-605 and OEM maintenance instructions. For dry type transformers, inc. Partial Discharge testing using a handheld tool such as UltraTEV Detector	36 months		Fully operational & free of defects and in a condition consistent with age. Dry Type transformer enclosures to be dust free and no evidence of discharge
Substation Ancillaries	Battery chargers and batteries	Charger maintenance, as per the OEM maintenance instruction	24 months		Fully operational & defect free, and in a condition consistent with age
		Battery maintenance, as per the OEM maintenance instruction	12 months	All batteries to be renewed within the last two years of the Franchise	Fully operational & defect free, and in a condition consistent with age
	Diode earthing units	Diode earthing unit maintenance, as per the OEM maintenance instruction	24 months		Fully operational & defect free, and in a condition consistent with age
		Less than 20 amps average earth leakage current for each substation	12 months		
	Negative bus bar cubicles	Negative busbar maintenance, as per the OEM maintenance instruction	48 months		Free of defects, inc. continuity, all bolted joints secure and cable sheath undamaged

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	11kV, 750V dc, control and LV interconnections	Check interconnections	60 months		Free of defects and in a condition consistent with age
	Substation earthing systems	Earth systems tests, as per the requirements set out in relevant BS-EN Standards	24 months		Free of defects, inc. continuity, all bolted joints secure and cable sheath undamaged
	Electricity meter	Reading	Monthly		
Control	SCADA outstations	Functional tests and maintenance as per the OEM maintenance instructions	24 months	All batteries to be renewed within the last two years of the Franchise	Fully operational & defect free, and in a condition consistent with age. Latest version of software and configuration to reflect latest configuration of plant.
	Telecode 80 Outstations	Functional tests and maintenance as per the OEM maintenance instructions	24 months		Fully operational & defect free, and in a condition consistent with age
	Trackside isolator control cubicles	Functional tests and maintenance as per the OEM maintenance instructions	24 months		Fully operational & defect free, and in a condition consistent with age
	Intruder alarms	Functional tests	12 months	All batteries to be renewed within the last two years of the Franchise	Fully operational & defect free, and in a condition consistent with age

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Earthing and test equipment		Maintenance, as per the OEM maintenance instruction	12 months		Complete, operational & defect free, and in a condition consistent with age Certificates to be current, with no outstanding issues
		Calibration and tests	24 months		

4.4.8 COMMUNICATIONS

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Fibre cables & copper cables	All assets that make up the fibre cable system as minimum, but not limited to: Equipment cabinet/rack. Remake loops. Optical Distribution Frame (ODF) cabinets. Patch panels.	Maintenance in accordance with Supplier's recommended maintenance procedures, but not limited to:			Fully functional, in good condition. All assets undamaged, secure and clean. Adequate spare cores are available. 75% of those available at the start of the Franchise The system is fault free and no failure alarms are present.
		General / Visual Inspection	12 months		
		All spare ports to have caps to prevent ingress of contamination.	12 months		
		Cleaning (e.g. vacuum to remove dust and wipe all surfaces of to remove any dirt).	12 months		
		Optical time-domain reflectometer (OTDR) insertion loss measurements results of 10 percent of fibres cores in each cable. Different cores are to be tested every 6 months	6 months		

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	<p>Patch leads.</p> <p>Cable termination.</p> <p>Cables and cable management.</p> <p>Cable ducts/trays/cond uits.</p> <p>Support fixings / bracketry.</p>	System functionality test including full system maintenance test records / results and system asset condition recorded.	12 months		General condition consistent with age and usage.
Metropolitan area network (MAN)	<p>All assets that make up the MAN system as minimum, but not limited to:</p> <p>PCs and monitors.</p> <p>Servers / switches.</p> <p>IT and software.</p> <p>Cables and cable management.</p> <p>Battery backup / UPS.</p>	<p>Maintenance in accordance with Supplier's recommended maintenance procedures, but not limited to:</p> <p>General and visual inspection.</p> <p>Cleaning (e.g. vacuum to remove dust and wipe all surfaces of to remove any dirt).</p> <p>The equipment should be visually inspected for signs of moisture ingress and other deterioration.</p> <p>Periodic inspection and test (electrical safety tests).</p> <p>UPS should be exercised to check operation and visual indicators.</p>	<p>12 months</p> <p>12 months</p> <p>12 months</p> <p>36 months</p> <p>12 months</p>	Battery replacement, as necessary to ensure a minimum of 50% or 1 year of battery design life at the end of the Franchise term	<p>Fully functional, in good mechanical and electrical condition.</p> <p>Adequate spares are available.</p> <p>The system is fault free and no failure alarms are present.</p> <p>Battery backup operational.</p> <p>General condition consistent with age and usage.</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	Support fixings / bracketry.	System functionality test including full system maintenance test records / results and system asset condition recorded. Redundancy tests to ensure the fail over system is fully operational Periodically or when there have been configuration changes backups of the switch configurations should be taken. SNMPc network checks (daily): Check alarms status and fault find to clear alarms. All VPN connections with Supplier to be managed and controlled.	12 months 12 months 12 months Daily As and when required in line with any changes		
Open transmission network (OTN) 150 & Open transmission network X3M	All assets that make up the OTN150 & X3M system as minimum, but not limited to: Nodes. OMS terminal. Equipment cabinet/rack. IT and software. Monitors and PCs.	Maintenance in accordance with Supplier's recommended maintenance procedures, but not limited to: Periodic inspection and test (electrical safety tests). UPS should be exercised to check operation and visual indicators. System functionality test including full system maintenance test records / results and system asset condition recorded, node rerouting, redundancy of system and configuration checks. The equipment should be visually inspected for signs of moisture ingress and other deterioration. Wipe all surfaces of the OTN rack, to remove any dirt.	 36 months 12 months 12 months 12 months 12 months	Battery replacement, as necessary to ensure a minimum of 50% or 1 year of battery design life at the end of the Franchise term	Fully functional, in good mechanical and electrical condition. Adequate spares are available. The system is fault free and no failure alarms are present. Battery backup operational. General condition consistent with age and usage.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	<p>Cables and cable management.</p> <p>Battery backup / UPS.</p> <p>Support fixings / bracketry.</p>	<p>Check the power distribution fuses and earthing connection of the node(s).</p> <p>Check that all cables are properly attached to the OTN equipment and that the minimum bending radius for all cables is respected.</p> <p>Check OTN-nodes and cards for alarms (i.e. red LEDs) and resolve any identified</p> <p>Make sure the equipment and its environment is kept clean.</p> <p>Check whether all cabling towards external equipment is properly labelled.</p> <p>Test Node PSU Redundancy and UPS (Uninterruptable Power Supply).</p> <p>Check the OMS, log files and alarm journal files for possible alarms/error messages.</p> <p>Backup the OMS database and store it in a safe place.</p> <p>Test of the reconfiguration mechanism: This test is used to check whether the fibres are connected as designed.</p> <p>Interrupt the primary or secondary ring between any 2 nodes to check the OTN change-over mechanism.</p> <p>Interrupt all fibres between 2 nodes to check the OTN loopback mechanism.</p> <p>All virtual private network (VPN) connections with outside world (suppliers) to be managed and controlled.</p>	<p>12 months</p> <p>12 months</p> <p>12 months</p> <p>12 months</p> <p>12 months</p> <p>12 months</p> <p>12 months</p> <p>12 months</p> <p>12 months</p> <p>12 months</p> <p>12 months</p> <p>12 months</p> <p>12 months</p>		
Open transmission network 2500 (OTN 2500)	All assets that make up the OTN 2500 system as minimum, but not limited to: Nodes.	<p>Maintenance in accordance with Supplier's recommended maintenance procedures, but not limited to:</p> <p>Periodic inspection and test (electrical safety tests).</p>	36 months	Battery replacement, as necessary to ensure a minimum of 50% or 1 year of battery design life at the	Fully functional, in good mechanical and electrical condition.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	OTN management system (OMS) and OTM video solution (OVS) terminal.	UPS should be exercised to check operation and visual indicators.	12 months	end of the Franchise term	Adequate spares are available.
	Equipment cabinet/rack.	System functionality test including full system maintenance test records / results and system asset condition recorded	12 months		
	IT and software.	The equipment should be visually inspected for signs of moisture ingress and other deterioration.	12 months		
	Monitors and PCs.	Wipe all surfaces of the OTN rack, to remove any dirt.	12 months		
	Battery backup / UPS.	Check the power distribution fuses and earthing connection of the node(s).	12 months		
	Cables and cable management.	Check that all cables are properly attached to the OTN equipment and that the minimum bending radius for all cables is respected.	12 months		
	Support fixings / bracketry.	Check OTN-nodes and cards for alarms (i.e. red LEDs) and resolve any identified	12 months		
		Make sure the equipment and its environment is kept clean.	12 months		
		Check whether all cabling towards external equipment is properly labelled.	12 months		
		Test node redundancy and UPS	12 months		
		Check the OMS, log files and alarm journal files for possible alarms/error messages.	12 months		
		Backup the OMS database and store it in a safe place.	12 months		
		Check the OVS log files for possible alarms/error messages.	12 months		
		Backup the OVS database and store in a safe place.	12 months		

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		<p>Test of the reconfiguration mechanism: This test is used to check whether the fibres are connected as designed.</p> <p>Interrupt the primary or secondary ring between any 2 nodes to check the OTN change-over mechanism.</p> <p>Interrupt all fibres between 2 nodes to check the OTN loopback mechanism.</p> <p>All VPN connections with Supplier to be managed and controlled.</p>	<p>12 months</p> <p>12 months</p> <p>12 months</p>		
Graphical user interface (GUI)	<p>All assets that make up the GUI system as minimum, but not limited to:</p> <p>PCs and monitors.</p> <p>Servers / switches.</p> <p>IT and software.</p> <p>Cables and cable management.</p> <p>Battery backup / UPS.</p>	<p>Maintenance in accordance with Supplier's recommended maintenance procedures, but not limited to:</p> <p>General and visual inspection.</p> <p>Cleaning (e.g. vacuum to remove dust and wipe all surfaces of to remove any dirt).</p> <p>The equipment should be visually inspected for signs of moisture ingress and other deterioration.</p> <p>Periodic inspection and test (electrical safety tests).</p> <p>UPS should be exercised to check operation and visual indicators.</p> <p>System functionality test including full system maintenance test records / results and system asset condition recorded.</p> <p>Ensure software licences are up to date.</p>	<p>12 months</p> <p>12 months</p> <p>12 months</p> <p>36 months</p> <p>12 months</p> <p>12 months</p> <p>12 months</p>	<p>Battery replacement, as necessary to ensure a minimum of 50% or 1 year of battery design life at the end of the Franchise term</p>	<p>Fully functional, in good mechanical and electrical condition.</p> <p>All assets undamaged, secure and clean.</p> <p>Adequate spares are available.</p> <p>The system is fault free and no failure alarms are present.</p> <p>Battery backup operational.</p> <p>General condition consistent with age and usage.</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Closed circuit television system (CCTV)	All assets that make up the CCTV system as minimum, but not limited to: Equipment cabinet/rack.	Maintenance in accordance with Supplier's recommended maintenance procedures, but not limited to: General / visual inspection.	12 months	In the 1 st and Last Year of Franchise record all CCTV images in a "shot book" Replace monitors as required but at least once during the Franchise and no later than year 4 Battery replacement, as necessary to ensure a minimum of 50% or 1 year of battery design life at the end of the Franchise term	Fully functional, in good mechanical and electrical condition. All assets undamaged, secure and clean. Adequate spares are available. The system is fault free and no failure alarms are present. Battery backup operational. General condition consistent with age and usage.
	Cameras, housing, video distribution amplifier (VDA), monitors.	Cleaning (e.g. vacuum to remove dust and wipe all surfaces of to remove any dirt).	12 months		
	IT and software.	The equipment should be visually inspected for signs of moisture ingress and other deterioration.	12 months		
	Monitors and PCs.	Periodic inspection and test (electrical safety tests).	36 months		
	Cables and cable management.	UPS should be exercised to check operation and visual indicators.	12 months		
	Battery backup / UPS.	System functionality test including full system maintenance test records / results and system asset condition recorded.	12 months		
	Support fixings / bracketry.	Test external links e.g Ebury Bridge Camera and Housing: Camera / lens focus and auto iris adjusted properly.	12 months 12 months		

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
system (DVR).	system as minimum, but not limited to: Equipment cabinet/rack. IT and software. Monitors and PCs. Cables and cable management. Battery backup / UPS. Support fixings / bracketry.	limited to: General / Visual Inspection. Cleaning (e.g. vacuum to remove dust and wipe all surfaces of to remove any dirt). The equipment should be visually inspected for signs of moisture ingress and other deterioration. Periodic inspection and test (electrical safety tests). UPS should be exercised to check operation and visual indicators. System functionality test including full system maintenance test records / results and system asset condition recorded. Testing to include that correct CCTV cameras can be recalled and that quality of recorded images is acceptable.	12 months 12 months 12 months 36 months 12 months 12 months	year of the franchise. Battery replacement, as necessary to ensure a minimum of 50% or 1 year of battery design life at the end of the Franchise term	electrical condition. All assets undamaged, secure and clean. Adequate spares are available. The system is fault free and no failure alarms are present. Battery backup operational. General condition consistent with age and usage.
Long line public address system (LLPA)	All assets that make up the LLPA system as minimum, but not limited to: Servers and switches. Equipment cabinet/rack.	Maintenance in accordance with Supplier's recommended maintenance procedures, but not limited to: System functionality test including full system maintenance test records / results and system asset condition recorded. Tests message priority works correctly including automatic, scratchpad, train arrivals, fixed microphone, wireless microphone, text-to-speech and live announcements. Check priority of messages at interchange stations i.e CAT/BAN/WEH/WOA	12 months	Battery replacement, as necessary to ensure a minimum of 50% or 1 year of battery design life at the end of the Franchise term Due diligence shall be given to the setting and maintaining of the LLPA system volume	Fully functional, in good mechanical and electrical condition. All assets undamaged, secure and clean. Adequate spares are available.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	IT and software. Monitors and PCs. Cables and cable management. Battery backup / UPS. Support fixings / bracketry.	<ul style="list-style-type: none"> • Test voice alarm (VA) where required including level, announcement, priority and coverage. • Undertake sound pressure level testing a • Test impedance levels on speaker chains • Test ANS and end of line monitors • Periodic inspection and test (electrical safety tests). <p>UPS should be exercised to check operation and visual indicators. Check the fault status of the system and clear / fix. Check that announcements are made at each station and that volume and audibility are acceptable Cleaning (e.g. vacuum to remove dust and wipe all surfaces of to remove any dirt). Test each of the microphone consoles for correct operation. The service life of any internal RTC back-up batteries within the equipment should be checked and replaced if it exceeds 5 years. The equipment should be visually inspected for signs of moisture ingress and other deterioration. Loudspeaker coverage has to be tested and functioning correctly in all zones. A visual inspection should be made to confirm that all cable fittings and equipment are secure, undamaged and adequately protected. All fans to be checked for correct operation and inspected for signs of dirt and dust.</p>	<p>36 months</p> <p>12 months</p> <p>Daily</p> <p>Weekly</p> <p>12 months</p> <p>12 months</p> <p>12 months</p> <p>12 months</p> <p>12 months</p> <p>12 months</p> <p>12 months</p>	<p>levels on stations with respect to their immediate surroundings. The Franchisee shall ensure compliance with specific noise level limits set by legislation.</p>	<p>The system is fault free and no failure alarms are present. Battery backup operational. General condition consistent with age and usage.</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition	
Passenger emergency point system (PEPs)	All assets that make up the PEP system as minimum, but not limited to: Platform PEP system/unit. Programmable logic controller (PLC) PEP in lift / lift on-call. Wireless microphones. charging stations. Equipment cabinet/rack. IT and software. Monitors and PCs. Cables and cable management. Battery backup / UPS. Telephone 110V supply	Maintenance in accordance with Supplier's recommended maintenance procedures, but not limited to:			Battery replacement, as necessary to ensure a minimum of 50% or 1 year of battery design life at the end of the Franchise term	Fully functional, in good mechanical and electrical condition. All assets undamaged, secure and clean. Adequate spares are available. The system is fault free and no failure alarms are present. Battery backup operational. General condition consistent with age and usage.
		General and visual Inspection.	12 months			
		Cleaning (e.g. vacuum to remove dust and wipe all surfaces of to remove any dirt).	12 months			
		The equipment should be visually inspected for signs of moisture ingress and other deterioration.	12 months			
		Periodic inspection and test (electrical safety tests).	36 months			
		UPS should be exercised to check operation and visual indicators.	12 months			
		System functionality test including full system maintenance test records / results and system asset condition recorded. Tests to include PEP alarm levels, Induction loop, Integrated test of alarm and CCTV, wireless microphone, fixed microphone and 110V supply	12 months			
Operational and functional checks. PEP alarms to be tested weekly including confirmation that correct CCTV shot is automatically selected on the GUI PEP telephones to be tested weekly.	12 months Weekly Weekly					

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	Support fixings / bracketry.				
Radio	All assets that make up the Radio system as minimum, but not limited to: Master optical unit (MOU) slave optical unit (SOU) on frequency repeater (OFR) and antennas. Trackside cabinets / equipment room. Airwave and Fire Ground equipments. Servers / Switches. Switchover equipment and phone (e.g. desktop radio control unit (DRC1)). Radio terminals / PCs Headsets. Handheld Radios including charging stations.	Maintenance in accordance with Supplier's recommended maintenance procedures, but not limited to: Switchover between Main and Standby radio equipment to be exercised daily and rectify any problems arising. General and visual inspection. Cleaning (e.g. vacuum to remove dust and wipe all surfaces of to remove any dirt). The equipment should be visually inspected for signs of moisture ingress and other deterioration. Periodic inspection and test (electrical safety tests). UPS should be exercised to check operation and visual indicators. Renewal of OfCom radio licenses. Handheld Radio maintenance including, programming/reprogramming.	Daily 12 months 12 months 12 months 36 months 12 months As and when required 12 months	Battery replacement, as necessary to ensure a minimum of 50% or 1 year of battery design life at the end of the Franchise term	Fully functional, in good mechanical and electrical condition. All assets undamaged, secure and clean. Adequate spares are available. The system is fault free and no failure alarms are present. Battery backup operational. General condition consistent with age and usage.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	<p>British Telecom (Land-line) connection. Backup radio equipment. Equipment cabinet/rack.</p> <p>IT and software.</p> <p>Monitors and PCs. Cables and cable management. Battery backup / UPS. Support fixings / bracketry.</p>	<p>Annual radio system-wide signal levels survey report including coverage plots.</p> <p>Ensure software is up to date</p> <p>System functionality test including full system maintenance test records / results and system asset condition recorded.</p> <p>Check and repair condition of radio equipment rooms.</p> <p>Test calls on all channels.</p> <p>Specific too Bank radio equipments, but not limited too:</p> <ul style="list-style-type: none"> • Test calls should be made by system operators or maintainers on a weekly basis. All test calls should be logged with the callers name and whether the call was successful or not. • At six month intervals a visual check of the equipment at Bank Station and Royal Mint Street is recommended. Specifically attention should be paid to the batteries and associated fixings, coaxial cables and lightning surge arrestors. A visual check of these items should be performed to look for any signs of damage, corrosion, or anything that may impact on safety or performance. 	<p>12 months</p> <p>12 months</p> <p>12 months</p> <p>Monthly</p> <p>Daily</p> <p>12 months</p> <p>6 months</p>		

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		<ul style="list-style-type: none"> • The Battery system should be exercised by switching the AC supply to the charger and control shelves, the equipment is then operating on batteries only. The system should left in that state until at least 8 hours has elapsed. The system should still be operational and the batteries should be above the low battery voltage threshold as stated by the supplier/manufacturers recommendation. • An annual check on the system should be carried out using the recommended test instruments to exercise and record measurements obtained by following the scheduled tests advised for the system. This should include Fire Ground, and TETRA. These tests are based on the results recorded on the Site Acceptance Test (SAT) record. <p>Specific to backup radio equipments, but not limited too:</p> <ul style="list-style-type: none"> • Check outer skin of equipment room for signs for corrosion and repair all damage surfaces. • Check temperature in equipment and perform heat and cool cycle. • UPs / battery backup system check. • Base station / receiver /transmitter tests. • Combiner test. • Alarm Radio shelf check and test. • Intruder Alarm check and test. 	12 months		

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Voice Recorder	All assets that make up the Voice Recorder system as minimum, but not limited to: Equipment cabinet/rack. IT and software. Monitors and PCs. Ceiling mounted microphones. Cables and cable management. Battery backup / UPS. Support fixings / bracketry.	Maintenance in accordance with Supplier's recommended maintenance procedures, but not limited to:		Renew tape in 1 st and Last Year of Franchise	Fully functional, in good mechanical and electrical condition.
		General and visual inspection.	12 months	Battery replacement, as necessary to ensure a minimum of 50% or 1 year of battery design life at the end of the Franchise term	All assets undamaged, secure and clean. Adequate spares are available. The system is fault free and no failure alarms are present. Battery backup operational. General condition consistent with age and usage.
		Cleaning (e.g. vacuum to remove dust and wipe all surfaces of to remove any dirt).	12 months		
		The equipment should be visually inspected for signs of moisture ingress and other deterioration.	12 months		
		Periodic Inspection and Test (Electrical Safety Tests).	12 months		
		UPS should be exercised to check operation and visual indicators.	36 months		
		System functionality test including full system maintenance test records / results and system asset condition recorded. Tests to include end to end system tests and confirmation that data is held for the specified number of days.	12 months		
		Clean the front panel and air filter.	12 months		
Check condition of RAID and rectify any problems. USB tape drive – check quality of recording and replace worn tape. Check power supply.	12 months 12 months 12 months				
Maintenance in accordance with Suppliers recommended maintenance procedures, but not limited too:					

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Telephones including telephones in offices, tunnels, PEPs and equipment rooms	All assets that make up the Telephones system as minimum, but not limited to: Main and Slave PABX units. BT connection. Handsets (analogue and digital). Server & Switches Call recorder. Krone blocks. Equipment cabinet/rack. IT and software. monitors and PCs. Cables and cable management. Battery backup / UPS. Support fixings / bracketry.	General and visual inspection.	12 months	Battery replacement, as necessary to ensure a minimum of 50% or 1 year of battery design life at the end of the Franchise term	Fully functional, in good mechanical and electrical condition. All assets undamaged, secure and clean. Adequate spares are available. The system is fault free and no failure alarms are present. Battery backup operational. General condition consistent with age and usage.
		Cleaning (e.g. vacuum to remove dust and wipe all surfaces of to remove any dirt).	12 months		
		The equipment should be visually inspected for signs of moisture ingress and other deterioration.	12 months		
		Periodic inspection and test (electrical safety tests).	36 months		
		UPS should be exercised to check operation and visual indicators.	12 months		
		System functionality test including full system maintenance test records / results and system asset condition recorded. Tests should include receive and transmit quality, internal and external calls as well as call duration.	12 months		
		Test all tunnel telephones.	Weekly		
		Test all PEP telephones.	Weekly		
		Check of tunnel telephones condition	12 months		
		Cleaning of tunnel telephones	6 months		

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Central time system (CTS)	All assets that make up the CTS as minimum, but not limited to: Master / slave clock. GPS antenna and fixings. Wall clocks. Cables and cable management. Battery backup / USP. Support fixings / bracketry.	Maintenance in accordance with Supplier's recommended maintenance procedures, but not limited to: General and visual inspection. Cleaning (e.g. vacuum to remove dust and wipe all surfaces of to remove any dirt). The equipment should be visually inspected for signs of moisture ingress and other deterioration. Periodic Inspection and Test (Electrical Safety Tests). UPS should be exercised to check operation and visual indicators. System functionality test including full system maintenance test records / results and system asset condition recorded. Tests to confirm correct time synchronisation to other systems	12 months 12 months 12 months 36 months 12 months 12 months	Battery replacement, as necessary to ensure a minimum of 50% or 1 year of battery design life at the end of the Franchise term	Fully functional, in good mechanical and electrical condition. All assets undamaged, secure and clean. Adequate spares are available. The system is fault free and no failure alarms are present. Battery backup operational. General condition consistent with age and usage.
Docklands arrival information system (DAISY) and flight information screen system	All assets that make up the Customer Information system as minimum, but not limited to: Servers and switches. Equipment cabinet and rack. IT and software.	Maintenance in accordance with Supplier's recommended maintenance procedures, but not limited to: Visual inspection issues to be reported to maintenance team. General and visual Inspection. Cleaning (e.g. vacuum to remove dust and wipe all surfaces of to remove any dirt).	Weekly 12 months 12 months	Battery replacement, as necessary to ensure a minimum of 50% or 1 year of battery design life at the end of the Franchise term	Fully functional, in good mechanical and electrical condition. All assets undamaged, secure and clean. Adequate spares are available. The system is fault free and no failure alarms are present.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	Monitors and PCs. Cables and cable management. Battery backup / UPS. Support fixings / bracketry.	The equipment should be visually inspected for signs of moisture ingress and other deterioration. Periodic inspection and test (electrical safety tests). UPS should be exercised to check operation and visual indicators. System functionality test including full system maintenance test records / results and system asset condition recorded. Database software and licences to be checked and up to date	12 months 36 months 12 months 12 months 12 months		Battery backup operational. General condition consistent with age and usage.
Electronic service update board (ESUB)	All assets that make up the customer information system as minimum, but not limited to: ESUB Unit. Servers and switches. Equipment cabinet and rack. IT and software. Monitors and PCs. Cables and cable management. Battery	The Franchisee shall carry out: Visual inspection issues to be reported to maintenance team. General and visual inspection. Cleaning (e.g. vacuum to remove dust and wipe all surfaces to remove any dirt). The equipment should be visually inspected for signs of moisture ingress and other deterioration. Periodic inspection and test (electrical safety tests). UPS should be exercised to check operation and visual indicators. System functionality test including full system	Weekly 12 months 12 months 12 months 36 months 12 months 12 months	Battery replacement, as necessary to ensure a minimum of 50% or 1 year of battery design life at the end of the Franchise Term	Fully functional, in good mechanical and electrical condition. All assets undamaged, secure and clean. The system is fault free and no failure alarms are present. Battery backup operational. General condition consistent with age and usage.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	backup/UPS. Support fixings/bracketry.	maintenance test records/results and system asset condition recorded. System Documentation: Check that the documentations/plans are still up-to-date and correct to reflect actual installation.	As and when required in line with any changes		
Oyster validators	All assets that make up the Oyster validator system Oyster validator unit. Servers and switches. Equipment cabinet and rack. IT and software. Monitors and PCs.	The Franchisee shall carry out: Visual inspection issues to be reported to maintenance team. General and visual inspection. Cleaning (e.g. vacuum to remove dust and wipe all surfaces of to remove any dirt). The equipment should be visually inspected for signs of moisture ingress and other deterioration. Periodic inspection and test (electrical safety tests).	Weekly 12 months 12 months 12 months 36 months		Fully functional, in good mechanical and electrical condition. All assets undamaged, secure and clean. The system is fault free and no failure alarms are present. Battery backup operational. General condition consistent with age and usage.
	Cables and cable management. Support fixings bracketry.	System functionality test including full system maintenance test records/results and system asset condition recorded.	12 months		
Information technology (IT)	All assets that make up the IT	Maintenance in accordance with Supplier's recommended maintenance procedures, but not		Battery replacement, as	Fully functional, in good mechanical and

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	<p>system as minimum, but not limited to: Printers and fax machines. Equipment cabinet and rack. IT and software.</p> <p>Servers and switches. Monitors and PCs.</p> <p>Cables and cable management.</p> <p>Battery backup / UPS. Support fixings / bracketry.</p>	<p>limited to:</p> <p>General and visual Inspection.</p> <p>Cleaning (e.g. vacuum to remove dust and wipe all surfaces of to remove any dirt). The equipment should be visually inspected for signs of moisture ingress and other deterioration.</p> <p>Periodic inspection and test (electrical safety tests).</p> <p>UPS should be exercised to check operation and visual indicators.</p> <p>System functionality test including full system maintenance test records / results and system asset condition recorded.</p> <p>Ensure IT system is kept up to date with software patches / updates including firewall protection.</p> <p>Ensure Servers are kept up to date with software patches / updates including firewall protection.</p>	<p>12 months</p> <p>12 months</p> <p>12 months</p> <p>36 months</p> <p>12 months</p> <p>12 months</p> <p>As and when required in line with any changes</p>	<p>necessary to ensure a minimum of 50% or 1 year of battery design life at the end of the Franchise term</p>	<p>electrical condition.</p> <p>All assets undamaged, secure and clean. Adequate spares are available. The system is fault free and no failure alarms are present. Battery backup operational. General condition consistent with age and usage.</p>
Ticket vending machines (TVMs)	<p>All assets that make up the TVM system as minimum, but not limited to: Station TVM unit inc, but not limited to. Equipment housing</p>	<p>Maintenance in accordance with Supplier's recommended maintenance procedures, but not limited to:</p> <p>Visual Inspection issues to be reported to maintenance team.</p> <p>General and visual inspection.</p>	<p>Weekly</p> <p>12 months</p>	<p>Battery replacement, as necessary to ensure a minimum of 50% or 1 year of battery design life at the end of the Franchise term</p>	<p>Fully functional, in good mechanical and electrical condition.</p> <p>All assets undamaged, secure and clean. Adequate spares are available.</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	Touch Screen	Cleaning (e.g. vacuum to remove dust and wipe all surfaces of to remove any dirt).	12 months		The system is fault free and no failure alarms are present. Battery backup operational. General condition consistent with age and usage.
	Oyster reader	The equipment should be visually inspected for signs of moisture ingress and other deterioration.	12 months		
	Card reader and PIN pad	Periodic Inspection and Test (Electrical Safety Tests).	36 months		
	PC	UPS should be exercised to check operation and visual indicators.	12 months		
	Cash handling system	System functionality test including full system maintenance test records / results and system asset condition recorded.	12 months		
	Equipment cabinet / rack. IT and software.	Cash Audit of TVM. The Franchisee will enter into contract with ATOS/Share for the maintenance and support of the TVM systems.	6 months		
	Monitors and PCs. Cables and cable management. Battery backup / UPS. Support fixings / bracketry.				
On train CCTV (OTCCTV) excluding assets on the rolling stock	All assets that make up the OTCCTV system as minimum, but not limited to: Access points.	Maintenance in accordance with Supplier's recommended maintenance procedures, but not limited to: General and visual inspection.	12 months	Battery replacement, as necessary to ensure a minimum of 50% or 1 years of battery design life at the end of the Franchise	Fully functional, in good mechanical and electrical condition. All assets undamaged, secure and clean.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	Hubs and switches. Equipment cabinet and rack. IT and software. Monitors and PCs. Cables and cable management. Battery backup / UPS. Support fixings / bracketry.	Cleaning (e.g. vacuum to remove dust and wipe all surfaces of to remove any dirt). The equipment should be visually inspected for signs of moisture ingress and other deterioration. Periodic inspection and test (electrical safety tests). UPS should be exercised to check operation and visual indicators. System functionality test including full system maintenance test records / results and system asset condition recorded.	12 months 12 months 36 months 12 months 12 months		Adequate spares are available. The system is fault free and no failure alarms are present. Battery backup operational. General condition consistent with age and usage.
Automatic passenger counters (APC)	All assets that make up the APC system as minimum, but not limited too: APC Rods. Relay box. Servers. Equipment cabinet and rack. IT, software and server database.	Maintenance in accordance with Supplier's recommended maintenance procedures, but not limited to: General and visual Inspection. Cleaning (e.g. vacuum to remove dust and wipe all surfaces of to remove any dirt). The equipment should be visually inspected for signs of rusting, moisture ingress and other deterioration. Periodic inspection and test (electrical safety tests). UPS should be exercised to check operation and visual indicators.	12 months 12 months 12 months 36 months 12 months	All APC rods shall be audited in the 1 st and Last Year of Franchise Battery replacement, as necessary to ensure a minimum of 50% or 1 years of battery design life at the end of the Franchise term	Fully functional, in good mechanical and electrical condition. All assets undamaged, secure and clean. Adequate spares are available. The system is fault free and no failure alarms are present. Battery backup operational. General condition consistent with age and usage.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	<p>Monitors and PCs. Cables and cable management.</p> <p>Battery backup / UPS Support fixings / bracketry.</p>	<p>Test and calibrate APC systems. System functionality test including full system maintenance test records / results and system asset condition recorded. Ensure software and licences are up to date</p> <p>Station APC rods shall be audited on the following regime:</p> <p>All APC rods at Bank, Canary Wharf, Lewisham, Woolwich Arsenal, Shadwell and Stratford Regional shall be audited every year.</p> <p>The average daily count per rod per mid week day shall be calculated annually using 4 consecutive weeks of data to provide a representative sample.</p> <p>Rods with: Greater than average of 10,000 counts per rod per midweek day audit every year Between average of 9,999 and 5,000 counts per rod per midweek day audit every 2 years Between average of 4,999 and 1,000 counts per rod per midweek day audit every 3 years Less than 999 counts per rod per mid week day audit every 5 years</p> <p>The accuracy of the rods shall be within 3%.</p>	<p>12 months 12 months 12 months</p>		

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		<p>Audit count shall continue for 2hrs or until a minimum of 200 passengers have passed below the rod. If over the 2hrs there is anticipated to be a zero count i.e. emergency exits, then the auditor should pass under the rod for a minimum of 25 times to ensure the rod is functioning.</p> <p>Acorel maintenance report will be issued weekly which identify potential system defects. Any faults identified in the Acorel report to be addressed and rectified within 2 Business Days.</p>	Weekly		
Oyster ticket validators (OTV)	<p>All assets that make up the OTV system as minimum, but not limited to:</p> <p>Equipment cabinet/rack. IT and software.</p> <p>Monitors and PCs.</p> <p>Cables and cable management. Battery backup / UPS.</p> <p>Support fixings / bracketry.</p>	<p>Maintenance in accordance with Supplier's recommended maintenance procedures, but not limited to:</p> <p>Visual inspection issues to be reported to maintenance team. General and visual inspection.</p> <p>Cleaning (e.g. vacuum to remove dust and wipe all surfaces of to remove any dirt).</p> <p>The equipment should be visually inspected for signs of moisture ingress and other deterioration. Periodic inspection and test (electrical safety tests).</p> <p>UPS should be exercised to check operation and visual indicators. System functionality test including full system maintenance test records / results and system asset condition recorded.</p>	<p>Weekly</p> <p>12 months</p> <p>12 months</p> <p>12 months</p> <p>36 months</p> <p>12 months</p> <p>12 months</p>		<p>Fully functional, in good mechanical and electrical condition.</p> <p>All assets undamaged, secure and clean. Adequate spares are available. The system is fault free and no failure alarms are present. Battery backup operational. General condition consistent with age and usage.</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Nexus Alpha	All assets that make up the Nexus Alpha system as minimum, but not limited to: Equipment cabinet/rack. IT and software. Servers and switches. Monitors and PCs. Cables and cable management. Battery backup / UPS. Support fixings / bracketry.	Maintenance in accordance with Supplier's recommended maintenance procedures, but not limited to: General and visual Inspection. Cleaning (e.g. vacuum to remove dust and wipe all surfaces of to remove any dirt). The equipment should be visually inspected for signs of moisture ingress and other deterioration. Periodic Inspection and Test (Electrical Safety Tests). UPS should be exercised to check operation and visual indicators. System functionality test including full system maintenance test records / results and system asset condition recorded.	12 months 12 months 12 months 36 months 12 months 12 months		Fully functional, in good mechanical and electrical condition. All assets undamaged, secure and clean. Adequate spares are available. The system is fault free and no failure alarms are present. Battery backup operational. General condition consistent with age and usage.
Supervisory control and data acquisition (SCADA)	All assets that make up the SCADA system as minimum, but not limited to: Mimic panel.	Maintenance in accordance with supplier's recommended maintenance procedures, but not limited to: General and visual inspection.	12 months	Control room hardware inc servers, keyboards, PCs and screens shall be replaced as condition requires but at least once during the franchise term and no later than year 4.	Fully functional, in good mechanical and electrical condition. All assets undamaged,

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	<p>Servers and switches.</p> <p>Equipment cabinet/rack.</p> <p>IT and software.</p> <p>Monitors and PCs.</p> <p>Cables and cable management.</p> <p>Battery backup / UPS.</p> <p>Support fixings / bracketry.</p>	<p>Cleaning (e.g. vacuum to remove dust and wipe all surfaces of to remove any dirt).</p> <p>The equipment should be visually inspected for signs of moisture ingress and other deterioration.</p> <p>Periodic inspection and test (electrical safety tests).</p> <p>UPS should be exercised to check operation and visual indicators.</p> <p>System functionality test including full system maintenance test records / results and system asset condition recorded.</p>	<p>12 months</p> <p>12 months</p> <p>36 months</p> <p>12 months</p> <p>12 months</p>	<p>Battery replacement, as necessary to ensure a minimum of 50% or 1 year of battery design life at the end of the Franchise term</p>	<p>secure and clean.</p> <p>Adequate spares are available.</p> <p>The system is fault free and no failure alarms are present.</p> <p>Battery backup operational.</p> <p>General condition consistent with age and usage.</p>
Mobile CCTV	<p>All assets that make up the Mobile CCTV system as minimum, but not limited to: CCTV Camera.</p> <p>2Gb SD cards and 2 x 256k SD cards.</p> <p>IR / Microwave motion detector.</p> <p>Speaker unit.</p>	<p>Maintenance in accordance with Supplier's recommended maintenance procedures, but not limited to:</p> <p>General and visual Inspection.</p> <p>System functionality test including full system maintenance test records / results and system asset condition recorded.</p> <p>The equipment should be visually inspected for signs of moisture ingress and other deterioration.</p> <p>Periodic inspection and test (electrical safety tests).</p>	<p>12 months</p> <p>12 months</p> <p>12 months</p> <p>36 months</p>		<p>Fully functional, in good mechanical and electrical condition.</p> <p>All assets undamaged, secure and clean.</p> <p>Adequate spares are available.</p> <p>The system is fault free and no failure alarms are present.</p> <p>Battery backup operational.</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	Housing	Clean camera lens	3 months		General condition consistent with age and usage.
	30 Amp Hour Battery.	Apply anti mist spray to inside and outside of front camera screen (Note: always apply the camera lens cap when spraying anti mist spray	3 months		
	SD / USB card reader.	Clean any dust off the battery compartment front grill	3 months		
	Solar panel.	Where applicable, wipe down solar panels — dust and dirt can severely reduce the return from the panel and can degrade the battery	3 months		
	Mounting bracket various.	Test that the battery open circuit voltage is above 12V. Anything below 12V may be symptomatic of a forthcoming battery failure, the battery will require replacing.	3 months		
	Support fixings / bracketry.	If the solution installed is a battery only solution the batteries will require changing and charging approximately every 2 weeks and replacing with the second battery.	3 months		
COTAG	All assets that make up the COTAG system as minimum, but not limited to: COTAGs	Maintenance in accordance with Supplier's recommended maintenance procedures, but not limited to: General and visual Inspection Inspect for signs of moisture ingress and other deterioration.	12 months 12 months		Fully functional, in good mechanical and electrical condition. All assets undamaged, secure and clean.
	COTAG readers	System functionality test including full system maintenance test records / results and system asset condition recorded.	12 months		Adequate spares are available.
	PC	Review database and remove old COTAGs as required	6 months		The system is fault free and no failure alarms are present.

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
	Cables	Periodic inspection and test (electrical safety tests).	36 months		Battery backup operational. General condition consistent with age and usage.
Software	Firmware Software Configuration files Firewalls	Software to be tested to demonstrate full functionality. Check that configuration files give correct functionality at all locations With regards to cyber security a penetration test shall be carried out every 24 months and scheduled such that the test is done in the last year of the franchise.	12 months 12 months 24 months		Configuration files available for all assets and locations All firewalls to be up to date and tested to confirm correct functionality

4.4.9 PREMISES

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
All Premises Assets		Such maintenance to be carried out in order to ensure there is no insidious decline of the premises assets in accordance with MR800. The Franchisee is to ensure that when such maintenance works have been completed, there is consistency of decor, quality and conditions with no obvious tide marks between parts of the premises assets or areas within the asset, which have been the subject of works and those which have not been subject to the works.			

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
buildings, depots, offices, ancillary accommodation, equipment rooms, workshops and sub-stations	Building non-structural elements – walls, windows, floors, ceilings, building envelope, paving, general areas and drains	<p>General and Principal Inspections in accordance with rolling programme and DLR standard MR-500 and MR-800</p> <p>General Inspections (premises)</p> <p>General Inspections</p> <p>Principal Inspections</p> <p>Remedial works to be undertaken in accordance with DLR standard MR-500 and MR-800</p>	<p>Monthly</p> <p>Annually</p> <p>6 yearly</p>	External redecoration of all painted areas in the 4th year and in final year of the Franchise term in accordance with DLR-ENG-SPC-M60 painting and clear finishing specification	<p>End condition to be consistent with age and usage. Structurally sound, undamaged and in good condition and appearance.</p> <p>Fully operational. Roof to be sound and free of leaks and to be wind and weather proof. Free of hazards. External decorations and surface coatings in good condition. Regular programme of inspection and remedial works carried out to comply with DLR standards MR-500 and MR-800</p>
Station premises	Platforms, concourse (cladding and finishes) approaches balustrades	<p>Principal Inspection in accordance with MR-500</p> <p>General Inspection in accordance with MR-500</p> <p>General inspections (Premises) in accordance with MR-800</p>	<p>6 yearly cycle</p> <p>Annual cycle</p> <p>monthly</p>	Painting or similar treatment to elements / surfaces with protective coating systems. (including all metal work) to	<p>End condition to be consistent with age and usage. Structurally sound, undamaged and in good condition and</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		<p>Remedial works to be undertaken in accordance with DLR standard MR-500 and MR-800</p> <p>Cleaning in accordance with <i>DLR-ENG-SPC-C39 cleaning specification</i>. Priority should be given to the removal of particular contaminants or spillages (e.g. vomit or other bodily fluids; oil or other noxious substances) and spillages which create particular hazards. Litter picking, gum removal and any general sweeping should proceed before general wet floor cleaning.</p> <p>Renew, replace or repair all damaged platform surfaces/tactiles/corduroys to DLR standard ES-502 (but not limited to) and to avoid tidemarks</p>		be undertaken at least once within the 7 year franchisee term and in accordance with DLR-ENG-SPC-M60 painting and clear finishing specification.	<p>appearance</p> <p>Surface finishes: Free from obstructions and hazards. Undamaged and in good condition. Clean and free from graffiti, in accordance with DLR Limited DLR-ENG-SPC-C39 cleaning specification.</p> <p>Platform surfaces and edges: free from obstructions and hazards. In compliance with structures gauge. Platform clearances in accordance with DLR standard MR-400.</p>
Station premises	Vertical and horizontal glazing (platform side walls/roof glazing), including footbridges with glazing panels	<p>Principal Inspection in accordance with DLR standard MR-500 (shall be carried out by a competent individual with detailed knowledge of glazing design and installation)</p> <p>General Inspection in accordance with DLR standard MR-500</p> <p>Remedial works to be undertaken in accordance with DLR standard MR-500 and MR -800</p>	<p>6 year cycle</p> <p>Annual cycle</p> <p>Monthly</p>		<p>Regular programme of inspection and remedial works completed in accordance with the current DLR standards.</p> <p>Meets Functional</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		<p>Note : emergency measures and procedures may be required to ensure the safety and continued railway operation in the event of a glazing breakage</p> <p>cleaning to be undertaken in accordance with the DLR-ENG-SPC-C39 cleaning specification</p> <p>Breakages to be replaced as and when reported, including replacement of fixing devises, gaskets and the like that support the glazing</p>			<p>requirements, and end condition to be consistent with age and usage. Glazing in good condition, free from damage and hazardous glass (i.e. chipped or badly scratched; including Dutch graffiti).</p> <p>Compliance verified by inspection/audit.</p> <p>DLR-ENG-SPC-C39 cleaning specification met, verified by audit.</p>
Station premises	Station drainage system (platform, perimeter, walkway and canopy drainage) both horizontal and vertical drainage systems	<p>Inspection and assessment in accordance with DLR standard MR-500</p> <p>Maintenance and component replacement in accordance with DLR standard MR-500 and MR 800</p> <p>Water is removed from paved areas such that there is no standing water, slip hazard or risk of flooding on adjacent land.</p> <p>Jetting of all underground drainage runs in addition to dished channels and grated channels</p>	<p>6 monthly</p> <p>Annual.</p>		<p>All horizontal and vertical drainage runs to be clean, free flowing and un-damaged with all dirt and debris removed to ensure adequately of the system.</p> <p>All drainage and manhole covers, grills, frames and gratings to be in sound order, un-damaged and fit for</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
					<p>purpose. All drainage runs to be accessible for maintenance and repair</p> <p>Surface water discharge systems perform their proper function and the discharge to groundwater complies with legislation.</p>
Station Premises	Paving, ramps, steps, stair treads and risers, handrails	<p>Principal Inspection in accordance with DLR standard MR-500</p> <p>General Inspection in accordance with DLR standard MR-500</p> <p>General inspection (premises) in accordance with DLR standard MR-800</p> <p>Remedial works to be undertaken in accordance with DLR standard MR-500 and MR 800</p> <p>Floors: renew, replace or repair floor finishes to DLR standard ES-502 to avoid tidemarks.</p> <p>Ceilings: renew, replace or repair to match existing finishes.</p> <p>Stair treads and risers: renew, replace or repair to enhance ambience, to DLR standard ES502 to avoid tidemarks.</p>	<p>6 year cycle</p> <p>Annual cycle</p> <p>monthly</p>		<p>Free from obstruction, and hazards.</p> <p>Structurally sound, in good condition and appearance and consistent with age and usage. Clean, in accordance with DLR-ENG-SPC-C39 cleaning specification.</p> <p>Stair treads and risers to comply with current standards. All areas free from trip and slip hazards.</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Station premises	Perimeter cladding around lifts and escalator installations and customer run off areas.	<p>Principal Inspection in accordance with DLR standard MR-500</p> <p>General Inspection (premises)</p> <p>General Inspection in accordance with DLR standard MR-500</p> <p>Remedial works to be undertaken in accordance with DLR standard MR-500 and MR 800</p> <p>Prevention of water ingress where such water ingress has a deleterious effect on surface finishes and is liable to cause corrosion or loss of structural integrity</p> <p>Floors: renew, replace or repair floor finishes to DLR standard ES-502 but not limited to and to avoid tidemarks.</p>	<p>6 year cycle</p> <p>monthly</p> <p>Annual cycle</p>		<p>Meets functional requirements.</p> <p>Structures are safe, sound, operate as intended and clean.</p> <p>Structures and their constituent parts are repaired and maintained in accordance with DLR's Maintenance Standards</p> <p>Structures are free from graffiti and other deleterious material.</p>
Station premises	Doors, ironmongery, windows and window frames.	<p>General Inspection (premises) in accordance with DLR standard MR-800</p> <p>General Inspection in accordance with DLR standard MR 500</p> <p>Remedial works to be undertaken in accordance with DLR standard MR-500 and MR-800.</p> <p>Doors and windows: renew, replace or repair in accordance with DLR standard ES502 and avoid tidemarks.</p>	<p>monthly</p> <p>Annual cycle</p>		<p>End condition to be consistent with age and usage. Structurally sound, fully functional undamaged and in good condition and appearance.</p> <p>Free from obstruction, and hazards. Structurally sound, in</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		Breakages replaced as and when reported, including the replacement of fixing devices, gaskets and the like			good condition appearance and consistent with age and usage. Clean, in accordance with DLR Limited's DLR-ENG-SPC-C39 cleaning specification.
Station premises	signage (safety, general) , advertising displays, notice boards, mirrors and windbreakers	<p>Principal Inspection in accordance with DLR standard MR-500</p> <p>General Inspection in accordance with DLR standard MR-500</p> <p>General Inspection (premises) in accordance with MR-800</p> <p>Remedial works to be undertaken in accordance with DLR standard MR-500 and MR 800</p>	<p>6 year cycle</p> <p>Annual cycle</p> <p>monthly</p>		<p>End condition to be consistent with age and usage. Structurally sound, undamaged and in good condition and appearance</p> <p>All assets to be secure, visible, correctly aligned.</p> <p>Mirror heaters should be fully functional. Clean, in accordance with DLR Limited's DLR-ENG-SPC-C39 cleaning specification.</p>

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
Station premises	General areas of stations	Principal Inspection in accordance with DLR standard MR-500 General Inspection in accordance with DLR standard MR 500 Remedial works rectified in accordance with DLR standard MR-500	6 year cycle Annual cycle	.	Undamaged, in good condition consistent with age and usage, structurally sound and clean, in accordance with DLR Limited's DLR-ENG-SPC-C39 cleaning specification. Free of leaks.
Station premises	Roofs and canopies (cladding and finishes), man-safe systems.	Principal Inspection in accordance with DLR standard MR-500 General Inspection in accordance with DLR standard MR-500 Remedial works to be undertaken in accordance with DLR standard MR-500 and MR 800 Breakages, loose and damaged panels shall be replaced as and when reported. All leaks repaired in accordance with DLR standard MR-500	6 year cycle Annual cycle		Undamaged, in good condition consistent with age and usage, structurally sound and clean, in accordance with DLR Limited's DLR-ENG-SPC-C39 cleaning specification. Free of leaks.
Station premises	Cycle shelters and racks	Principal Inspection in accordance with DLR standard MR-500. General Inspection in accordance with DLR standard MR 500. Remedial works rectified in accordance with DLR standard MR-500.	6 year cycle Annual cycle		Undamaged, in good condition consistent with age and usage, structurally sound and clean, in accordance with DLR Limited's DLR-ENG-SPC-C39

Principal Asset	Component / Sub-system	Maintenance Activity	Frequency	Mandated Maintenance	Handback Condition
		<p>The franchisee shall regularly monitor the use of the cycle racks. Where a bike(s) has been abandoned (i.e. present for greater than 48 hours or clearly damaged) the Franchisee will post a suitable notice on the bike notifying the owner to remove the bike within 24 hours or it will be removed and sent to TfL lost property.</p> <p>Abandoned bicycles to be remove within 24hrs of suitable notice being placed on bike.</p>	Weekly		cleaning specification. Free of leaks.

SCHEDULE 4

Asset Management

Part 6 - Maintenance Documents

Part 6A – DLR Maintenance Documents

1. GENERAL

- 1.1 MR-100 Maintenance Management Standard. This is an overarching document providing generic standard requirements for all asset areas.
- 1.2 Asset Categorisation Process and Arrangements V1.0 Nov 2011
- 1.3 ES101 Noise and Vibration Engineering Standard
- 1.4 ES800 Requirements For The Control Of Software Development Prior to Introduction into DLR Systems Engineering Standard
- 1.5 DLR-ENG-GENR-AGR-00001 Lewisham Extension Maintenance Boundary

2. COMMUNICATIONS SYSTEMS

- 2.1 MR-200 Maintenance Standard for Communications Infrastructure
- 2.2 ES201 Communications System Engineering Standard

3. SIGNALLING

- 3.1 MR-300 Signalling and Control System Infrastructure Maintenance Standard
- 3.2 ES301 Signalling Principles Engineering Standard
- 3.3 ES302 Automatic Train Control System Engineering Standard

4. PERMANENT WAY

- 4.1 MR-400 Maintenance Standard for Permanent Way and Trackside Environment
- 4.2 ES401 Permanent Way Engineering Standard
- 4.3 DLR-ENG-GENR-SPC-00002 Inspection and Maintenance of Switches

5. CIVIL STRUCTURES

- 5.1 MR-500 Maintenance Standard for Civil Engineering Infrastructure
- 5.2 DLR-ENG-GENR-PRG-00001 Structures Rolling Programme for Inspection and Maintenance
- 5.3 ES501 Civil Structural Architectural Landscape Works Engineering Standard
- 5.4 ES504 Design of Underground Structures Engineering Standard
- 5.5 ES505 Basis of Bridge Design and Assessment
- 5.6 ES506 Setting out of Station Platforms

6. **LIFTS AND ESCALATORS**

6.1 MR-600 Maintenance Standard for Electrical & Mechanical Services Infrastructure.

7. **E&M**

7.1 MR-600 Maintenance Standard for Electrical & Mechanical Services Infrastructure.

7.2 ES605 Electrical Installation Standards Engineering Standard

8. **HV**

8.1 MR-600 Maintenance Standard for Electrical & Mechanical Services Infrastructure.

8.2 ES601 Electrical Power Supplies Engineering Standard

8.3 ES604 Earth Bonding and Corrosion Protection Engineering Standard

8.4 ES606 750V Traction Distribution Protection System Engineering Standard

8.5 ES609 750V Traction Distribution Protection System Engineering Standard

9. **ROLLING STOCK**

9.1 MR-700 Rolling Stock Maintenance Standard

9.2 VMMR 92 – Vehicle Maintenance Minimum Requirements

9.3 VMMR B2007 – Vehicle Maintenance Minimum Requirements

9.4 DLR-ENG-SPC-MS-752 MS Wheelsets Maintenance Specification

9.5 DLR-ENG-SPC-MS-753 Traction Motor Maintenance Specification

9.6 DLR-ENG-SPC-MS-754 Couplers Maintenance Specification

9.7 DLR-ENG-SPC-MS-755 Motor Bogie Maintenance Specification

9.8 DLR-ENG-SPC-MS-756 Trailer (Articulation) Bogie Maintenance Specification

9.9 DLR-ENG-SPC-MS-757 Compressor type VRS20 Maintenance Specification

9.10 ES701 Code Of Practice Engineering Standard

9.11 ES702 Minimum Standards For Engineers Vehicles Engineering Standard

9.12 ES705 Rolling Stock Vehicle Interface Parameters Engineering Standard

9.13 ES708 Rolling Stock Power Supply Interface Engineering Standard

9.14 ES709 Rolling Stock Permanent Way Interface Engineering Standard

9.15 ES710 Rolling Stock Infrastructure Interface Engineering Standard

9.16 ES711 Minimum Performance Requirement for PRS Braking Engineering Standard

9.17 ES712 Rolling Stock Document Numbering Standard

10. **PREMISES**

- 10.1 MR-800 Maintenance Standard for Premises Infrastructure
- 10.2 DLR-ENG-SPC-C39 Existing Site/Buildings/Cleaning
- 10.3 DLR- ENG-SPC-M20 Cement based Screeds
- 10.4 DLR- ENG-SPC-M12 Resin Flooring
- 10.5 DLR- ENG-SPC-M20 Stone Ceramic Tiling
- 10.6 DLR-ENG-SPC-M41 Terrazzo Tiling
- 10.7 DLR-ENG-SPC-M60 Painting
- 10.8 ES502 Station Areas Engineering Standard
- 10.9 ES503 Sub Surface Stations
- 10.10 ES602 Building Other Systems Engineering Standard

11. **INFORMATION**

- 11.1 None (as at the date of this Agreement)

SCHEDULE 4

Asset Management

Part 6 - Maintenance Documents

Part 6B – Existing Franchisee Maintenance Procedures and Asset Operating Documents

1. **COMMUNICATIONS SYSTEMS**
- 1.1 MP-201 Engineering procedure for the maintenance of DLR Communications Equipment
2. **SIGNALLING**
- 2.1 MP-301 Signalling Maintenance Procedure Maintenance Procedure
3. **PERMANENT WAY**
- 3.1 MP-401 P-Way Maintenance Procedure
- 3.2 MP-402 Hot Weather Procedure
4. **CIVIL STRUCTURES**
- 4.1 MP-501 Structures Inspection Maintenance Procedure
- 4.2 MP-502 Bridge Strike Procedure Maintenance Procedure
5. **LIFTS AND ESCALATORS**
- 5.1 None (as at the date of this Agreement)
6. **E&M**
- 6.1 MP-601 Power Supply
- 6.2 MP-602 Electrical and Mechanical Systems Maintenance
- 6.3 MP-612 Lifting Gear Inspections Maintenance Manual
7. **HV**
- 7.1 MP-611 Licensing for Electrical Distribution System Staff Maintenance Procedure
- 7.2 OI-601 Electrical Safety Rules Operational Instruction
- 7.3 OI-602 Control of High Voltages and Traction Supplies Operational Instruction
- 7.4 OI-604 Local Operation of Traction Substations Operational Instruction
- 7.5 OI-609 Electrical Distribution Interface Between SDL and EDF Operational Instruction
- 7.6 OI-610 SCADA and Telecode 80 Alarm Matrix for Power Supply Operational Instruction
8. **ROLLING STOCK**
- 8.1 MP-701 Rolling Stock and Depot Maintenance Procedure
- 8.2 MP-702 Beckton Stores Manual

- 8.3 MP-704 The Use and Maintenance of Vehicle Skates Maintenance Procedure
- 8.4 OI-701 Electric Forklift Trucks ride on and walk behind Operating Instruction
- 8.5 OI-702 Large Diesel Forklift Truck Operating Instruction
- 8.6 OI-703 110v Vacuum Cleaner Operating Instruction
- 8.7 OI-704 Hacksaw Sawmaster 250 Bulldog Operating Instruction
- 8.8 OI-705 Arc Welder Transarc 400 Operating Instruction
- 8.9 OI-706 Becton Depot Roof Gantry Operating Instruction
- 8.10 OI-707 Operation of Beckton Depot Lifting Jacks
- 8.11 EP-107-B2007 Rolling Stock Operational Acceptance Testing
- 8.12 EP-108-B2007 Data Recorder Acceptance Testing

9. **PREMISES**

- 9.1 None (as at the date of this Agreement)

10. **INFORMATION**

- 10.1 None (as at the date of this Agreement)

SCHEDULE 4

Asset Management

Part 6 - Maintenance Documents

Part 6C – Maintenance Task Instructions

1. COMMUNICATIONS SYSTEMS

- 1.1 MTI-201 Maintenance of CCTV Cameras
- 1.2 MTI-202 Maintenance of PA/CCTV Outstation
- 1.3 MTI-203 Maintenance of Fibre Optic Cables
- 1.4 MTI-204 Maintenance of OTN 150 UPS
- 1.5 MTI-205 Maintenance of OTN 150 DATA
- 1.6 MTI-206 Maintenance of LLPA
- 1.7 MTI-207 Maintenance of Radio Base station Batteries
- 1.8 MTI-208 Maintenance of Bank-OMC PCM Batteries
- 1.9 MTI-210 Maintenance of BED-OMC PCM Batteries
- 1.10 MTI-211 Maintenance of DVR
- 1.11 MTI-212 Maintenance of Bank tunnel amplifiers
- 1.12 MTI-213 Maintenance of BED-OMC PCM Fibres
- 1.13 MTI-214 Maintenance of OTN 2.5 OMS Database
- 1.14 MTI-215 Maintenance of OTN 2.5 OVS Database
- 1.15 MTI-216 Maintenance of Bank tunnel telephones
- 1.16 MTI-220 Maintenance of Ticket Vending Machines
- 1.17 MTI-221 Maintenance of Automatic Passenger Counting System
- 1.18 MTI-222 Testing and Calibration of Automatic Passenger Counting System

2. SIGNALLING

- 2.1 MTI-301 Maintenance of Axle-counter Trackside Equipment
- 2.2 MTI-302 Maintenance of Depot Non-Lockable Points
- 2.3 MTI-303 Maintenance of HW 1123 Style Point Machines
- 2.4 MTI-304 Maintenance of Clamplock Points
- 2.5 MTI-305 Maintenance of Feed-In Device (FID)

- 2.6 MTI-306 Maintenance of Station Controller Subsystems
- 2.7 MTI-307 Maintenance of Signalling Equipment Rooms
- 2.8 MTI-308 Maintenance of TI 21 Track Circuits
- 2.9 MTI-309 Maintenance of YT Depot Track Circuits
- 2.10 MTI-310 Trackside Equipment
- 2.11 MTI-311 Maintenance of Depot Signals and Route
- 2.12 MTI-312 SMC/VCC Maintenance (2nd Gen)
- 2.13 MTI-313 Cable Testing
- 2.14 MTI-316 Inductive Loop
- 2.15 MTI-318 Emergency Stop Buttons
- 2.16 MTI-320 SDO Tag Maintenance
- 2.17 MTI-321 Remote Condition Monitoring
- 2.18 MTI-322 HVI Track Circuit Equipment
- 3. **PERMANENT WAY**
- 3.1 MTI-401 P-Way Patrol and Inspection Maintenance Manual
- 3.2 MTI-402 Conductor Rail Inspection
- 3.3 MTI-404 Track
- 3.4 MTI-405 Thermal Testing of Conductor Rail Task Instruction
- 3.5 MTI-406 Rail Corrugation Measurement
- 4. **CIVIL STRUCTURES**
- 4.1 MTI-501 Structural Inspection Maintenance
- 5. **LIFTS AND ESCALATORS**
- 5.1 None (as at the date of this Agreement)
- 6. **E&M**
- 6.1 MTI-601 Access Equipment
- 6.2 MTI-602 Emergency Lighting
- 6.3 MTI-614 Royal Mint Street Track Heating
- 6.4 MTI-618 Short Circuiting Device
- 6.5 MTI-619 Portable Appliance Testing

7. **HV**

- 7.1 MTI-603 Substation Inspection
- 7.2 MTI-604 Rectifier Transformer Fluid
- 7.3 MTI-605 100 KVA Auxiliary Transformer
- 7.4 MTI-607 Earth System Testing
- 7.5 MTI-609 Control Centre Functional Checks (SCADA)
- 7.6 MTI-610 High Voltage cables and associated pilot cable inspection
- 7.7 MTI-612 Motorised Isolator
- 7.8 MTI-613 Bank Tunnel Trip

8. **ROLLING STOCK**

- 8.1 MTI-701 Vehicle Preventative Maintenance B
- 8.2 MTI-702 Vehicle Preventative Maintenance C
- 8.3 MTI-703 Vehicle Preventative Maintenance E Exam
- 8.4 MTI-704 Light Rail Vehicle Preventative Maintenance, F Exam
- 8.5 MTI-705 Vehicle Preventative Maintenance G
- 8.6 MTI-706 Light Rail Vehicle Preventative Maintenance H Exam
- 8.7 MTI-707 Light Rail Vehicle Preventative Maintenance I Exam
- 8.8 MTI-710 Door Irregularities
- 8.9 MTI-711 Light Rail Vehicle Daily Check List
- 8.10 MTI-712 Wheel Lathe
- 8.11 MTI-713 Light Rail Vehicle Prep for Service B92 and B2007
- 8.12 MTI-714 B92 Motor Bogie Overhaul
- 8.13 MTI-721 Irregular Lifting
- 8.14 MTI-722 Emergency Lifting and Use of Skates
- 8.15 MTI-731 B2007 Vehicle Preventative Maintenance F1 Exam
- 8.16 MTI-732 B2007 Vehicle Preventative Maintenance F2 Exam
- 8.17 MTI-733 B2007 Vehicle Preventative Maintenance F3 Exam Shop Floor Format
- 8.18 MTI-734 B2007 Vehicle Preventative Maintenance F4 Exam Shop Floor Format
- 8.19 MTI-735 LRV B2007 Preventative Mtc F5 Exam
- 8.20 MTI-751 V996 - V999 Wagon's Preventative Maintenance

8.21 MTI-752 V993 Battery Locomotive Preventative Maintenance

8.22 MTI-753 V992 CT30 Preventative Maintenance

8.23 MTI-754 V994 GEC Locomotive Preventative Maintenance

9. **PREMISES**

9.1 None (as at the date of this Agreement)

10. **INFORMATION**

10.1 None (as at the date of this Agreement)

SCHEDULE 4

Asset Management

Part 7 – Materials Management

1. GENERAL

- 1.1 Unless expressly stated otherwise in this Agreement, the Franchisee shall at its own risk and expense be entirely responsible for procuring, storing, replacing, managing, maintaining (in accordance with Good Industry Practice) and where relevant returning to DLRL on expiry or termination of this Agreement all Spares required to perform its obligations contained in this Agreement.
- 1.2 The Franchisee shall not be entitled to any relief from its obligations in this Agreement (including without limitation any relief from the provisions in Schedule 2) on the basis that the Spares provided by DLRL to the Franchisee in accordance with paragraph 2.1 are insufficient to perform its obligations under this Agreement.

2. PROVISION OF SPARES INVENTORY

- 2.1 DLRL shall make the Spares in the Spares Inventory available to the Franchisee on the Franchise Commencement Date on an as-is and where-is basis for the Franchisee to use to perform its obligations under this Agreement.
- 2.2 All Spares provided by DLRL pursuant to paragraph 2.1 above shall remain the property of DLRL at all times and shall be used by the Franchisee exclusively in complying with its obligations under this Agreement. As between DLRL and the Franchisee, the Franchisee will bear all risk of loss, theft, damage or destruction to such Spares from any cause whatsoever, save as expressly provided in this Agreement to the contrary.
- 2.3 Without prejudice to paragraph 3.2, DLRL may at any time at its absolute discretion itself purchase further Spares and make them available to the Franchisee to comply with its obligations contained in this Agreement and such Spares shall be deemed to be added to the Spares Inventory. For the avoidance of doubt DLRL shall be under no obligation to purchase any such Spares.

3. MAINTENANCE OF SPARES

- 3.1 The Franchisee shall maintain and securely store all Spares (including without limitation the Spares in the Spares Inventory) in accordance with Good Industry Practice and in accordance with any manufacturer or supplier requirements and manuals and any warranty requirements and ensure all Spares are in a good operating condition (and regularly rotated or tested to ensure they are in a good operating condition).
- 3.2 Notwithstanding paragraph 2 above, the Franchisee shall at its own cost ensure that at all times following the Franchise Commencement Date it holds and securely stores the quantities of Spares (which comply with paragraph 3.1) which:
- (a) a reasonable, competent and experienced franchisee exercising reasonable skill, care and diligence would hold in performing obligations of a similar size, scope, nature and complexity as the Franchisee's obligations under this Agreement;
 - (b) are required by Good Industry Practice;
 - (c) enable the Franchisee to perform its obligations under this Agreement; and
 - (d) ensure that a Successor Franchisee would be able to take over the Franchise immediately at any time.

The Franchisee shall, at a frequency to be agreed with DLRL (not to exceed monthly), demonstrate to DLRL's reasonable satisfaction that it is holding sufficient quantity and types of Spares to ensure compliance with this paragraph 3.2. Notwithstanding its other rights under this Agreement, if DLRL (acting reasonably) believes the Franchisee is in breach of paragraph 3.2 DLRL shall be entitled, but not required, to order additional Spares and the Franchisee shall reimburse DLRL for any cost incurred.

- 3.3 The Franchisee shall, by including appropriate provisions in all relevant sub-contracts, contracts of sale and supply agreements ensure that (where not already the property of DLRL as described in paragraph 2.2 above) the property in all Spares purchased or otherwise obtained by the Franchisee passes to DLRL at the time of delivery of such Spares to the Site. The Franchisee shall indemnify DLRL from and against any Loss arising from any failure to pass to DLRL complete and unencumbered title in any Spares.
- 3.4 Where the contract for the sale and supply of any materials or goods or items supplied to the Franchisee by sub-contractors, suppliers or agents comes within Section 25 of the Sale of Goods Act 1979 (or any statutory re-enactment or modification thereof), the Franchisee hereby acknowledges and agrees that this Agreement shall be deemed to be a "disposition" of such materials or goods or items to DLRL for the purposes of the said Section 25 and accordingly any clause in the agreement between the Franchisee and the relevant sub-contractor, supplier or agent retaining (or purporting to retain) any title or interest in or in respect of materials or goods or items (or the proceeds of sale of the same) shall be null and void as against DLRL.

4. **SPARES MANAGEMENT**

- 4.1 The Franchisee must use the Asset Management System to manage all Spares used in performing its obligations in this Agreement, including without limitation:
- (a) recording all Spares used during planned maintenance activities;
 - (b) recording all Spares used during reactive maintenance activities;
 - (c) maintaining, recording, re-ordering and reporting on current Spares holdings (including as reasonably requested by DLRL);
 - (d) detailing current Spares holdings i.e. quantities, age, location, serial numbers, configuration, history, re-order levels, re-order details;
 - (e) maintaining an inventory of new or additional Spares;
 - (f) including relevant warranty information;
 - (g) including details of repair, refurbishment and replacement of Spares;
 - (h) tracking Spares which are transferred off the Site for repair;
 - (i) tracking the history of all Spares;
 - (j) managing Spares for scrapping, refurbishment or return to original equipment manufacturers and suppliers for repair;
 - (k) management and maintenance of Spares that need to be maintained (including without limitation turning bearings, appropriate stock rotation and testing);
 - (l) management of Spares consumed, ordered and used during maintenance; and
 - (m) annually complete a stock take in accordance with applicable accounting practices.

- 4.2 The Franchisee shall develop and obtain DLRL's acceptance of appropriate processes for the management of Spares, including without limitation:
- (a) process for stores management and the interaction with the Asset Management System, procurement arrangements and authorities, maintenance management and fault response to support railway operation;
 - (b) processes for the management of remote stores (e.g. vans and trackside); and
 - (c) processes for the management of continuous/linear consumable items such as cable and rail which can be booked out or returned to stores for subsequent use.

5. **REPORTING**

- 5.1 The Franchisee shall ensure that it reports at each Franchise Performance Meeting on the quantity and usage of each type of Spare in the previous Fee Period in a format required by DLRL. DLRL will specify the categories of Spares to be reported and the format/requirements of the reporting.
- 5.2 The Franchisee shall keep updated throughout the Franchise Term an inventory of all Spares which it holds (the "**Franchisee Spares Inventory**"), including the quantity and location of all such Spares and shall provide a copy of the Franchisee Spares Inventory to DLRL on request.

6. **RETURN**

- 6.1 On expiry or termination of the Franchise Term, the Franchisee must return all the Spares (including without limitation all of the Spares in the Franchisee Spares Inventory) to DLRL in a good operating condition.
- 6.2 The level of Spares returned shall at a minimum equal the number and types of Spares required under paragraph 3.2, which for the avoidance of doubt must allow a Successor Franchisee to take over the Franchise immediately at any time.

SCHEDULE 4

Asset Management

Part 7 – Materials Management

Appendix 1 - Spares Inventory

Please see the documents titled "Assetted Olympic Spares Listing.xls" and "List of Spares.xlsx" contained in the Data Room Documents.

SCHEDULE 4

Asset Management

Part 8 – Moveable Assets

1. GENERAL

1.1 Unless expressly stated otherwise in this Agreement, the Franchisee shall at its own risk and expense be entirely responsible for procuring, storing, replacing, managing, maintaining (in accordance with Good Industry Practice) and where relevant returning to DLRL on expiry or termination of this Agreement all Moveable Assets required to perform its obligations contained in this Agreement.

1.2 The Franchisee shall not be entitled to any relief from its obligations in this Agreement (including without limitation any relief from the provisions in Schedule 2) on the basis that the Moveable Assets provided by DLRL to the Franchisee in accordance with paragraph 2.1 are insufficient to perform its obligations under this Agreement.

2. PROVISION OF MOVEABLE ASSETS

2.1 DLRL shall make the Moveable Assets available to the Franchisee on the Franchise Commencement Date on an as-is and where-is basis for the Franchisee to use to perform its obligations under this Agreement.

2.2 All Moveable Assets provided by DLRL pursuant to paragraph 2.1 above shall remain the property of DLRL at all times and shall be used by the Franchisee exclusively in complying with its obligations under this Agreement. As between DLRL and the Franchisee, the Franchisee will bear all risk of loss, theft, damage or destruction to such Moveable Assets from any cause whatsoever, save as expressly provided in this Agreement to the contrary.

2.3 DLRL has not and will not be deemed to have made or given, and the Franchisee shall not rely on, any warranties or representations by DLRL with respect to the Moveable Assets, whether express or implied, of whatever kind including but not limited to any description, condition, conformity to mandatory operational and engineering standards, merchantability, fitness for any use or purpose, value, condition, maintenance, performance or design, of the Moveable Assets (including, for the avoidance of doubt, any Part installed on the Moveable Assets from time to time).

2.4 The Franchisee hereby waives, as between itself and DLRL, all claims against DLRL howsoever and whenever arising in respect of or out of the operation, condition or performance of the Moveable Assets.

2.5 Subject to the provisions of clause 29, there shall be no obligation whatsoever on DLRL to replace, repair or modify any Moveable Assets or purchase, lease or otherwise procure in substitution for, or in addition to, any Moveable Assets following an occurrence of damage or loss to any Moveable Assets.

3. MAINTENANCE OF MOVEABLE ASSETS

3.1 The Franchisee shall maintain and securely store all Moveable Assets:

- (a) in accordance with Good Industry Practice;
- (b) in accordance with any manufacturer or supplier requirements and manuals and any warranty requirements; and
- (c) so as to ensure all Moveable Assets are in a good operating condition.

4. **RETURN**

- 4.1 On expiry or termination of the Franchise Term, the Franchisee must return all the Moveable Assets to DLRL in a good operating condition.
- 4.2 The Moveable Assets returned shall at a minimum equal the number and types of Moveable Equipment provided to the Franchisee pursuant to paragraph 2.

5. **THIRD PARTY WARRANTIES**

- 5.1 The Franchisee shall comply with any restrictions or requirements which it knows, or should reasonably know, are preconditions for the continued existence, enforcement, validity and maintenance of any Third Party Warranty in relation to the Moveable Assets.
- 5.2 The Franchisee shall notify DLRL promptly upon it becoming aware of any entitlement to make a claim under any Third Party Warranty in relation to the Moveable Assets and DLRL shall notify the Franchisee whether it will pursue any such claim itself (such notification not to be unreasonably withheld or delayed). DLRL may in its absolute discretion authorise the Franchisee to pursue any claim under such Third Party Warranty and may attach any conditions as it sees fit to such action. Where the Franchisee has suffered any Loss as a result of a defect in a Moveable Asset which is covered by a Third Party Warranty, the Franchisee shall be entitled to retain such proportion of the proceeds of the claim under such Third Party Warranty as relates to the Loss.

6. **RECORDS**

The Franchisee shall include all Moveable Assets (including without limitation their current condition and any maintenance undertaken) in the Asset Management System.

SCHEDULE 4

Asset Management

Part 8 – Moveable Assets

Appendix 1 – Moveable Assets List

Please see the document titled "Moveable Equipment.xlsx" contained in the Data Room Documents.

SCHEDULE 4

Asset Management

Part 9 – Work Bank

1. WORK BANK

- 1.1 Prior to the Franchise Commencement Date, the Franchisee shall review and gain DLRL's approval of the system for recording, managing and prioritising maintenance activities (the "**Work Bank**") so that it complies with the requirements of paragraph 1.2.
- 1.2 The Work Bank must:
- (a) be fully integrated with the Asset Management System; and
 - (b) have the following data fields (and have the functionality to enable the Franchisee and DLRL to filter, sort and run reports on the entries by):
 - (i) the principal asset and sub-system categories listed in columns 1 and 2 of the maintenance activity table in Part 5 of Schedule 4;
 - (ii) activity required including size/volume;
 - (iii) location (e.g. Station, equipment room, track area and viaduct);
 - (iv) date reported;
 - (v) time since date reported;
 - (vi) priority; and
 - (vii) rectification timescale (which shall be no longer than 18 months).
- 1.3 The Franchisee must ensure that both DLRL and the Franchisee can at any time access the Work Bank to view and interrogate all entries, and run reports against any requested time periods.
- 1.4 The Franchisee shall ensure that the Work Bank has the functionality to create reports with the content and in a format as reasonably required by DLRL.

2. WORK BANK ENTRIES

- 2.1 The Franchisee shall record as separate entries in the Work Bank all reactive and unplanned maintenance activities which are required to rectify defects or failures in, or damage caused to, the Franchise Assets. This shall include the recording of any reactive and unplanned maintenance activities which are:
- (a) required to comply with the Franchisee's obligations in this Agreement; and/or
 - (b) revealed to be required following any inspection required by Part 5 of Schedule 4.
- 2.2 Each entry in the Work Bank shall specify the defect or failure and populate the other data fields described in paragraph 1.2, including a description of the rectification work required to remedy the defect or failure and the required rectification timescale. Prior to the Franchise Commencement Date the Franchisee shall adopt and agree with DLRL a process for allocating rectification timescales to Work Bank items. The Franchisee shall ensure that the rectification timescales are commensurate with the criticality and risk associated with the defect or failure. The Franchisee shall comply with the process once agreed.

- 2.3 No entry in the Work Bank shall have a rectification timescale which is longer than 18 months.
- 2.4 DLRL shall be entitled to audit the Work Bank entries and shall be entitled to require the Franchisee to amend entries (including rectification timescales) where the Franchisee has not complied with the agreed processes.
- 2.5 The Franchisee shall not be entitled to include in the Work Bank the carrying out of any activity required under Part 5 of Schedule 4 where the Franchisee has failed to carry out such activities in line with the frequencies specified in Part 5 of Schedule 4.

3. **RECTIFICATION WORK**

The Franchisee shall carry out any rectification work required by the Work Bank by the estimated rectification time assigned to each entry in accordance with paragraph 2 above.

4. **WORK BANK REPORTING**

- 4.1 The Franchisee must provide DLRL with a report of the outstanding items in the Work Bank as part of each Franchise Performance Meeting and as otherwise reasonably requested by DLRL.
- 4.2 The Franchisee shall undertake regular reviews to agree and track all Work Bank entries, which shall include but not be limited to reviewing the status of each Work Bank entry and identifying any follow up actions such as escalation or closure.

SCHEDULE 4

Asset Management

Part 10 – Asset Management System

1. Minimum Requirements and Functionality

- 1.1 The Asset Management System must meet the minimum requirements and functionality set out in "MR-100 Maintenance Management Standard".
- 1.2 The Franchisee must ensure that the Asset Management System (and all data contained therein) is, at the Franchisee's cost:
 - (a) standalone and severable from any other systems of the Franchisee and any Affiliates and third parties; and
 - (b) capable of being transferred as a going concern to a Successor Franchisee at the end of the Franchise Term, and be utilised immediately thereafter by any Successor Franchisee (including without limitation that any licences required to operate such Asset Management System must be transferable to a Successor Franchisee).
- 1.3 The Franchisee shall consult with DLRL in relation to the licencing arrangements (including without limitation the identity of the licence holder) in relation to the Asset Management System and the Franchisee shall not enter into any licencing arrangements in relation to the Asset Management System unless DLRL has provided its prior written consent to the terms of such arrangements. The Franchisee shall not without the prior written consent of DLRL vary the terms or conditions of any such licencing arrangements.
- 1.4 The Franchisee must ensure that in selecting and implementing the Asset Management System and for the duration of the Franchise Term it takes account of DLRL's and Tfl's system requirements and takes into account any reasonable recommendations and requirements specified by DLRL and Tfl in relation to compatability.
- 1.5 The Franchisee shall keep DLRL informed in relation to any upgrades to the Asset Management System which are released and available to be implemented and shall at the Franchisee's cost:
 - (a) offer DLRL the choice as to whether such upgrade should be implemented;
 - (b) make recommendations to DLRL as to whether such upgrade is likely to affect or improve the Asset Management System; and
 - (c) advise DLRL whether the upgrade will be compatible with other relevant systems of DLRL and Tfl,and DLRL may instruct the Franchisee to implement or not to implement such upgrade.
- 1.6 Where an upgrade to the Asset Management System is not compatible with another relevant system of DLRL or Tfl and is therefore not implemented DLRL may, at a later date and following any required upgrade of DLRL's or Tfl's other relevant systems, instruct the Franchisee to implement such upgrade to the Asset Management System at the Franchisee's cost.

2. **The Asset Management System**

- 2.1 The Franchisee shall implement the Asset Management System required in paragraph 1 using [●]⁹.
- 2.2 The Franchisee will provide DLRL with ten Asset Management System licences to access the data contained within the Asset Management System at any time.
- 2.3 Without prejudice to other reporting requirements in the Franchise Agreement, the Franchisee shall maintain records and provide information to DLRL as required by DLRL in accordance with paragraph 2.4.
- 2.4 The Franchisee shall make available, and if requested by DLRL, provide copies of, on reasonable notice by DLRL and at reasonable times, any customised reports produced by the Asset Management System with the content and format to be agreed with DLRL. DLRL shall be entitled to appoint one or more suitable representatives to check, verify and take copies of any such records and accounts.
- 2.5 The Franchisee will ensure that Asset Management System as implemented and developed through this Franchise will be available for uninterrupted use with all stored data for any successor Franchisee. The Franchisee shall comply with the requirement for a severable and standalone Asset Management System from the Franchisee's business systems at the end of the Franchise. The Franchisee's user rights for the system will be transferred to DLRL and all licences and financial obligations for continued use will be transferrable to the successor Franchisee at the termination date of the Franchise.

3. **Asset Management System Functionality**

- 3.1 The Franchisee shall ensure that the functionality of the Asset Management System will be as set out in this paragraph 3.
- 3.2 Without prejudice to Part 9 of Schedule 4, the Franchisee shall undertake work bank management within the Asset Management System in accordance with the following three main processes:
- (a) **Planned Preventative Maintenance ("PPM")**
- (i) PPM is regular work that is planned ahead of time to avoid or delay the failure of the asset and to keep them running effectively and efficiently. The PPM module in the Asset Management System will support the planned inspection process, whereby inspections are scheduled on a predefined interval;
- (ii) PPMs are based around planned inspections, overhauls, services or replacements whereby the asset is inspected, services are replaced at predefined intervals (either by time or other metrics); and
- (iii) [●]¹⁰.
- (b) **Corrective Maintenance ("CM")**
- (i) CM is reactive work identified from either PPM and inspections or ad hoc failures. CM focuses on addressing an unsatisfactory asset condition.

⁹ Redacted

¹⁰ Redacted

- (ii) Once CM work has been identified, the execution of the work is determined by prescriptive standards. These standards outline the timeframes for which an asset may operate in service before corrective maintenance must be undertaken. CM involves immediate action or work being scheduled for a later time.
- (c) Emergency Maintenance ("**EM**")
- (i) EM is emergency reactive work to correct a fault that either has an immediate effect on railway performance or an immediate effect on the safety of passengers, staff and the public. All EM work involves immediate rectification of a degrade asset condition.
 - (ii) Faults occur on the infrastructure because Franchise Assets have failed to meet their operational requirements and can be caused by inadequate maintenance, environmental conditions, third party actions or design flaws in the asset itself.
- 3.3 Faults are a subset of the total maintenance workload and need to form part of the history of the asset. For this reason, faults will be captured in the Asset Management System against the actual asset. The Asset Management System will possess a complete, detailed history of work carried out on an asset due to planned preventative maintenance, corrective maintenance and emergency maintenance.

3.4 [●]¹¹

4. **Data Definition And Management**

4.1 In addition to the data required by MR 100, the Asset Register shall hold data on the following:

- (a) asset area by type;
- (b) asset location;
- (c) "Modern Equivalent Asset Value" of each asset;
- (d) status of ownership of each type of asset;
- (e) date upon which the asset was brought into service, decommissioned rotated and or scrapped;
- (f) operations status of the asset;
- (g) the condition classification of the asset; and
- (h) attributes of the asset in line with the relevant standards.

4.2 **Asset hierarchy**

- (a) [●]¹²
- (b) Internally within the Franchisee, the asset managers will be responsible for the management of their specific asset register. They will ensure that their registers are complete and up to date. The Maintenance and Engineering Director will be responsible for ensuring the complete Asset Register is complete and up to date.

¹¹ Redacted

¹² Redacted

4.3 The Franchisee shall ensure that asset information is complete, timely, accurate and accessible and that data will be governed by comprehensive and robust data standards and assurance processes. Master data management will be established so that information is collected, stored and controlled.

5. **Work Bank Control**

5.1 To enable the work execution to proceed as efficiently and effectively as possible, the Franchisee shall ensure that the Asset Management System will enable a review of the planned requirements including materials, labour, and access (with dates and priorities) to ensure that the overall work prioritisation is optimal.

5.2 The Asset Management System will plan work across all types (PPM, CM, EM) that form a work bank based on priority and criticality in terms of asset availability and risks.

5.3 Work will be executed on site and details of work completion will be recorded by the Franchisee using handheld mobile devices.

5.4 Once work has been performed, the Franchisee shall record what has taken place so DLRL and the Franchisee can understand the performance and condition of the asset. This will minimise spending and generate the optimal level of availability and performance.

5.5 [●]¹³.

6. **Materials Management**

6.1 The Asset Management System implementation will include materials and supply chain management.

6.2 [●]¹⁴.

7. **Stock And Logistics: Materials Management**

7.1 Without prejudice to Part 7 of Schedule 4, the Franchisee shall ensure that stock, logistics and requisitioning processes are in place to ensure that the correct materials are available at the right time, in the correct location.

7.2 The Franchisee shall track all items in stock, indicating when stock falls below user defined reorder points and creating purchase requisitions that tallies items received.

8. **Asset Condition Reporting**

8.1 The asset condition information will be held in the Asset Management System. Within the Asset Management System the Franchisee shall record the type of asset, together with its exact location, age and other pertinent features, including but not limited to configuration, usage, condition and relationships to other Franchise Assets in an asset register (the "**Asset Register**").

8.2 The Franchisee shall update the Asset Register with the condition of each asset through undertaking standard inspections and maintenance actions. The Franchisee will do so in a consistent way across all asset areas using the standard work order closure process and as agreed with DLRL.

8.3 The asset condition information shall be assured by the quality assurance processes built into the asset management regime and the data integrity checks built into the Asset

¹³ Redacted

¹⁴ Redacted

Management System. Data quality shall be assured against an approved industry standard.

- 8.4 The condition of each asset will be assessed by using the agreed approach with DLRL.
- 8.5 The asset condition reporting described above will link to live data that is held in the Asset Management System. For each asset the Franchisee shall create a condition rating determined by the age, usage, and fault history for each asset.
- 8.6 The Franchisee shall generate the following reports:
- (a) daily reports for safety related issues;
 - (b) weekly reports for safety precursor issues;
 - (c) monthly reports for formal reporting of trends and asset condition; and
 - (d) ad hoc reports to answer any DLRL asset related questions,
- as required by the end of Fee Period report and the Periodic Asset Management Meeting

9. **Analysis, Reporting And Business Intelligence**

- 9.1 The Franchisee shall provide standardised reports and "Key Performance Indicators" via a change team, working with the relevant asset areas.
- 9.2 A reporting strategy shall be defined by the Franchisee to support DLRL's requirements, including standard reports and customised asset specific reports.
- 9.3 Business intelligence and decision support tools shall be provided by the Franchisee by the year one change team as part of the implementation programme.

10. **Asset Management, Modelling And Decision Making**

- 10.1 The Franchisee shall adopt an integrated approach to asset management decision making, through asset management meetings held periodically as agreed with DLRL ("**Periodic Asset Management Meetings**").
- 10.2 [●]¹⁵.
- 10.3 [●]¹⁶.
- 10.4 [●]¹⁷.

11. **Assurance**

- 11.1 Without prejudice to any other provision within the Franchise Agreement, the Franchisee shall develop an asset management audit programme to ensure the Railway is safe to provide passenger services which will:
- (a) audit compliance with the asset management obligations under the Franchise Agreement;
 - (b) audit the systems and processes in place to ensure compliance with obligations under the Franchise Agreement;

¹⁵ Redacted

¹⁶ Redacted

¹⁷ Redacted

- (c) audit the performance of its subcontractors and any suppliers; and
 - (d) assist in continual self-improvement of its asset management activities.
- 11.2 The Franchisee shall schedule an appropriate range of audits to ensure it completes its Franchisee obligations for all assets and shall ensure that the frequency of audits is appropriate for the risks associated with the failure of the asset.
- 11.3 The Franchisee shall carry out the audits as set out in the asset management audit programme and shall ensure that any external auditors engaged are competent to perform out such audits and have sufficient skill, knowledge, experience, training and personal attributes in relation to the area or systems being audited. The Franchisee will inform DLRL of its intention to conduct audits which DLRL may observe.
- 11.4 The Franchisee shall share the results of any audits and remedial plans with DLRL.
- 11.5 The Franchisee shall provide an objective auditing regime for maintenance activities that ensures the quality of routine maintenance work continuously improves.
- 11.6 The Franchisee's health and safety and environmental quality department will ensure that all maintenance instructions and engineering documents, including maintenance procedures and "MTIs", are up to date, and the Franchisee shall perform regular audits to comply with ISO 55000 requirements and good industry practice.

12. **Governance Assurances**

- 12.1 The Franchisee's general governance framework shall ensure that trustworthy and accurate information regarding the assets is available, accessible and secure.
- 12.2 Without prejudice to any other provision within the Franchise Agreement, the Franchisee's general governance framework shall include an outline of the key roles and responsibilities required to achieve good governance.
- 12.3 The Franchisee shall adopt the following general principles of asset custodianship:
- (a) Information relating to the physical asset is owned by the appropriate asset manager;
 - (b) The asset manager is the owner of the asset and the asset information;
 - (c) Information related to ongoing planned, corrective or emergency work is owned by the person responsible for undertaking the work according to the defined processes; and
 - (d) The DLRL project managers will own the asset registration for capital works until it has been handed over in accordance with the asset registration process and BCP-03.
- 12.4 Information governance requirements to support business decisions will be developed to ensure that an agreed level of quality is captured against processes within the business.

13. **Asset Condition Survey**

- 13.1 The Franchisee shall perform a full asset survey, including Moveable Assets, in the first twelve (12) months following the Franchise Commencement Date in accordance with clause 9.5.1.
- 13.2 The Franchisee shall agree with DLRL the range of data to be collected and the assurance process required during the first three (3) months following the Franchise Commencement

Date. Following this agreement, the Franchisee will generate a template that will be used to collect the details for each Franchise Asset.

13.3 Data collection will be carried out by a dedicated asset survey team working across all asset areas and supported by the asset management teams as required. The table below outlines the additional resources required to complete the survey and a description of how the data collection will be performed.

13.4 Table A

[●]¹⁸

13.5 The Franchisee shall ensure that the maintenance plans in the Asset Management System fully reflect any changes of the asset base or its condition during the Franchise Term.

13.6 The Franchisee shall provide to DLRL full visibility of the revised asset base and all aspects of its maintenance and condition through the Asset Management System.

14. **Annual Asset Management Plan**

14.1 Without prejudice to Part 4 of Schedule 4 (Annual Asset Management Plan), the Franchisee's strategic asset management objectives will be delivered through the Annual Asset Management Plan ("**AAMP**").

14.2 The AAMP will be developed annually as part of the DLRL business planning process in accordance with Part 4 of Schedule 4.

14.3 In preparing the AAMP, the Franchisee will prepare a full assessment of:

(a) [●]¹⁹;

(b) The current performance against "Key Performance Indicators" ("**KPIs**") with an explanation of good and bad performance: all current KPIs will be assessed, including asset condition, and the root causes of good and bad performance understood and explained using the data held in the Asset Management System;

(c) [●]²⁰;

(d) the risk register: the Franchisee will keep a risk register which will be reviewed and updated every Fee Period;

(e) Work Bank trends: the Asset Management System will produce work bank trends which the Franchisee will analyse and explain;

(f) improvement plans for areas including but not limited to performance, safety, efficiency, environmental and people: the Franchisee will share the improvement plans and their status with DLRL. These plans will be reviewed and updated every Fee Period; and

(g) known changes in the Services, investment, third party impacts or changes in law: The Franchisee will share its view with DLRL of any known issues that could impact on any future cost or performance.

14.4 The Franchisee shall ensure that the AAMP is consistent with:

¹⁸ Redacted

¹⁹ Redacted

²⁰ Redacted

- (a) the Franchisee Agreement;
 - (b) the Asset Management Policy and Asset Management Strategy;
 - (c) DLRL safety authorisation and safety management system;
 - (d) the Franchisee's safety policy and procedures; and
 - (e) best industry practice.
- 14.5 When requested by DLRL, the Franchisee shall produce a comparison of performance against the AAMP and an updated forecast and share this with DLRL.
- 14.6 The Franchisee shall discuss and agree the objectives with DLRL that the AAMP seeks to achieve. The Franchisee will review the Asset Management Policy and Asset Management Strategy to determine whether any changes are required to meet the objectives.
- 14.7 The Franchisee will carry out an assessment by asset area of any improvements required to address any adverse performance.
- 14.8 The AAMP will detail all recommended asset investment on the Railway and include the cost, timing and expected benefits as required by Part 4 of Schedule 4.
- 14.9 The Managing Director of the Franchisee will sign and submit the plan to DLRL.
- 14.10 The Franchisee shall consult DLRL on the contents of the AAMP and the Franchisee will take due regard of any comments or any required revisions made by DLRL and make any necessary amendments to the AAMP.
- 14.11 [●]²¹
- 15. Delivery Of The AAMP**
- 15.1 The Franchisee shall be responsible for the planning and delivery of the day-to-day operation and maintenance of the asset base in accordance with the Franchise Agreement.
- 15.2 The Franchisee's maintenance objectives will be to:
- (a) minimise the risk to safety and service;
 - (b) maintain the Franchise Assets to an acceptable standard in line with established maintenance regimes and lifecycle mitigation plans;
 - (c) ensure the Franchise Assets perform to the level of performance required by the Franchise Agreement; and
 - (d) ensure that maintenance plans are carried out diligently and professionally to achieve the planned life expectancy.
- 15.3 The Franchisee shall deliver these objectives by:
- (a) applying maintenance regimes in line with DLRL standards;
 - (b) optimising the performance of the asset through scheduling of maintenance activities;

²¹ Redacted

- (c) [●]²²;
- (d) [●]²³;
- (e) seeking new and innovative new delivery methods, through internal knowledge management and reference to Good Industry Practice;
- (f) [●]²⁴;
- (g) executing works on Franchise Assets where tangible benefits, performance or otherwise, outweigh the delivery costs;
- (h) putting in place an appropriate organisation, processes and systems for the economic and efficient delivery of maintenance and fault rectification;
- (i) employing suitably qualified and competent staff;
- (j) [●]²⁵;
- (k) preparing maintenance delivery plans and work schedules for the maintenance programmes defined in the AAMP;
- (l) [●]²⁶; and
- (m) responding to and dealing expediently with reported faults and updating the Asset Management System to ensure asset information is current and appropriate.

²² Redacted

²³ Redacted

²⁴ Redacted

²⁵ Redacted

²⁶ Redacted

SCHEDULE 4

Asset Management

Part 11 – Off-Site Franchise Assets

This schedule should be read in conjunction with the document with reference DLR-ENG-GENR-AGR-00001 Lewisham Extension Maintenance Boundary.

Part A

The following is a list of Franchise Assets which are not situated on the Site:

1. All ESUB screens and associated power and data cables and equipment on the Lewisham Extension at Lewisham station (1), Greenwich station (1), Cutty Sark station (1), Deptford Bridge station (1) and Island Gardens station (1)
2. All DAISY screens and associated power and data cables and equipment on the Lewisham Extension at Mudchute station (2), Island Garden station (1) and Cutty Sark station (1), Greenwich station (2) Deptford Bridge station (2) and Elverson Road station (2)
3. DAISY screens at Stratford Regional, West Ham and Canning Town stations (outside SIE boundary) including data and power cables
4. DAISY screens at Stratford International on the High Speed 1 concourse and Shadwell Overground station in the entrance hall excluding data and power cables
5. All automatic passenger counting rods, data cables and associated interface equipment on Lewisham Extension infrastructure at Mudchute, Island Gardens, Cutty Sark, Greenwich, Deptford Bridge, Elverson Road and Lewisham
6. All automatic passenger counting rods, cables and associated equipment on City Airport Extension and Woolwich Arsenal Extension infrastructure
7. Pink, Black and Blue fibre networks on the Lewisham Extension infrastructure including ODF's and all patch leads
8. Pink, Black and Blue fibre networks on City Airport Extension and Woolwich Arsenal Extension infrastructure including ODF's and all patch leads
9. Canning Town pump panels in LUL demise
10. Canning Town dome CCTV in underpass in LUL demise
11. Leaky feeders inside Westfield escape stairs at Stratford Stn
12. EdF LV feed cabinet for Bank Tunnel Lighting
13. 3No breaching inlets for Bank Tunnel fire main
14. All ticket vending machines on City Airport Extension and Woolwich Arsenal Extension infrastructure excluding power and data cables
15. The whole OTN X3M ring is maintained by the Franchisee including the X3M node at West Silvertown
16. The MAN switches located at MUD/ISG/CUS/GRE/DEB/ELV/LEW including associated power and data cables as well as patch leads

17. CCS HV Substation (located at the Emirates Airline) including HV cable route from LLS annex to CCS
18. All lineside ATC equipment connected to CAT1, CAT2 and CAT3 control areas including inductive loops 3, 4, 15 and 29
19. SIE (between SIS and the Woolwich Line Enclosure) –Encroachment buttons
20. SIE (Stratford Regional) Attenuation tank and station drainage outside of the rail corridor
21. WOA (KGV Station) rainwater outfall into KGV dock and sump outfall at KGV portal
22. CCTV recording devices at Cutty Sark and Island Garden stations
23. Office IT equipment at CUS and ISG stations including PC's and printers

Part B

The following is a list of Lewisham Extension assets which are situated on the Site. These assets are not Franchise Assets.

24. All lineside ATC equipment connected to MUD control area including inductive loops 14 and 15
25. The Franchisee will need to facilitate access to the radio equipment associated with the Lewisham Extension Slave Optical Unit's located in Poplar Archive Room. The Franchisee will need to liaise and coordinate with the Lewisham Concessionaire with regards to the maintenance of the MOU and SOU's associated with the Lewisham extension as these need to be maintained as a system but the MOU is a Franchise asset
26. CCTV equipment and DVRs at Crossharbour SER
27. OTN 36 equipment (Node 10 and 11) at Crossharbour SER
28. HV interconnection cables including pilot cable, from ISG to CSS including connection to IGSF circuit breaker

SCHEDULE 5

Ticketing and Revenue Protection

Part 1 - Ticket Sales

1. TICKETS

1.1 The Franchisee shall sell Tickets to any persons wishing to travel on the Passenger Services as agent for DLRL in accordance with:

- (a) the Ticketing Schemes;
- (b) the TfL Ticketing Policies (and for the avoidance of doubt the Franchisee shall not be entitled to vary any of the terms and conditions for Tickets from those set out in the TfL Ticketing Policies, including without limitation the fare for any Ticket); and
- (c) the DLR Contracts.

1.2 The Franchisee shall offer, sell and accept Tickets as required under the terms of the Ticketing Schemes and the TfL Ticketing Policies and shall comply with the terms of the Ticketing Schemes and the TfL Ticketing Policies relating to the offer, sale and acceptance of Tickets.

1.3 The Franchisee will be responsible for the creation and maintenance of a robust system and processes for the capture, processing and recording of all Ticket sales (including Penalty Fares) it undertakes and all funds collected, including the provision of detailed information on each sale including the retention of transaction data, cancelled tickets and foil/carbon copies of tickets sold.

1.4 The Franchisee will be responsible for ensuring that it accounts to DLRL for the correct amount as set out in the Ticketing Schemes and the TfL Ticketing Policies for all Tickets it sells (excluding Penalty Fares) and the Franchisee shall promptly deposit all such amounts into a bank account to be nominated by DLRL. The Franchisee shall not in any circumstances be entitled to retain any revenue from any Ticket sales (excluding Penalty Fares) and will be responsible for reimbursing DLRL for any revenue which should have been collected but is not successfully deposited into such bank account.

2. COMMISSION

In any situation where the Franchisee issues Tickets and would be entitled to a commission payment, DLRL will be entitled to any such commission and the Franchisee shall pay any such commission over to DLRL as soon as reasonably practicable.

3. TICKETING SCHEMES

3.1 DLRL shall remain the principal contracting party in respect of the Ticketing Schemes but, subject to paragraph 3.3 below, DLRL hereby delegates to the Franchisee the performance of all of DLRL's obligations under the Ticketing Schemes.

3.2 The Franchisee shall provide DLRL with all information and assistance which it reasonably requires, including the carrying out of passenger surveys and counting and the collection and processing of data and preparation of reports as required, for the purposes of its dealings with the other contracting parties to the Ticketing Schemes.

3.3 DLRL (and not the Franchisee) shall be responsible for all dealings with the other contracting parties to the Ticketing Schemes, and DLRL shall consult as it deems appropriate with the Franchisee in relation to such dealings.

3.4 Save as expressly provided for in this Agreement, the Franchisee shall not be authorised or permitted to enter into any contract, scheme or arrangement with passengers, public transport operators or other third parties in relation to the provision of Tickets or Passenger Services or to bind DLRL to the performance or discharge of any obligations in relation to any such contract.

4. **TICKET OFFICES**

4.1 The Franchisee shall ensure that the ticket offices at City Airport and Canary Wharf are open at the following times:

(a) City Airport:

(i) Monday to Friday 0700 – 2100;

(ii) Saturday 0700 – 1200; and

(iii) Sunday 1100 – 2100;

(b) Canary Wharf:

(i) Monday to Sunday 1000 – 1800.

SCHEDULE 5

Ticketing and Revenue Protection

Part 2 - Revenue Collection and Protection

1. GENERAL OBLIGATIONS

1.1 The Franchisee will provide access to all systems, data and other information and provide such assistance as DLRL may require in relation to revenue calculation and collection. Without prejudice to the generality of the foregoing the Franchisee shall:

- (a) ensure that, subject to paragraph 1.1(b) below, all of the systems and processes required to calculate revenue are controlled such that all data and other information is readily available, complete and accurate, up-to-date and in sufficient detail to enable re-performance (within ten Business Days) of systems/processes in the event of an audit or other event;
- (b) use all reasonable endeavours to ensure that any systems and processes required to calculate revenue which are controlled, maintained or otherwise influenced by the Concessionaire or other third parties are controlled such that data and other information is readily available, complete and accurate, up-to-date and in sufficient detail to enable re-performance (within ten Business Days) of systems/processes in the event of an audit or other event;
- (c) in relation to paragraph 1.1(b) above, inform DLRL and the relevant third party as soon as reasonably practicable if the Franchisee becomes aware of any fault of any system or process which prevents compliance with the obligation set out in paragraph 1.1(a) above;
- (d) report to DLRL as soon as reasonably practicable if any Revenue Collection IT is malfunctioning such that it prevents the receipt of any data required by DLRL;
- (e) ensure that all Franchisee Employees directly involved in Ticket sales, access to TVMs, and/or collecting cash and banking described in paragraph 1.4 of Part 1 of this Schedule 5 will comply with written operating procedures prepared by the Franchisee which will delineate the segregation of duties and other operating controls. DLRL will be entitled to review the initial versions of the operating procedures and the Franchisee will make any reasonable amendments required by DLRL. Thereafter the Franchisee shall only be entitled to make any changes to such operating procedures with the prior written consent of DLRL;
- (f) to the full extent that PCI DSS is relevant and applies to any of the Services undertaken by the Franchisee:
 - (i) fully comply with all requirements of PCI DSS (including any changes, alterations and revisions to PCI DSS compliance requirements for the duration of the Franchise Term) or any other banking regulation or requirement that replaces PCI DSS;
 - (ii) provide in a secure manner at the end of each Fee Period a report on the progress towards PCI DSS compliant status, and once achieved, any issues arising pertaining to maintaining PCI DSS compliance;
 - (iii) share with DLRL the reports of the quarterly scans (including vulnerability scans) that are required to maintain PCI DSS compliance; and
- (g) provide such co-operation and assistance as may reasonably be required by DLRL to support DLRL in its obligations in relation to PCI DSS compliance and to achieve

and maintain PCI DSS compliance, including (without limitation) making personnel available to provide support and assistance and to attend meetings with DLRL (including third parties acting on behalf of DLRL/TfL).

- 1.2 In exercising its right to access the Franchisee's systems, data and other information, DLRL will ensure that it uses competent personnel only to access such systems, data and other information and that at all times such competent personnel do not do anything, nor allow anything to be done, which causes the relevant system to malfunction or the data or other information to be manipulated, corrupted or lost.
- 1.3 The Parties acknowledge that the TVMs on the Lewisham Extension are controlled and maintained by the Concessionaire.

2. **TICKET REVENUE**

2.1 **General Requirements**

The Franchisee shall be responsible and shall make all necessary arrangements for the protection and collection of revenues from Ticket sales (including the prevention of theft from TVMs and ticket offices) other than the collection of monies and revenue from debit or credit card transactions from TVMs. This responsibility includes without limitation:

- (a) ensuring regular and effective checks on whether passengers travelling on the Passenger Services are holding valid Tickets, provided that at a minimum the Franchisee shall perform electronic media checks to an equivalent of at least 25% of all passengers travelling on the Passenger Services within a Fee Period;
- (b) issuing, collecting and dealing with appeals in relation to Penalty Fares in accordance with TfL enforcement policies (as notified to the Franchisee from time to time) and other fares from passengers on all Trains and in all Stations as required by Part 2 of Schedule 9;
- (c) taking any other appropriate action (including the issue of prosecution notices) for the purposes of revenue protection and collection, provided that once issued prosecutions shall be managed by TfL and TfL shall be entitled to retain any revenue received from prosecutions; and
- (d) if and to the extent any revenues from Ticket sales come into the possession of the Franchisee (excluding in respect of Penalty Fares), paying the same promptly to DLRL.

2.2 **Ticket Checking and Station Blocks**

The Franchisee shall be responsible for carrying out Ticket checks and Station Blocks as specified in the Annual Revenue Protection Plan in accordance with the requirements of paragraph 3.1.

2.3 **Revenue Collection from Ticket Vending Machines**

- (a) The Franchisee shall provide periodic TVM transactional data via the automatic fare collection system by 09:00 on the first Business Day following the end of the Fee Period (and if not as otherwise agreed between the parties) in "Access File" format (or other format agreed with DLRL) together with any other information relating to TVM transactions that DLRL requires, providing reasonable notice of such requirements is given.
- (b) The Franchisee shall determine and request coin supply from DLRL, arrange collection and load all TVM hoppers with sufficient coins to enable them to perform, individually, their required function. The Franchisee shall agree a set level of coins

required to carry out such activities and the Franchisee shall provide three Business Days' notice of any change (permanent or otherwise) to the level of coins required.

2.4 **Use of Ticket Sales Revenue**

- (a) The Franchisee shall ensure all monies within the stewardship of Franchisee Parties (including without limitation those contained in coin bags, full and/or part-full hoppers, cash retrieved after being trapped in TVMs, Ticket receipts from sales on-train or other means) are kept physically separate from any Franchisee Party's monies and kept secure in accordance with processes to be agreed with DLRL. Access to such monies must be controlled and restricted. In addition the Franchisee shall ensure sufficient records of all DLRL monies are maintained to ensure that the accountability for such monies can be determined at any time.
- (b) The Franchisee shall provide a reconciliation of monies received and under the stewardship of Franchisee Parties (including without limitation those contained in coin bags, full and/or part-full hoppers, cash retrieved after being trapped in TVMs, Ticket receipts from sales on-train, in ticket offices or Tickets sold by the Franchisee by any other means) and provide such monies to DLRL. This reconciliation shall be completed weekly, reviewed and approved by the Franchisee's finance director or deputy, and sent to DLRL by midday on the third Business Day following the week concerned. This reconciliation shall also be completed for each Fee Period and sent to DLRL within the first three Business Days following the Fee Period concerned.

2.5 **Franchisee Indemnities**

- (a) The Franchisee hereby indemnifies each of the Indemnified Parties in respect of any Loss of the Indemnified Parties which is caused or contributed to by any failure of the Franchisee to comply with this paragraph 2.
- (b) The Franchisee shall be at risk and responsible for the secure storage of stocks of unsold Tickets (except those on the Lewisham Extension) and hereby indemnifies each of the Indemnified Parties in respect of Loss of the Indemnified Parties arising in connection with any failure of the Franchisee to comply with such requirement.

3. **REVENUE PROTECTION**

3.1 **Preparation of Revenue Protection Plan**

- (a) Other than in respect of the first Fee Year, the Franchisee shall prepare and submit to DLRL its proposed Annual Revenue Protection Plan for the following Fee Year not later than 90 days before the beginning of each Fee Year.
- (b) Each Annual Revenue Protection Plan shall be prepared so as to comply with the Franchisee's obligations in respect of revenue protection under the provisions of this Agreement and without prejudice to such obligations each Annual Revenue Protection Plan shall:
 - (i) set out proposals for the following Fee Year for the Franchisee to undertake full Station Blocks at each Station on at least:
 - (A) four occasions on Mondays to Fridays; and
 - (B) four occasions on a Saturday or Sunday,provided that each such occasion shall be for a different time period and be reflective of the actual passenger throughput of the Station based on APC

data and in any event no Station Block shall be less than five hours in duration;

- (ii) ensure that at least one of the Station Blocks mentioned in paragraph 3.1(b)(i) at each Station takes place in the last five hours of the Station Opening Hours;
 - (iii) indicate how such Station Blocks will be undertaken in each Quarter to ensure that any revenue protection survey undertaken in such Quarter will give an accurate reflection of ticketless travel across the Railway as a whole;
 - (iv) provide details of the resourcing and deployment of staff to ensure that during Station Blocks no passenger is able to pass through the Station Block without their Ticket being inspected and the relevant procedure (issue of a Penalty Fare or prosecution notice) carried out;
 - (v) provide details of all other activities which the Franchisee will carry out in order to ensure that the level of ticketless travel is minimised; and
 - (vi) such other information as DLRL reasonably requests.
- (c) Each Annual Revenue Protection Plan shall set out the matters in paragraph 3.1(b) above in such detail as shall reasonably satisfy DLRL that the Franchisee has understood its obligations under this Agreement and will be in a position to satisfy such obligations.

3.2 Consultation on Annual Revenue Protection Plan

The Franchisee and DLRL shall consult with each other on the contents of the Annual Revenue Protection Plan for a period of 30 days from receipt thereof by DLRL or, if later, receipt by DLRL of any revised version of that Annual Revenue Protection Plan pursuant to paragraph 3.3. The Franchisee shall have due regard to any comments provided by DLRL in relation to the Annual Revenue Protection Plan and shall comply with any reasonable requirements of DLRL under paragraph 3.3. DLRL may, at its sole discretion, reduce the required period for consultation by notice in writing to the Franchisee.

3.3 Required Revisions

During the period of consultation under paragraph 3.2 DLRL may by notice to the Franchisee pursuant to this paragraph require that the Franchisee revise the Annual Revenue Protection Plan if DLRL considers that it does not comply with the requirements of paragraph 3.2 and, following service of any such notice by DLRL, the Franchisee shall address the issues raised by DLRL in such notice and resubmit a revised version of the Annual Revenue Protection Plan to DLRL.

3.4 Annual Revenue Protection Plan to take effect

- (a) The Franchisee shall agree the Annual Revenue Protection Plan for the First Fee Year with DLRL prior to the Franchise Commencement Date, and such Annual Revenue Protection Plan shall take effect on the Franchise Commencement Date. Any subsequent Annual Revenue Protection Plan shall not take effect until the beginning of the Fee Year to which it relates or if later, the end of the consultation period under paragraph 3.2.
- (b) The Franchisee shall implement the revenue protection services in accordance with the Annual Revenue Protection Plan and shall at all times comply with the Annual Revenue Protection Plan which is in effect pursuant to this paragraph 3.4.

3.5 Revenue Protection Survey

- (a) Within five Business Days of the end of each Fee Period following the Franchise Commencement Date, the Franchisee shall submit to DLRL a report relating to ticketless travel which shall include as a minimum the following information:
- (i) a report of all Station Blocks which were carried out in the previous Fee Period and whether such Station Blocks were carried out in accordance with the Annual Revenue Protection Plan;
 - (ii) the percentage of ticketless travel for the previous Fee Period across the Railway as a whole (the "**Ticketless Amount**") to be calculated as:

$$\text{Ticketless Amount} = \frac{\sum_{i=1}^n (PWT_i + PIT_i)}{\sum_{i=1}^n (AAPC_i)} \times 100\%$$

where:

- i means the Station Block identifier;
- n means the total number of Station Blocks carried out in the previous Fee Period in accordance with the Annual Revenue Protection Plan;
- PWT means the number of passengers without tickets identified during the relevant Station Block;
- PIT means the number of passengers with invalid tickets identified during the relevant Station Block;
- AAPC means the number of alighters recorded by the APCs during the relevant Station Block multiplied by 0.97.

- (iii) any other information which DLRL reasonably requests.
- (b) The Franchisee shall use its best endeavours to ensure that no single Station shall have a Ticketless Amount in excess of 4%.
- (c) In circumstances where at the end of any Quarter the Ticketless Amount across the Railway as a whole for the previous Quarter is greater than 2%, the Franchisee shall indemnify DLRL for 50% of the amount of lost revenue suffered by DLRL over that Quarter as a result of the Ticketless Amount being greater than 2%, such indemnity to be calculated as follows:

$$((\text{GFR}/(100\%-\text{TA})) \times (\text{TA}-2\%)) \times 50\%$$

where:

- TA means the Ticketless Amount across the Railway as a whole for the previous Quarter;
- GFR means all Ticket Sales Revenue for that Quarter.

3.6 **DLRL Audit of Revenue Protection Survey**

DLRL may at any time monitor the Station Blocks and shall be entitled to audit the report provided in accordance with paragraph 3.4 and the Franchisee shall provide all necessary assistance to DLRL to permit DLRL or its contractors, advisers, employees or agents to undertake such audit. If and to the extent the report is incorrect in any material regard or does not provide information in respect of all Station Blocks which should have been carried out in accordance with the Annual Revenue Protection Plan then DLRL shall be entitled to make any amendments to the report (including providing estimates of ticketless travel in respect of Station Blocks which have not been carried out in accordance with the Annual Revenue Protection Plan) which it believes (acting reasonably) need to be made to reflect the level of ticketless travel (including the Ticketless Amount) on the Railway and/or DLRL may in its absolute discretion require additional Station Blocks to be carried out in the subsequent Fee Period to ensure that the correct number of Station Blocks are carried out.

4. **USER SURVEYS**

The Franchisee shall (at its own cost) provide all assistance reasonably required to allow DLRL or any third party acting on behalf of DLRL to implement and administer any user survey which shall include, without limitation providing adequate access to DLRL or any third party acting on behalf of DLRL to Stations and other areas to carry out any user survey and undertaking any required paperwork.

5. **AUTOMATIC PASSENGER COUNTERS (APC)**

5.1 The Franchisee will ensure data from the APC system is available for use by DLRL on a daily basis by 09:00 the following Business Day (and if not, as otherwise agreed between the parties) and will ensure that any missing data is provided as soon as reasonably practicable.

5.2 The Franchisee shall ensure that DLRL authorised users will be entitled to gain access to the APC system to verify any data provided and access any retrieval and reporting tools.

6. **TICKET VENDING MACHINES (TVM)**

6.1 The Franchisee will be responsible for ensuring that the TVMs and related processes are working effectively and accurately record (in accordance with the manufacturer's specification) all transactions including the number and types of tickets sold, revenue collected, change loaded and removed and coin and note vaults pulled for banking.

6.2 All instances of access to the TVMs and associated systems and processes will be recorded by the Franchisee including date, time, location, machine reference and technician responsible and the nature of the action undertaken.

6.3 All processes and procedures covering access to the TVMs must be agreed in advance with DLRL.

6.4 DLRL authorised users will be entitled for audit purposes to gain access to the TVM system to verify any data provided and retrieval and reporting tools will be made available to DLRL authorised users at the Franchisee's offices at Poplar Depot, provided details of such users are provided in advance to the Franchisee.

6.5 It shall be DLRL's responsibility and not the Franchisee's to enter into agreements for the settlement of any credit or debit card commission with relevant suppliers, provided that DLRL will ensure (where possible) that the Franchisee is given the access to the credit card acquirer's transaction log and/or DLRL's server. If and to the extent that DLRL is not able to provide such access the parties shall meet in good faith to discuss arrangements which will enable the Franchisee to comply with its obligations under this Schedule.

7. **IT CONTROL**

- 7.1 The Franchisee and DLRL will limit access to the Revenue Collection IT to those suitably qualified employees agents and subcontractors who either have a need for access or who are engaged in the use of the Revenue Collection IT.
- 7.2 The Franchisee will ensure that where practicable secure custody back-ups are maintained of software involved in the Revenue Collection IT.
- 7.3 The Franchisee will ensure that a disaster recovery and business continuity plan acceptable to DLRL (acting reasonably) is put in place to cover the loss of the Revenue Collection IT.

SCHEDULE 6

Customer Information, Assistance and Marketing

1. MARKETING AND ADVERTISING

1.1 The Franchisee shall not be responsible for marketing the Railway to stimulate passenger growth, but shall provide at its own cost such assistance as is reasonably requested by DLRL in relation to such marketing, including:

- (a) reviewing drafts, commenting on and consulting with DLRL in relation to any of the following:
 - (i) marketing plans and campaigns;
 - (ii) public relations and advertising campaigns;
 - (iii) travel behaviour and travel demand management campaigns;
 - (iv) customer research campaigns; and
 - (v) without prejudice to the Franchisee's obligations in this Agreement, revenue protection and fare evasion plans;
- (b) installing and maintaining any marketing materials (including Train cards, notices and posters) provided by DLRL on platforms, concourses and Trains as requested by DLRL within 24 hours (or such alternative timescale agreed by DLRL) of receipt and removing any materials as requested by DLRL within 24 hours.

1.2 DLRL shall be entitled to receive all advertising revenue and other ancillary commercial revenue and wholly benefit from all advertising or other ancillary commercial activities carried out in relation to the Railway. The Franchisee shall not be entitled to:

- (a) undertake any advertising or ancillary commercial activities on or in relation to the Railway; or
- (b) directly or indirectly receive any revenue in relation to or benefit from any advertising or other ancillary commercial revenue on or in relation to the Railway.

1.3 DLRL shall be entitled to name all stations on the Railway and to retain all revenues derived from the sponsorship of such station names and DLRL will retain all other rights in relation to the use and/or exploitation of such names (to the extent property exists in such names) of the Stations including the right to apply for registration of such names as trademarks or domain names anywhere in the world. The Franchisee shall not be permitted to change the name of any Station.

2. SAFETY CAMPAIGNS

2.1 The Franchisee shall provide at its own cost such assistance as is reasonably requested by DLRL in relation to planned or ad hoc safety campaigns concerning the Railway, including:

- (a) reviewing, commenting on and consulting in relation to any safety campaign materials; and
- (b) installing and maintaining any safety materials provided by DLRL on platforms, concourses and Trains as requested by DLRL within 24 hours (or such alternative timescale agreed by DLRL) of receipt and removing any materials as requested by DLRL within 24 hours.

2.2 The Franchisee may suggest issues or messages for DLRL to address in planned or ad hoc safety campaigns and DLRL shall consult with the Franchisee in the development of such campaigns.

2.3 The Franchisee may at its own cost design, produce, install and maintain its own safety campaign materials, provided that the Franchisee shall consult with DLRL in the development of such materials and shall take into account any reasonable comments made by DLRL.

3. **MEDIA**

3.1 The Franchisee shall not:

- (a) issue any general media or public announcements or any other marketing materials in relation to the Railway;
- (b) divulge any information in relation to the Railway to the press or the public; or
- (c) undertake any material element of publicity or marketing in relation to the Railway, without first obtaining DLRL's approval (not to be unreasonably withheld or delayed).

3.2 The Franchisee shall consult with DLRL and provide DLRL with any requested information in relation to material incidents affecting Passenger Services or other material operational incidents and interruptions or in connection with public or other correspondence as soon as reasonably practicable following their occurrence or receipt of a request from DLRL.

3.3 The Franchisee shall, after consultation with DLRL, be responsible for providing the media with any information on the Franchisee's or its Sub-Contractor's staffing or industrial relations issues.

3.4 The Franchisee shall promptly and on an ongoing basis provide DLRL and its nominees with all information and assistance that is reasonably requested for the purpose of:

- (a) maintaining the DLRL (or any TfL) website;
- (b) updating email subscribers in relation to the Passenger Services;
- (c) managing social media concerning the Railway;
- (d) planning the use of information providing assets on Stations and concourses;
- (e) media planning and buying in relation to the Railway,

which may include the provision of timetable information, real time service information and information relating to planned and unplanned changes to the Published Customer Information.

3.5 The Franchisee shall on a daily basis provide to DLRL a media and social media monitoring report in a format to be agreed with DLRL.

4. **CUSTOMER INFORMATION**

4.1 The Franchisee shall publish and maintain effective information in relation to the Passenger Services at each Station and on each Vehicle which is in Passenger Service.

4.2 The Franchisee shall obtain DLRL's prior approval of all designs and notices prior to publication or installation and the Franchisee shall make such amendments to the

information provided in relation to the Passenger Services as reasonably requested by DLRL.

4.3 The Franchisee shall ensure that:

- (a) all information on the Passenger Services which it designs is compliant with TfL's design standards and templates (as provided to the Franchisee from time to time);
- (b) all information on the Passenger Services provided at Stations and on Vehicles is clearly visible and protected from weather, is up to date and contains the date of printing;
- (c) adequate information relating to Tickets is made available to passengers;
- (d) as a minimum the following information is provided at each Station:
 - (i) the Train Service Hours;
 - (ii) the times of the First Train and the Last Train (including information on the last connection times to other Terminal Stations);
 - (iii) departure times/frequencies and platform arrangements for all Passenger Services from that Station for each Line for Weekdays, Saturday and Sunday;
 - (iv) forthcoming changes to Passenger Services on the Railway and wider TfL rail and London Underground network;
 - (v) appropriate safety information;
 - (vi) appropriate rail connections;
 - (vii) telephone and address information for further assistance;
 - (viii) contact details for London TravelWatch; and
 - (ix) clear temporary notices, produced to a professional standard, advising of any unavailability of facilities (including facilities for the mobility impaired) posted on or adjacent to the facility which is unavailable,

(together the "**Published Customer Information**").

4.4 Without prejudice to its general obligations in this paragraph 4, the Franchisee shall ensure that it complies with the following specific customer information obligations. The Franchisee shall:

- (a) design, produce, install and maintain (and update as required):
 - (i) timetable posters at Stations;
 - (ii) fare zone maps located on TVMs;
 - (iii) information on how to use TVMs;
 - (iv) local area maps at Stations;
 - (v) periodic performance posters updated to reflect the latest Fee Period (including relating to Customer Satisfaction Survey Data) at Stations;
 - (vi) Passenger Service information leaflets; and

- (vii) one route finder above each door on each Train and one route finder at each Station; and
- (b) install and maintain all London Underground and other maps in accordance with the designs provided by DLRL or TfL,

all to be displayed at locations in accordance with the installation plan provided by DLRL. The Franchisee shall also distribute any leaflets provided by DLRL.

4.5 The Franchisee shall review, comment on and consult in relation to any passenger service information materials or signage being designed or produced by DLRL, within 10 Business Days of a request for the same.

4.6 The Franchisee shall provide such assistance as is reasonably requested by DLRL in relation to any customer information plan produced by DLRL, including:

- (a) reviewing, commenting and consulting on any customer information plan; and
- (b) implementing the activities set out in the customer information plan.

5. **LIVE SERVICE INFORMATION**

5.1 At all times during the Train Service Hours the Franchisee shall ensure that:

- (a) electronic Passenger Information Displays on every platform at every Station provide details of the arrival of the next three Trains together with messages indicating Stations where lifts are unavailable and other general information regarding the running of the Passenger Services;
- (b) the current status of Passenger Services are provided to TfL within three minutes of being updated by the Control Centre, to allow TfL to accurately reflect the current status on all TfL digital media; and
- (c) any changes in accessibility levels at any Station are provided to passengers within three minutes of being updated by the Control Centre.

6. **PLANNED SERVICE DISRUPTION AND TIMETABLE CHANGES**

6.1 The Franchisee shall provide to DLRL for approval draft notices (containing all relevant details) of any planned change to the Published Customer Information (whether temporary or permanent, including Marginal Base Service Changes, Special Service Requirements, Substitute Services, DLRL Projects or other works information or diversions) at least 35 days in advance of the planned change. DLRL shall be entitled to provide comments to the Franchisee within 7 days of receipt of the draft notices and the Franchisee shall take any comments made by DLRL into account.

6.2 Following compliance with paragraph 6.1 above, the Franchisee shall:

- (a) publish all notices at least 21 days' prior to the planned change; and
- (b) publish and maintain effective notices of the planned changes (including information in relation to any Substitute Services and alternative means of travel) on all Stations of the Railway for the entire period of the 21 day advance notice period and during the period of any planned temporary change; and
- (c) promptly update any Published Customer Information to reflect any planned permanent change.

7. **UNPLANNED SERVICE DISRUPTION AND TIMETABLE CHANGES**

7.1 The Franchisee shall provide effective announcements and notices (including by means of the public address system and Passenger Information Displays and any other electronic service information facilities as required by DLRL) in relation to unplanned disruption to the Passenger Services or change to the Published Customer Information, which shall include but not be limited to:

- (a) any unplanned service restriction or delay; or
- (b) any temporary Station or platform closure,

which in either case lasts 15 minutes or more and the Franchisee shall effectively maintain such announcements and notices until the Passenger Services are restored or the Station or platform is reopened.

7.2 In the event that there is an unplanned suspension of Passenger Services which lasts more than 1 hour during Peak Periods or 2 hours at all other times, the Franchisee shall install professionally printed apology messages at all relevant Stations within 2 hours of the suspension and shall remove such messages 18 hours later.

8. **COMMUNITY RELATIONS**

8.1 The Franchisee shall employ:

- (a) at least six local community ambassadors to engage with the local community in relation to the Railway; and
- (b) a community and stakeholder manager to:
 - (i) manage the local community ambassadors;
 - (ii) attend local authority transport liaison meetings to discuss service delivery and performance issues relating to the Railway; and
 - (iii) keep DLRL informed in relation to any locally orientated political issues in relation to the Railway.

8.2 The Franchisee shall consult with DLRL in relation to the roles and responsibilities of the local community ambassadors and the community and stakeholder manager and the Franchisee shall take into account the reasonable requirements of DLRL.

9. **SCHOOLS LIAISON EDUCATION AND TRAINING**

The Franchisee shall provide such assistance as DLRL reasonably request in relation to liaising with educational and training institutions which are local to the Railway.

10. **STAKEHOLDER LIAISON**

10.1 The Franchisee shall:

- (a) attend relevant community liaison meetings (which shall include supporting relationships with Canary Wharf, the Queen Elizabeth Olympic Park, the Corporation of London and ExCeL as well as local authorities and other relevant bodies) and, where reasonably required by DLRL, stakeholder meetings to discuss service delivery, performance issues and event planning;
- (b) keep DLRL informed in relation to any issues in relation to the Railway arising at community liaison or stakeholder meetings;

- (c) ensure that, when required, senior managers attend any local authority liaison meetings with the community and stakeholder manager as referred to in paragraph 8.1(b) above; and
- (d) provide such assistance as is reasonably requested by DLRL in relation to consulting with and discussing the planning and development of significant works or other projects occurring on the Railway with local communities.

11. **CUSTOMER CONTACT**

- (a) TfL will be responsible for responding to all enquiries, telephone calls and other correspondence or complaints in relation to the Railway.
- (b) Following receipt of any enquiries, telephone calls or other correspondence or complaints in relation to the Railway, the Franchisee shall promptly re-direct or provide such enquiries, telephone calls or other correspondence or complaints to TfL to allow TfL to promptly respond directly.
- (c) The Franchisee shall provide DLRL and TfL with any information and assistance that it reasonably requires in relation to enquiries, telephone calls or other correspondence or complaints received directly by DLRL or TfL within 48 hours of a request for the same.
- (d) The Franchisee shall provide all lost property which it receives from any source to TfL's lost property department as advised by DLRL.

SCHEDULE 7

Safety, Quality, Security and Environment

Part 1 - Safety

1. GENERAL

Without prejudice to its other obligations contained in this Schedule and this Agreement, the Franchisee shall comply with the following requirements in respect of safety management:

- (a) the Franchisee shall promote a positive safety culture, in which safety is of paramount importance to all aspects of its operations;
- (b) the Franchisee will strive for continuous improvement in safety performance;
- (c) wherever reasonably requested by DLRL, the Franchisee shall contribute to the development of and implement joint processes with DLRL or its nominees in relation to safety management activities; and
- (d) the Franchisee shall ensure that its personnel (including Key Staff and other management) attend such safety governance meetings and performance review committees as reasonably requested by DLRL.

2. ORGANISATIONAL SAFETY ARRANGEMENTS

- 2.1 Without prejudice to the requirements of clause 14, prior to the Franchise Commencement Date the Franchisee shall determine and implement an organisational structure, develop and implement management practices and employ sufficient resources to allow it to discharge its safety responsibilities contained in this Agreement and all Applicable Requirements.
- 2.2 The Franchisee shall submit its proposed safety organisational structure to DLRL for its acceptance prior to the Franchise Commencement Date and shall thereafter obtain DLRL's acceptance prior to making any changes which have or potentially might have an impact on the management of its safety responsibilities.
- 2.3 The Franchisee shall ensure that safety responsibilities are clearly allocated to individual line managers and staff who manage, perform and verify activities which have an impact on health and safety.
- 2.4 The Franchisee shall ensure that staff training programmes are effective and appropriate, including but not limited to the application of the Competency Management System described in paragraph 11 below.

3. RISK MANAGEMENT

- 3.1 The Franchisee shall obtain DLRL's prior acceptance for and have in place from the Franchise Commencement Date an appropriate risk management system which shall, without limitation:
 - (a) manage risk to as low as reasonably practicable (ALARP);
 - (b) facilitate compliance with BCP-07 (Operational Risk Management) and support the update and maintenance of the risk management framework described in BCP-07 (Operational Risk Management); and

- (c) where applicable, align with DLRL's risk management system to allow both Parties to comply with their obligations contained in the BCPs.
- 3.2 The Franchisee shall comply with the accepted risk management system throughout the Franchise Term and obtain DLRL's acceptance prior to making any change to its risk management system.
4. **ANNUAL SAFETY IMPROVEMENT PLAN**
- 4.1 Subject to paragraph 4.2, not later than 1 November in each calendar year, the Franchisee shall prepare and submit to DLRL its proposed Annual Safety Improvement Plan (the "**Annual Safety Improvement Plan**") for the following calendar year.
- 4.2 Not later than 30 days prior to the Franchise Commencement Date, the Franchisee shall obtain DLRL's prior acceptance of and have in place an interim Annual Safety Improvement Plan to cover the period from the Franchise Commencement Date until the start of the next calendar year.
- 4.3 The Franchisee shall ensure that each proposed Annual Safety Improvement Plan:
- (a) establishes specific, measurable, achievable, realistic and time oriented safety objectives and targets;
 - (b) contains initiatives to improve safety performance and culture and proposed shared objectives for safety improvement;
 - (c) details who within the Franchisee's organisation is responsible and accountable for each safety objective, target and initiative;
 - (d) contains sufficient detail to satisfy DLRL that the Franchisee has understood its safety related obligations under this Agreement and will be in a position to satisfy such obligations;
 - (e) contains the audit programme referred to in paragraph 7 below;
 - (f) complies with Good Industry Practice;
 - (g) complies with all Applicable Requirements; and
 - (h) has been reviewed, approved by and signed by the Franchisee's Managing Director prior to submission to DLRL.
- 4.4 DLRL shall (acting reasonably) review the proposed Annual Safety Improvement Plan and provide the Franchisee with any required amendments or comments. The Franchisee shall take into account any required amendments or comments provided by DLRL and shall continue to update and resubmit the proposed Annual Safety Improvement Plan until it has obtained DLRL's acceptance.
- 4.5 The interim Annual Safety Improvement Plan referred to in paragraph 4.2 above shall take effect on the Franchise Commencement Date and the Franchisee shall from such date:
- (a) use best endeavours to ensure that the objectives, targets and initiatives contained in the interim Annual Safety Improvement Plan are performed, complied with or achieved (as the case may be); and
 - (b) comply with any other requirements in the interim Annual Safety Improvement Plan.

- 4.6 Any subsequent Annual Safety Improvement Plan shall take effect at the beginning of the calendar year to which it relates or, if later, the date it is accepted by DLRL in accordance with paragraph 4.4 above and the Franchisee shall from such date:
- (a) use best endeavours to ensure that the objectives, targets and initiatives contained in the Annual Safety Improvement Plan are performed, complied with or achieved (as the case may be); and
 - (b) comply with any other requirements in the Annual Safety Improvement Plan.
- 4.7 The Franchisee shall ensure that the actions required to meet safety objectives, targets and initiatives contained in the current Annual Safety Improvement Plan are identified and communicated effectively to the Franchisee Employees and its Sub-Contractors.
- 4.8 The Franchisee shall regularly review and monitor the status of the safety objectives, targets and initiatives set out in the Annual Safety Improvement Plan, and have in place processes that define what action is to be taken when an objective or target is not met or it becomes apparent that it will not be met.
- 4.9 The Franchisee shall provide DLRL with an update on progress against the Annual Safety Improvement Plan on a Quarterly basis.

5. **ANNUAL SAFETY REPORT**

- 5.1 Not later than 28 February in each calendar year, the Franchisee shall prepare and submit to DLRL an annual safety report (an "**Annual Safety Report**") which:
- (a) reviews and describes the extent to which the Franchisee complied with its general safety obligations contained in this Agreement and all Applicable Requirements during the previous calendar year;
 - (b) reviews and describes the extent to which the Franchisee has achieved the specific safety objectives, targets and initiatives set out in the relevant Annual Safety Improvement Plan;
 - (c) identifies any common themes arising from either of the above; and
 - (d) has been reviewed, approved by and signed by the Franchisee's Managing Director prior to submission to DLRL.

6. **SAFETY CULTURE SURVEY**

- 6.1 The Franchisee shall procure an external and independent safety culture survey and report (the "**Safety Culture Survey**") to be carried out in the third Quarter of 2015 and every two years thereafter.
- 6.2 The Franchisee shall obtain DLRL's prior written approval of the scope and methodology of each Safety Culture Survey prior to its commencement.
- 6.3 The Franchisee shall within 4 weeks of receipt provide DLRL with a copy of the results of the Safety Culture Survey and the relevant report.
- 6.4 The Franchisee shall take any steps which are required to rectify any failures identified by, or implement any improvements or recommendations arising from, the Safety Culture Survey, including as reasonably required by DLRL.

7. **FRANCHISEE SAFETY AUDITS AND INSPECTIONS**

- 7.1 The Franchisee shall establish and maintain a programme for regularly auditing and inspecting against its procedures to ensure compliance with its safety related and other obligations contained in the Applicable Requirements and this Agreement. Such programme of audits must:
- (a) be sufficient to determine whether the Franchisee's procedures allow the Franchisee to fulfil its safety obligations in this Agreement and in all Applicable Requirements and to ensure the continuing suitability, adequacy and effectiveness of such procedures;
 - (b) be sufficient to determine whether the Franchisee's safety management arrangements have been properly implemented;
 - (c) be sufficient to determine whether the Franchisee's procedures are effective in meeting the Franchisee's health and safety policy and objectives; and
 - (d) be sufficient to ensure that the Franchisee undertakes a full review (which may be on a rolling basis) of all of its procedures at intervals of not more than three years.
- 7.2 The Franchisee must consult with DLRL and other affected parties in developing and establishing and amending its audit programme.
- 7.3 The Franchisee shall carry out audits and inspections in accordance with the audit programme and shall submit the results and findings of any audits and inspections to DLRL within four weeks of receiving any report after any audit or inspection has been completed (provided that the Franchisee shall be required to alert DLRL to any material safety issues immediately upon becoming aware). Where reasonably required by DLRL, the Franchisee shall also record the findings of any safety related audits and inspections (along with related improvements, recommendations or actions) in such system as specified by DLRL, which as at the date of this Agreement is DORIS.
- 7.4 The Franchisee shall provide the results of any safety related audits and investigations to its management and shall ensure a governance process is in place to deal with recommendations arising from any safety related audits and investigations and verify the completion of such actions.
- 7.5 Notwithstanding the contents of the audit programme, the Franchisee shall at its own cost carry out safety audits in relation to specific assets or any other safety investigations or inspections as reasonably requested by DLRL in response to any safety concerns which DLRL has identified or which have been brought to DLRL's attention, and the Franchisee shall provide DLRL with the results of such audits, investigations or inspections within the timescales specified by DLRL (acting reasonably).

8. **SAFETY MANAGEMENT SYSTEM AUDIT**

- 8.1 DLRL shall be entitled to carry out or procure the carrying out of an annual safety audit of the Railway, including the interfaces associated with the Franchisee's Safety Management System and other safety management processes and arrangements, including the suitability, sufficiency and reliability of the safety interfaces between the Franchisee, DLRL and other relevant third parties (the "**SMS Audit**").
- 8.2 DLRL shall be entitled to determine the scope and methodology of the SMS Audit entirely at its own discretion, and the Franchisee shall at its own cost provide DLRL or its nominee with all assistance reasonably required.
- 8.3 The Franchisee shall take any steps which are reasonably required by DLRL to implement any recommendations arising from the SMS Audit.

9. **AD HOC SAFETY AUDITS**

- 9.1 Without prejudice to its right to procure an SMS Audit in accordance with paragraph 8 above, DLRL shall at any time be entitled to carry out or procure the carrying out of any additional audit (including, at DLRL's absolute discretion, independent, periodic, and "no warning" spot audits) of the Franchisee's compliance with its Safety Management System, Safety Certificate, Safety Authorisation and the Franchisee's other safety related obligations contained in this Agreement and all Applicable Requirements, which shall include but not be limited to implementation of the requirements contained in the BCPs (an "**Ad Hoc Safety Audit**").
- 9.2 In the event that an Ad Hoc Safety Audit raises a safety issue and concludes that the Franchisee is not in compliance with its Safety Management System, Safety Certificate, Safety Authorisation or its other safety related obligations contained in this Agreement and all Applicable Requirements then:
- (a) DLRL shall share a copy of the results of any Ad Hoc Safety Audit with the Franchisee;
 - (b) DLRL shall be entitled to require the Franchisee (including any specific Key Staff or other personnel as required by DLRL) to attend a review meeting to discuss the relevant safety issue;
 - (c) DLRL shall be entitled to require the Franchisee to promptly investigate, provide a considered response to and propose a remedial plan for resolving the relevant issue; and
 - (d) DLRL shall be entitled to require the Franchisee to comply with such remedial plan and take such other steps as DLRL reasonably considers necessary in order to resolve the relevant safety issue and prevent the same or a similar safety issue arising in the future.
- 9.3 The Franchisee shall co-operate with DLRL and any third party appointed by DLRL pursuant to paragraph 9.1.

10. **MANAGEMENT AND ASSURANCE OF CHANGE**

- 10.1 The Franchisee shall:
- (a) comply with the obligations relevant to the Franchisee in BCP-03 (Joint DLR Change Assurance Framework);
 - (b) maintain a local change management process for changes which fall outside the scope of the joint change assurance framework described in BCP-03 (Joint DLR Change Assurance Framework). This shall include without limitation processes for permanent and temporary changes to people, plant, processes and procedures to ensure all relevant health and safety issues are addressed; and
 - (c) ensure that a process is in place to ensure consultation with DLRL and other affected stakeholders on changes to operational and maintenance procedures which are outside the scope of BCP-03 (Joint DLR Change Assurance Framework).

11. **COMPETENCE AND TRAINING**

- 11.1 The Franchisee shall produce, maintain and comply with a staff competency management system (the "**Competency Management System**") which complies with the requirements of paragraph 11.2 below.
- 11.2 The Competency Management System shall:

- (a) clearly allocate responsibility within the Franchisee's organisation for maintaining and implementing the Competency Management System;
 - (b) clearly define the competency requirements for each role;
 - (c) identify what training needs to be provided to staff to ensure they are trained to the required standard, including for those undertaking safety critical work;
 - (d) ensure regular training is provided to all staff (full time/part time/paid/unpaid) as appropriate to ensure that all staff maintain required competencies;
 - (e) regularly monitor levels of staff competency in relation to required standards;
 - (f) ensure that all signalling works are carried out in accordance with the 'Signalling Maintainer's Testing Handbook';
 - (g) contain processes for the recruitment, initial assessment, training, and competence monitoring of all staff; and
 - (h) ensure that the Franchisee adopts and maintains a scheme for documenting and recording the training status and proficiency of all staff.
- 11.3 The Franchisee shall maintain an auditable and dedicated supplier and contractor management system (the "**Supplier and Contractor Management System**") to ensure that its Sub-Contractors and suppliers have been properly assessed as competent to perform their duties, including for those undertaking safety critical work.

12. **SAFETY CORRESPONDENCE**

- 12.1 The Franchisee shall copy to DLRL all significant health and safety correspondence originating from or addressed to the Franchisee. This shall include, but not be limited to, any correspondence in relation to safety incidents and other significant occurrences, investigation reports and correspondence with the Regulator.
- 12.2 The Franchisee shall also inform DLRL of any significant approaches from or discussions with the Regulator or other third parties on safety related issues.

13. **INCIDENT/ACCIDENT DATABASE**

- 13.1 Prior to the Franchise Commencement Date, the Franchisee shall prepare (and agree the format and content with DLRL) an incident/accident database that will capture and analyse all incidents/accidents which occur on the Railway (including safety and environmental incidents/accidents) and in the course of the Franchisee's activities, and shall maintain it for the Franchise Term.
- 13.2 The Franchisee shall, within 12 months of the Franchise Commencement Date, review the relevant existing data regarding the Predecessor Franchisee and include such data in the incident/accident database.
- 13.3 The Franchisee shall make the incident/accident database available on such system as reasonably required by DLRL, which as at the date of this Agreement is DORIS.
- 13.4 On termination or expiry of this Agreement, the Franchisee shall ensure that the incident/accident database is up to date and accurate and provided to DLRL in an electronic format.

14. **INCIDENT REPORTING AND INVESTIGATION**

14.1 The Franchisee shall establish and maintain (and gain DLRL's acceptance of) procedures which define the responsibility and authority for:

- (a) the handling and investigation of accidents, incidents and non-conformances (including environmental accidents and incidents);
- (b) taking action to mitigate any consequences arising from accidents, incidents or non-conformances;
- (c) the initiation and completion of corrective action measures and preventative actions; and
- (d) confirmation of the effectiveness of corrective and preventative actions taken.

14.2 The Franchisee's procedures for incident reporting shall:

- (a) align with BCP-01 where applicable;
- (b) require that all non-conformances, accidents and incidents be promptly reported internally within the Franchisee's organisation and to DLRL. This shall include all environmental accidents and incidents; and
- (c) require that accidents or incidents which occur to any person in relation to the Railway (including without limitation employees, passengers, temporary workers, contractors, visitors and any other person in the workplace) are promptly reported internally with the Franchisee's organisation and to DLRL.

14.3 The Franchisee's procedures for incident investigation should:

- (a) align with BCP-01, where applicable;
- (b) define the types of events to be investigated;
- (c) identify the purpose of the investigation (for example to identify immediate and underlying causes and recommend remedial actions to prevent recurrence);
- (d) identify the criteria for selecting investigators; and
- (e) include statutory reporting requirements.

14.4 The Franchisee shall ensure that all incident investigation reports are provided to DLRL and captured on such system as reasonably required by DLRL, which as at the date of this Agreement is DORIS.

14.5 The Franchisee shall ensure that all investigations are carried out by competent investigators who have sufficient skill, knowledge, experience, training and personal attributes in relation to the area or systems being investigated.

15. **EMERGENCY RESPONSE AND PREPAREDNESS**

15.1 The Franchisee shall establish, implement and maintain (and gain DLRL's acceptance of) plans and procedures to identify the potential for, and responses to, incidents and emergency situations, and for preventing and mitigating the likely illness, injury and/or environmental damage that may be associated with them.

15.2 The Franchisee shall establish an emergency services protocol to manage the interface between DLRL, emergency services, other Transport Undertakings and Infrastructure

Managers which may need to respond to an incident, and conduct table top and live exercises as appropriate to ensure such procedures are robust, appropriate and effective.

- 15.3 The Franchisee shall, as a minimum, have a live exercise every year and a table top exercise annually.

16. **DOCUMENT CONTROL**

- 16.1 The Franchisee shall establish, implement and maintain (and gain DLRL's acceptance of) a suitable document management system.

- 16.2 The Franchisee shall ensure that all Franchisee Employees have access to the Franchisee's document management system.

17. **COMMON SYSTEMS**

The Franchisee shall ensure that all applicable Franchisee Employees use the DLRL computer system as required by applicable BCPs, which as at the date of this Agreement is DORIS.

18. **ACTION MANAGEMENT SYSTEM**

- 18.1 The Franchisee shall have a system and procedures in place to deal with all recommendations and issues arising from safety related activities, including, but not limited to, incident investigations, audits, inspections and reviews and shall record such recommendations and issues on such system as is specified by DLRL (which as at the date of this Agreement is DORIS).

- 18.2 Where recommendations or issues from safety-related investigations, audits, and reports are allocated to the Franchisee in an issues register, the Franchisee shall provide verification evidence to DLRL that the actions taken to address the recommendation or issue have been completed and that they have been effective at addressing the recommendation or issue raised (such evidence to be provided as soon as practicable upon completion of the recommendation or issue).

19. **OCCUPATIONAL HEALTH**

- 19.1 The Franchisee shall ensure it has procedures in place to manage occupational health issues for staff, including but not limited to counselling, eye tests, drugs and alcohol testing and stress. Where reasonably requested by DLRL, the Franchisee shall provide DLRL with details of such procedures, and in particular the results of unannounced, post incident and for-cause drugs and alcohol testing.

- 19.2 The Franchisee shall agree with DLRL a drugs and alcohol testing plan.

SCHEDULE 7

Safety, Quality, Security and Environment

Part 2 - Quality Management

1. **QUALITY MANAGEMENT SYSTEM**

- 1.1 Prior to the Franchise Commencement Date, the Franchisee shall establish, document, implement and comply with a quality management system (the "**Quality Management System**") and shall thereafter maintain and comply with it for the duration of the Franchise Term.
- 1.2 The Quality Management System must be certified to ISO 9001 (or equivalent) not later than 12 months after the Franchise Commencement Date.
- 1.3 The Franchisee shall regularly audit and evaluate its Quality Management System to ensure it is compliant with the requirements of this paragraph 1 and:
 - (a) provide DLRL with the results of any audits or any reports which it procures or receives for such purposes; and
 - (b) provide DLRL with evidence whenever reasonably requested (and in a form reasonably satisfactory to DLRL) that the Franchisee is compliant with the requirements of this paragraph 1.
- 1.4 The Franchisee shall allocate sufficient resources (including appropriate management resources) to implement and fulfil the requirements of this paragraph 1.

2. **QUALITY PLAN**

- 2.1 Not later than 30 days prior to the Franchise Commencement Date, the Franchisee shall obtain DLRL's prior acceptance of and have in place a quality plan (the "**Quality Plan**") that shall cover all of the Franchisee's obligations under this Agreement.
- 2.2 The purpose of the Quality Plan is to ensure that the Franchisee manages in a systematic and structured manner the quality and delivery of its obligations under this Agreement so that:
 - (a) such obligations are delivered to a consistent standard; and
 - (b) such standard is continually improved.

3. **SUB-CONTRACTORS' QUALITY MANAGEMENT SYSTEMS**

- 3.1 The Franchisee shall monitor its Sub-Contractors' quality management systems and use all reasonable endeavours to ensure that they operate quality management systems in accordance with Good Industry Practice, and certified to ISO 9000.
- 3.2 The Franchisee shall be responsible for monitoring the performance of and ensuring (to the extent reasonably practicable) compliance by Sub-Contractors with their respective quality management systems.
- 3.3 For the avoidance of doubt, nothing in this paragraph shall be treated as relieving the Franchisee in any way whatsoever from its obligations under clause 41 (Sub-contracting).

4. **QUALITY PROCEDURES**

- 4.1 The Franchisee shall ensure that it has systems in place for communicating with DLRL about performance, enquiries, contractual issues, decisions, instructions, feedback and complaints.
- 4.2 The Franchisee shall have documented procedures for dealing with actual and potential non-conformances with its Quality Management System.
- 4.3 The Franchisee shall provide to DLRL at the end of each Fee Period a report of any failures to comply with its Quality Management System during that Fee Period and its proposed corrective action.

5. **ANNUAL REVIEW OF QUALITY MANAGEMENT SYSTEM**

The Franchisee shall review its Quality Management System on an annual basis and provide a copy of the report to DLRL within 4 weeks.

SCHEDULE 7

Safety, Quality, Security and Environment

Part 3 - Security

1. POLICING

- 1.1 The Franchisee shall be responsible for and shall make all necessary arrangements for the policing of the public areas of the Railway and the management of the police to ensure that all Applicable Requirements are met for the operation of Passenger Services and for all special events.
- 1.2 In addition, the Franchisee shall consult with the British Transport Police, DLRL and the Concessionaire as to the adequacy of police manning levels for the purpose of preparation of its Annual Security Plan and shall comply with any recommendations from the British Transport Police in specifying the resources to be provided by the British Transport Police and the Franchisee shall ensure that the level of policing shall be increased appropriately as ridership on the Railway increases. The Franchisee contact responsible for security and liaising with the police shall be based in London.
- 1.3 The Franchisee shall (at its own cost) enter into arrangements with the British Transport Police to provide the following full time policing resources on the Railway:
- (a) one Inspector;
 - (b) three Sergeants;
 - (c) six Police Constables; and
 - (d) twelve Police Community Support Officers.
- 1.4 Policing levels will be reviewed annually by the Franchisee, the British Transport Police and DLRL unless a significant change drives a more frequent review (such as a change in the transport and national alert state). Where the Franchisee, the British Transport Police and DLRL agree that a change to the policing levels is required the Franchisee shall procure such change in policing levels and:
- (a) any decrease in policing costs will be shared equally (on a 50/50 basis) between the Franchisee and DLRL; and
 - (b) any increase in policing costs will be shared between the Franchisee and DLRL with the Franchisee being responsible for 15% of the increased costs and DLRL being responsible for the remaining 85%,
- and the Franchise Payment shall be adjusted accordingly.
- 1.5 The Franchisee will be obliged to work in partnership with the British Transport Police, co-operate with DLRL and TfL in relation to security and policing and provide comments on security and policing initiatives or other items (championing improvements) whenever reasonably requested.
- 1.6 The Franchisee shall, at its own cost, deliver the DfT (formerly TRANSEC) security requirements on the Railway, including any changes in such requirements and will liaise with the relevant bodies to create arrangements for mitigating the risk of terrorism.

2. SECURITY

- 2.1 The Franchisee will be wholly responsible for the security of the Railway and for appropriately securing the Railway at all times and shall be solely responsible for any damage, vandalism and theft, including in relation to the Franchise Assets.
- 2.2 The Franchisee shall as soon as reasonably practicable notify DLRL of any breach of security or potential breach of security which occurs on the Railway.
- 2.3 Without prejudice to the generality of the obligation under paragraph 2.1, the Franchisee shall at all times manage the security of the Depots and out-stabled Trains. Access and egress points to the Depots must be staffed at all times by sufficient suitably qualified personnel to adequately manage the security of the Depots and provide an initial greeting point for both the Franchisee's and DLRL's visitors. The staffing level will be appropriate such that the positions are not left unattended at any time and are suitable to manage the Franchisee and DLRL's needs in terms of access to staff and visitors.
- 2.4 The Franchisee shall provide a separate accredited resource (which shall be additional to the police) to facilitate revenue protection duties, visible patrols of the Railway, perform DfT (formerly TRANSEC) station inspections, provide a permanent presence at Category A Stations and provide night patrols of the Railway.
- 2.5 The Franchisee shall adopt a competency card identification scheme (such as 'Sentinel') within six months of the Franchise Commencement Date to minimise the risk of:
- (a) untrained personnel carrying out safety critical work on the Railway; or
 - (b) unauthorised access to non-public areas of the Railway,
- and the Franchisee shall make reasonable arrangements to minimise the risk of the above prior to such date.

3. ANNUAL SECURITY PLAN

- 3.1 Subject to paragraph 3.2, not later than 60 days before the beginning of each calendar year, the Franchisee shall prepare and submit to DLRL and the British Transport Police for acceptance its proposed annual security plan (the "**Annual Security Plan**") for the following calendar year.
- 3.2 Prior to the Franchise Commencement Date, the Franchisee shall obtain DLRL's and the British Transport Police's prior acceptance of and have in place an interim Annual Security Plan to cover the period from the Franchise Commencement Date until the start of the next calendar year.
- 3.3 Each proposed Annual Security Plan must contain:
- (a) a list of instances of crime, theft and vandalism with lessons learned and initiatives for their reduction;
 - (b) a summary of police and security activities;
 - (c) upcoming visible reassurance exercises;
 - (d) a list of central and local British Transport Police exercises for the coming year;
 - (e) secure stations accreditation status;
 - (f) policing levels for the coming year;

- (g) any reviews of all departments, contracts and agencies focusing on improving security provision on the Railway;
 - (h) targeted response to areas noted by intelligence of customer feedback; and
 - (i) the enforcement of byelaws.
- 3.4 The Franchisee, DLRL and the British Transport Police shall consult with each other on the contents of the Annual Security Plan for a period of 30 days, and the Franchisee shall take into account any reasonable amendments suggested by DLRL or the British Transport Police.
- 3.5 The Franchisee, DLRL and the British Transport Police shall continue to consult with each other on the contents of the Annual Security Plan until the Franchisee, DLRL and the British Transport Police have all accepted the final version of the Annual Security Plan or, in the absence of any agreement within the 30 day time period, until the Annual Security Plan is determined by DLRL.
- 3.6 Once accepted or determined by DLRL, the Franchisee shall comply with the contents of the Annual Security Plan.
- 3.7 Where security arrangements require enhancement to cover special or one-off events, the Franchisee should prepare ad hoc security plans to cover the period of such special or one-off event and provide them to DLRL and the British Transport Police in sufficient time prior to the event for comment. The Franchisee should take into account any reasonable comments made by DLRL and the British Transport Police and shall thereafter be obliged to comply with such security plans at its own cost.

4. **CCTV**

- 4.1 The Franchisee shall have suitable processes and resources to effectively view, record and preserve all CCTV images received from the CCTV cameras in the Stations and the Depots to achieve effective real time surveillance and to contribute to a safe and secure environment for passengers.
- 4.2 The Franchisee shall promptly facilitate access to such images (including access to the image source and/or supplying certified copies of images) by the British Transport Police (or another authorised body) and DLRL whenever reasonably requested.
- 4.3 Preservation of CCTV data relating to specific incidents of crime or passenger injury shall be securely retained for a minimum period of three years. All other CCTV data shall be retained for a minimum period of 28 days or such other period as instructed by DLRL, the British Transport Police or any other similar authority.

5. **SECURE STATIONS ACCREDITATION**

- 5.1 The Franchisee shall ensure that all Stations maintain the "Secure Stations Accreditation" throughout the Franchise Term.
- 5.2 The Franchisee shall display a sign at each Station noting its accreditation and the period of such accreditation.

6. **CRIME AND DISORDER ACT 1998**

The Franchisee acknowledges that DLRL is under a duty in accordance with Section 17 of the Crime and Disorder Act 1998:

- (a) to have due regard to the impact of crime, disorder and community safety in the exercise of DLRL's duties;

- (b) where appropriate, to identify actions to reduce levels of crime and disorder; and
- (c) without prejudice to any other obligation imposed on DLRL, to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area,

and in the performance of this Agreement and the Ancillary Agreements the Franchisee will observe these duties and will assist and co-operate with DLRL, and will use reasonable endeavours to procure that its sub-contractors observe these duties and assist and co-operate with DLRL, where possible to enable DLRL to satisfy its duty.

SCHEDULE 7

Safety, Quality, Security and Environment

Part 4 - Environment

1. GENERAL

Without prejudice to its other obligations contained in this Schedule and this Agreement, the Franchisee shall ensure that throughout the Franchise Term it:

- (a) complies with all Applicable Requirements related to the environment;
- (b) measures and reports on carbon emissions and develops plans to reduce carbon to allow DLRL to comply with its obligations under the UK Government's Carbon Reduction Commitment (CRC) Energy Efficiency Scheme;
- (c) carries out its Operational Response obligations in relation to any environmental incidents, including environmental incidents occurring on or about the Railway, on its own premises, on the Railway or in the Depot;
- (d) complies with the requirements of TfL's Freight Operator's Recognition Scheme as described in Schedule 19; and
- (e) only uses Sustainable Timber in line with the TfL Sustainable Timber Policy, as described in Schedule 19.

2. ENVIRONMENTAL OBJECTIVES

The Franchisee shall be aware of, and contribute towards, the following TfL environmental objectives:

- (a) reduce greenhouse gas emissions (CO₂);
- (b) reduce pollutant emissions to the air (NO_x and PM₁₀);
- (c) reduce transport related noise and vibration;
- (d) maintain and, where possible, enhance the quality of London's built environment;
- (e) reduce resource consumption and improve green procurement;
- (f) reduce the waste generated by applying the principles of "reduce, reuse and recycle"; and
- (g) reduce water consumption.

3. ENVIRONMENTAL MANAGEMENT SYSTEM

From the Franchise Commencement Date and throughout the Franchise Term, the Franchisee shall operate an environmental management system (the "**Environmental Management System**") which shall be independently accredited to BS EN ISO 14001 or equivalent within one year of the Franchise Commencement Date.

4. PROCUREMENT OF SUSTAINABLE MATERIALS

When procuring materials, the Franchisee shall consider the principles of resource efficiency. DLRL may from time to time request the Franchisee to provide evidence of such consideration.

5. **ANNUAL ENVIRONMENTAL IMPROVEMENT PLAN**

- 5.1 Not later than 1 November in each calendar year, the Franchisee shall prepare and submit to DLRL its proposed annual environmental improvement plan (the "**Annual Environmental Improvement Plan**") for the following calendar year.
- 5.2 The Franchisee shall ensure that each proposed Annual Environmental Improvement Plan:
- (a) supports the environmental objectives specified in paragraph 2 of this Part 4 of Schedule 7;
 - (b) establishes challenging but specific, measurable, achievable, realistic and time oriented environmental objectives and targets, covering (but not limited to):
 - (i) CO₂ emissions;
 - (ii) waste management;
 - (iii) water consumption; and
 - (iv) PM10 and NOX emissions;
 - (c) contains initiatives to improve the Franchisee's environmental culture;
 - (d) details who within the Franchisee's organisation is responsible and accountable for each objective, target and initiative;
 - (e) contains sufficient detail to satisfy DLRL that the Franchisee has understood its environmental obligations under this Agreement;
 - (f) contains an associated assurance programme;
 - (g) contains an annual energy management and efficiency strategy developed jointly by the Franchisee in conjunction with DLRL; and
 - (h) has been reviewed, approved and signed by the Franchisee's Managing Director prior to submission to DLRL.
- 5.3 DLRL shall (acting reasonably) review the proposed Annual Environmental Improvement Plan and provide the Franchisee with any reasonable amendments or comments. The Franchisee shall take into account any reasonable amendments or comments provided by DLRL and shall continue to update and resubmit the proposed Annual Environmental Improvement Plan until it has obtained DLRL's acceptance.
- 5.4 Any subsequent Annual Environmental Improvement Plan shall take effect at the beginning of the calendar year to which it relates or, if later, the date it is accepted by DLRL in accordance with paragraph 5.3 above and the Franchisee shall from such date:
- (a) comply with such Annual Environmental Improvement Plan; and
 - (b) use best endeavours to ensure that the objectives, targets and initiatives contained in the Annual Environmental Improvement Plan are performed, complied with or achieved (as the case may be).
- 5.5 The Franchisee shall ensure that the actions required to meet environmental objectives, targets and initiatives contained in the relevant Annual Environmental Improvement Plan are identified and communicated effectively to the Franchisee Employees and its Sub-Contractors, where applicable.

5.6 The Franchisee shall regularly review and monitor the status of the environmental objectives, targets and initiatives set out in the Annual Environmental Improvement Plan, and have in place processes that define what action is to be taken when an objective or target is not met or it becomes apparent that it will not be met.

5.7 The Franchisee shall report to DLRL on the implementation of the Annual Environmental Improvement Plan on a Quarterly basis.

6. **ANNUAL ENVIRONMENTAL REPORT**

6.1 Not later than 28 February in each calendar year, the Franchisee shall prepare and submit to DLRL an annual environmental report (the "**Environmental Report**") which shall:

- (a) review and describe the extent to which the Franchisee has complied with its general environmental obligations contained in this Agreement and all Applicable Requirements during the previous calendar year;
- (b) review and describe the extent to which the Franchisee achieved the specific environmental objectives, targets and initiatives set out in the Annual Environmental Improvement Plan for the previous calendar year;
- (c) identify any common themes arising from either of the above;
- (d) identify which objectives have not been met, the reasons why and the actions taken to address the issue; and
- (e) be reviewed, approved by and signed by the Franchisee's Managing Director prior to submission to DLRL.

7. **ENVIRONMENTAL REPORTING**

7.1 The Franchisee shall include in each Franchise Performance Report a summary of all environmental incidents which have occurred in relation to the Railway, Depots and offices, including without limitation the aggregate number of environmental incidents which have occurred, a description of the incidents and their dates, locations and regulatory impact.

7.2 The Franchisee shall provide DLRL with all environmental audit reports, investigations, reviews and inspections carried out as part of the implementation of the Environmental Management System including, but not limited to, the independent accreditation and re-accreditation audits of the Environmental Management System and ongoing assurance audits and / or inspections.

7.3 The Franchisee shall ensure that a governance process is in place to deal with recommendations arising from any environmental-related investigations, audits, reviews or inspections.

7.4 The Franchisee shall report progress of actions arising from environment-related audits, investigations and inspections in each Franchise Performance Report, in accordance with Schedule 10 (Provision of Information).

8. **CONTROL OF VEHICLE EMISSIONS**

8.1 The Franchisee shall:

- (a) consider CO₂, air quality and noise impacts as part of the decision making process when procuring and leasing road vehicles; and

- (b) adopt a technology neutral approach in the procurement and leasing of its road vehicles.

8.2 The Franchisee shall procure that all Sub-Contractors' cars and vans meet the following CO₂ limits and European emission standards (euro standards) from the Franchise Commencement Date:

- (a) cars: maximum certified CO₂ emissions of 95 g/km and a minimum of Euro 5 emission standards;
- (b) vans equal to or less than 1205 kg kerb weight: maximum certified CO₂ emissions of 105 g/km and a minimum of Euro 5 emission standards;
- (c) vans between 1205 and 1660 kg kerb weight: maximum certified CO₂ emissions of 145 g/km and a minimum of Euro 5 emission standards; and
- (d) vans greater than 1660 kg kerb weight: maximum certified CO₂ emissions of 205 g/km and a minimum of Euro 5 emission standards.

8.3 From the Franchise Commencement Date, all of the Franchisee's heavy duty road vehicles and non-road diesel engines shall (unless otherwise agreed by DLRL in its absolute discretion) meet the following emission standards:

- (a) heavy duty road vehicles >3500 kg kerb weight: Euro 6 European emission standards, except that where the Franchisee is unable to attain Euro 6 emission standards for all such vehicles by the Franchise Commencement Date, a Euro 5 emission standard shall be acceptable in relation to a small number of heavy duty vehicles, provided that the Franchisee shall attain a Euro 6 emission standard in relation to all such vehicles as soon as reasonably practicable following the Franchise Commencement Date;
- (b) non-road diesel engines between 19 and 36 kW: Stage 3A European emission standards; and
- (c) non-road diesel engines between 37 and 560 kW: Stage 3B European emission standards.

8.4 If any road vehicles or non-road diesel engines become due for replacement during the Franchise Term, the Franchisee shall ensure that the replacement vehicle or engine meets the European emission standards and CO₂ limits (if applicable) for that year in which it is introduced into the fleet as set out in the table below.

European Emissions Standards for Road Vehicles

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Cars	Euro 5	Euro 5	Euro 6	Euro 6	Euro 6	Euro 6	Euro 6
Vans ≤ 1205kg kerb weight	Euro 5	Euro 5	Euro 5	Euro 6	Euro 6	Euro 6	Euro 6
Vans 1205-1660kg kerb weight	Euro 5	Euro 5	Euro 5	Euro 6	Euro 6	Euro 6	Euro 6
Vans >1660kg	Euro 5	Euro 5	Euro 5	Euro 6	Euro 6	Euro 6	Euro 6

kerb weight

Heavy Duty Vehicles >3500kg	Euro 5	Euro 6	Euro 6	Euro 6	Euro 6	Euro 6	Euro 6
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European Emissions Standards for Non-Road Diesel Engines

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Non-road diesel engines 19-37kW	Stage 3A	Stage 3A	Stage 3A	Stage 3A	Stage 3A	Stage 3A	Stage 3A
Non-road diesel engines 37-56kW	Stage 3A	Stage 3B	Stage 3B	Stage 3B	Stage 3B	Stage 3B	Stage 3B
Non-road diesel engines 56-560kW	Stage 3B	Stage 3B	Stage 4	Stage 4	Stage 4	Stage 4	Stage 4

Certified CO₂ Limits (g/km)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Cars	95	90	85	80	75	70	65
Vans ≤ 1205kg kerb weight	105	100	95	90	85	80	75
Vans 1205-1660kg kerb weight	145	140	135	130	125	120	115
Vans >1660kg kerb weight	205	200	195	190	185	180	175

8.5 For the avoidance of doubt, road vehicles of Sub-Contractors shall not be required to meet the standards set out in this paragraph 8.

8.6 The Franchisee shall procure that each of its employees required to drive in connection with the Franchise shall undertake a 'Safe and Fuel Efficient Driving' (SAFED) course within three months of the Franchise Commencement Date. Such training course shall consist of theoretical training and practical implementation skills and shall be a minimum duration of one hour. Throughout the Franchise Term, any new staff employed by the Franchisee required to drive vehicles in connection with the Franchise shall also be

required to undertake a 'Safe and Fuel Efficient Driving' (SAFED) course. The Franchisee shall encourage its Sub-Contractors to undertake similar fuel efficient driver training.

8.7 DLRL may require the Franchisee to provide evidence of its compliance with paragraph 8.6 from time to time.

8.8 In accordance with Mayoral environmental strategies and commitments to reduce carbon dioxide emissions, the Franchisee shall wherever possible include zero or ultra low carbon vehicles, such as electric, plug-in hybrid or biomethane vehicles, in its fleet. Where the Franchisee is unable to comply with this paragraph 8.8, the Franchisee shall provide to DLRL an explanation of the reasons for such failure.

9. **ENVIRONMENTAL INDICATORS**

The Franchisee shall measure and report to DLRL, on a Fee Period and year to date basis, on the following environmental indicators in relation to the Franchise, which are set out in Schedule 10 (Provision of Information):

- (a) 'NOx' and 'PM10' for air quality;
- (b) energy consumption (amounts of electricity and gas/fuel), water consumption and waste water costs to such a level of disaggregation as DLRL may reasonably require. This should include relevant analysis of consumption/costs as DLRL may reasonably require including but not limited to reporting trends in data, period by period variance analysis and underlying reasons for the quantum of such consumption/costs;
- (c) CO2 emissions (total tonnes and grams per passenger kilometre), and split as in (b) above;
- (d) number of noise related complaints received and the Franchisee's response;
- (e) commercial and industrial waste, and percentage recycled, in terms of both tonnes and per passenger kilometre split by source;
- (f) tonnes of hazardous solid waste, litres of hazardous liquid waste and percentage recycled; and
- (g) number of pollution spill incidents to land or water caused by the Franchisee.

10. **ASBESTOS REGISTER**

- (a) The Franchisee shall prepare and maintain an asbestos register that complies with Applicable Requirements, and shall agree the format of the asbestos register with DLRL.
- (b) The Franchisee shall make the asbestos register available on such system as is reasonably required by DLRL, which as at the date of this Agreement is DORIS.

11. **ENVIRONMENTAL INTERFERENCE**

In performing its obligations under this Agreement, the Franchisee shall:

- (a) at all times use all reasonable endeavours to prevent any unlawful nuisance (including noisy working operations), obstruction, trespass, interference with any right of light, way, air or water, or other interference with the rights of any adjoining landowners, tenants or occupiers or any statutory undertaker; and

- (b) not commit any act or omission on the Site whereby any property (including the air above, water running on or through the soil, subsoil or groundwater beneath) shall become contaminated with a substance which may have a deleterious effect on the environment or on human health,

and the Franchisee shall indemnify DLRL from and against any and all Loss suffered by DLRL from a failure by the Franchisee to comply with its obligations under this paragraph.

SCHEDULE 8

Key Contracts and Direct Agreement

Part 1 – Sub-Contracting

1. KEY CONTRACTS AND DIRECT AGREEMENT

1.1 Save in respect of any contract to which the Franchisee may be party on the date of this Agreement, the Franchisee shall not enter into, be party to or be beneficiary under any Key Contract, unless DLRL has:

(a) given prior written consent (such consent not to be unreasonably withheld or delayed) to such Key Contract and its terms; and

(b) the relevant counterparty has entered into a Direct Agreement in respect of such Key Contract with DLRL in the form contained in Part 2 of this Schedule 8 or otherwise acceptable to DLRL for the purposes of ensuring that the Services may continue to be provided and that the Franchise may continue to be operated.

1.2 The Franchisee shall ensure that all Key Contracts reflect the provisions of clause 4.2 of this Agreement.

2. AMENDMENT/TERMINATION

2.1 The Franchisee shall not without the prior written consent of DLRL (which shall not be unreasonably withheld or delayed) vary, or purport to vary, the terms or conditions of any Key Contract.

2.2 Without prejudice to the provisions of paragraph 1, if a Key Contract terminates or the Franchisee becomes aware that circumstances have arisen which might give rise to termination for any reason whatsoever, the Franchisee shall notify DLRL and, if DLRL so requires or the Franchisee so determines, the Franchisee shall forthwith enter into a Key Contract in respect of the same subject matter as the Key Contract which so terminated so as to ensure continuation of supply of the relevant goods or services and the provisions of paragraph 1 shall apply to such new Key Contract.

3. DESIGNATION

DLRL may, subject to paragraph 4, designate at any time as a Key Contract any agreement, contract, licence or other arrangement (whether in written, oral or other form) which the Franchisee is party to or beneficiary under or which it may propose to be party to or beneficiary under, where DLRL considers that such designation is reasonably necessary for securing that the Franchise may continue to be provided or operated by a Successor Franchisee on the expiry of the Franchise Term or otherwise facilitating the transfer of the Franchise at such time. For the avoidance of doubt such arrangements may include any informal or formal arrangement that the Franchisee may have with any other person from time to time (including an Affiliate).

4. NOTIFICATION OF CATEGORIES OF KEY CONTRACTS

DLRL may from time to time notify the Franchisee of those types or categories of contracts or arrangements which it reasonably considers may be Key Contracts and those which it does not. The Franchisee shall be entitled to rely on such notifications until amended or revoked on reasonable notice. The Franchisee shall inform DLRL from time to time of any arrangements which it may be intending to enter into which it believes DLRL may reasonably wish to designate under paragraph 3.

5. **DESIGNATION OF EXISTING CONTRACTS**

If DLRL designates as a Key Contract any contract or arrangement to which the Franchisee may already be party and which DLRL has previously notified the Franchisee would not be considered to be a Key Contract under paragraph 4 (and in respect of which such notice has not been revoked), the Franchisee shall be deemed not to be in breach of its obligations under paragraph 1 but shall, where so reasonably requested by DLRL, use its reasonable endeavours to procure that DLRL may enter into a Direct Agreement in the form contained in Part 2 of this Schedule 8 (or otherwise acceptable to DLRL) with the relevant counterparty as soon as practicable.

6. **EMERGENCIES**

Nothing in this Part 1 of Schedule 8 shall prevent the Franchisee from entering into on a short term basis such contracts or arrangements as it may consider necessary or appropriate to deal with any emergency which may arise in connection with the provision and operation of the Franchise nor shall it be required to procure that the relevant counterparty enters into a Direct Agreement in respect of such contracts.

Schedule 8

Key Contracts and Direct Agreement

Part 2 - Key Contracts

Contracts relating to any of the following items shall be Key Contracts as at the date of this Agreement:

Ref.	Contract
1	Maintenance (Signalling)
2.	Maintenance (Radio)
3.	Maintenance (TVM Software and Hardware)
4.	Maintenance (Radio Communication)
5.	Revenue Protection (Bus Replacement)
6.	Utility (Gas Supply)
7.	Utility (Water Supply)
8.	Security
9.	Any other contract which is: (a) over £500,000 (Indexed) in value; and/or (b) necessary to secure continuity of the provision of Passenger Services on the Railway and which cannot reasonably be replaced within 5 Business Days.



Schedule 8

Key Contracts and Direct Agreement

Part 3 – Direct Agreement

DIRECT AGREEMENT

DOCKLANDS LIGHT RAILWAY LIMITED

and

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and

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- 4.2.1 the relevant breach or default is capable of remedy and is remedied or cured prior to the expiry of the Notice Period;
- 4.2.2 the relevant breach or default is incapable of remedy but all costs, damages and expenses due and payable to the Contractor have been paid prior to the expiry of the Notice Period; or
- 4.2.3 a Novation Notice is issued pursuant to clause 6.3 below and the Confirmatory Notice is served by DLRL on the Contractor pursuant to clause 9 below.

5. **Provision of Information**

Following service of any Termination Notice or receipt of a notice from DLRL stating that a Franchisee Default has occurred under the Franchise Agreement the Contractor shall supply DLRL with such information as it shall reasonably request concerning the Contract and its operation and in particular as to the circumstances and events causing the Contractor to issue any Termination Notice. Such information shall be supplied by the Contractor to DLRL as soon as practicable but in any event within 14 days. If the information is supplied less than 21 days prior to the expiry of any Notice Period, such Notice Period shall automatically be extended to terminate 21 days after the date the last of the information requested by DLRL is supplied to it.

6. **Novation**

At any time:

- 6.1 within 28 days of the termination of the Franchise Agreement howsoever caused; or
- 6.2 prior to the expiry of the Notice Period where a Termination Notice has been served; or
- 6.3 where the Franchisee consents in writing,

DLRL may give notice (a "**Novation Notice**") to the Contractor and the Franchisee to the effect that:

- 6.3.1 DLRL; or
- 6.3.2 another person nominated by DLRL,

(either such person to be hereinafter referred to as the "**Novatee**") intends to assume the rights and obligations of the Franchisee under the Contract and specifying a day (the "**Novation Date**"), being not later than 28 days after the date of service of the Novation Notice, on which such assumption is to be effective, subject to receipt by the Contractor of a Confirmatory Notice from DLRL in accordance with clause 9.

7. **Termination of the Contract**

- 7.1 Neither the Franchisee nor the Contractor may cancel, terminate, suspend or revoke the Contract nor shall the Contract be automatically terminated on the happening of any particular event unless:
 - 7.1.1 following termination of the Franchise Agreement, no Novation Notice has been served within 28 days;
 - 7.1.2 following service of a Termination Notice, the Notice Period expires before DLRL serves a Novation Notice on the Contractor; or

7.1.3 following service of a Novation Notice, a Confirmatory Notice is not served in accordance with clause 9.

7.2 The Franchisee and the Contractor shall procure that the provisions set out at clause 7.1 are incorporated into the Contract.

8. **Interim Period**

8.1 The Contractor shall during the period between any termination of the Franchise Agreement and the Novation Date, or, (where clause 3 applies), between the date of the Termination Notice and the Novation Date, continue to perform its obligations under the Contract in accordance with the terms of the Contract.

8.2 The Franchisee shall be responsible for meeting all its obligations under the Contract incurred prior to the Novation Date or, as applicable, termination of the Contract.

8.3 On the Novation Date, the Franchisee shall be released from all further obligations under the Contract, except that the Franchisee shall be liable for all losses, liabilities, damages, costs or expenses (including legal fees) arising from any antecedent breach of the Contract by the Franchisee.

9. **Confirmation**

Not later than 5 days prior to the Novation Date DLRL shall be entitled, but not obliged, to serve a confirmatory notice (a "**Confirmatory Notice**") on the Contractor whereupon the parties shall do all such acts and execute all such documents to ensure that the novation of the Contract shall, subject as provided in clause 8.3, become effective on the Novation Date in accordance with clause 6.3.

10. **Rights on Novation**

On the Novation Date:

10.1.1 the Novatee shall become a party to the Contract in place of the Franchisee and thereafter shall be treated as if it had originally been named as a party thereto in place of the Franchisee, subject to clause 8.2;

10.1.2 the Novatee shall assume and enjoy the rights and perform the obligations of the Franchisee under the Contract arising on or after the Novation Date and the Franchisee shall no longer enjoy any rights and shall be released from all obligations under the Contract arising on or after the Novation Date under the Contract;

10.1.3 the Contractor shall owe its obligations under the Contract to the Novatee in place of the Franchisee to the extent that they have not been discharged on or prior to the Novation Date; and

10.1.4 the Contractor shall procure that any guarantees or warranties which were previously provided to the Franchisee shall be transferred to the Novatee.

11. **Waiver**

11.1 A waiver of any term, provision or condition of, or consent granted under, this Agreement shall be effective only if given in writing and signed by the waiving or consenting party and then only in the instance and for the purpose for which it is given.

11.2 No failure or delay on the part of any party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial

exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11.3 No breach of any provision of this Agreement shall be waived or discharged except with the express written consent of the parties.

11.4 The rights and remedies herein provided are cumulative with and not exclusive of any rights or remedies provided by law.

12. **Partial Invalidity**

If at any time any provision of this Agreement (or part hereof) is or becomes illegal or invalid or unenforceable in any respect under the law of any relevant jurisdiction, such illegality, invalidity or unenforceability shall not affect or impair the legality validity or enforceability in that jurisdiction of any part of any other provision of this Agreement or, in any other jurisdiction, of any provision of this Agreement.

13. **No Partnership**

Nothing in this Agreement and no action taken by the parties pursuant to this Agreement shall constitute, or be deemed to constitute, the parties a partnership, association, joint venture or other co-operative entity.

14. **Further Assurance**

Each party agrees that it shall now or at any time during the subsistence of this Agreement do or procure the doing of all such acts and/or execute or procure the execution of all such documents in a form satisfactory to the other party as the other party may reasonably require for giving full effect to and obtaining the full benefit of the rights powers and remedies conferred upon such other party by this Agreement.

15. **Costs**

Save as expressly otherwise provided in this Agreement each of the parties shall bear its own legal, accountancy and other costs, charges and expenses connected with the negotiation, preparation and implementation of this Agreement and any other agreement incidental to or referred to in this Agreement.

16. **Counterparts**

This Agreement may be executed in any number of counterparts and by the several parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all counterparts shall together constitute one and the same instrument.

17. **Governing language**

The official text of this Agreement and any schedules attached hereto and any notices given hereunder shall be English.

18. **Governing law and Jurisdiction**

18.1 This Agreement, and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this Agreement or its formation (including any non-contractual disputes or claims), shall be governed by and construed in accordance with English law.

18.2 Each party to this Agreement irrevocably agrees that the courts of England shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and/or to settle

any disputes, which may arise out of or in any way relate to this Agreement or its formation and each party irrevocably submits to the jurisdiction of the courts of England.

19. **Third party rights**

No third party may enforce any rights or benefits conferred on it by this Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999.

IN WITNESS whereof the parties hereto have executed this Agreement as a deed the day and year first before written.

Executed as a deed by **DOCKLANDS**)
LIGHT RAILWAY LIMITED)
acting by [a director and its secretary/two)
directors]:)

Director

Director/Secretary

Executed as a deed by [**FRANCHISEE**])
acting by [a director and its secretary/two)
directors]:)
)

Director

Director/Secretary

Executed as a deed by [**CONTRACTOR**])
acting by [a director and its secretary/two)
directors]:)
)

Director

Director/Secretary

SCHEDULE 1

The Contract

[To be inserted]

SCHEDULE 9

DLR Contracts and Authorised Functions

Part 1 – DLR Contracts

1. DLR CONTRACTS

- 1.1 The Franchisee acknowledges and agrees that DLRL has supplied to it copies of the DLR Contracts (excluding the Additional DLR Contracts) and that it shall be deemed to be fully aware of the obligations, time constraints, risks and liabilities assumed by DLRL thereunder.
- 1.2 In carrying out its obligations under this Agreement, the Franchisee shall not do anything that might cause or contribute to a breach by DLRL of the terms of the DLR Contracts.
- 1.3 Without prejudice to the generality of paragraph 1.2, the Franchisee shall at its own cost be responsible for performing and discharging all Transferred Rights and Obligations on behalf of DLRL but subject to any limitation imposed on the Franchisee under paragraph 2 below.
- 1.4 Where DLRL is required to give its consent or approval to, or to comment on, any course of action that the Franchisee proposes to take under or pursuant to any DLR Contract, the Franchisee shall provide DLRL with all necessary or appropriate information to explain the reason for such course of action and shall allow DLRL a reasonable period of time to consider and make an informed decision in respect of such course of action.
- 1.5 DLRL may (but is not obliged to) perform or discharge any of the Transferred Rights and Obligations at any time provided it gives prior notice to the Franchisee of its intention to do so, in which case the Franchisee shall not perform or discharge the relevant Transferred Rights and Obligation until notified otherwise by DLRL.
- 1.6 Without prejudice to its obligation to discharge the Transferred Rights and Obligations, where in the discharge of the Transferred Rights and Obligations the Franchisee is required to communicate with, or receives communications from any third party the Franchisee shall, where reasonably practicable, consult with DLRL before making or responding to any material communication and shall in any event copy such material communications to DLRL.
- 1.7 If the Franchisee does not pay any third party any amount that the Transferred Rights and Obligations requires it to pay to that third party by the due date for payment, then DLRL may pay that amount on the Franchisee's behalf and the amount will be a debt due from the Franchisee to DLRL which the Franchisee shall pay DLRL on demand and the provisions of clause 25.7 (Set-Off) shall apply.
- 1.8 If the Franchisee considers that there is any inconsistency between the requirements of this paragraph 1 and any other provision of this Agreement then it shall promptly notify DLRL upon becoming aware of such inconsistency and shall take such action as reasonably required by DLRL.

2. TRANSFERRED RIGHTS/OBLIGATIONS

Ref	Details of DLR Contract	Transferred Rights and Obligations	Limitations or Restrictions
1. Concession Agreement	See Part 3 below.	See Part 3 below.	See Part 3 below.

2.Lost Property Services Agreement			
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3. **ADDITIONAL DLR CONTRACTS**

- 3.1 DLRL may by notice in writing to the Franchisee require that the Franchisee treat a specified contract as a DLR Contract for the purpose of this Agreement.
- 3.2 In any notice served pursuant to paragraph 3.1 above, or by subsequent notice in writing within 14 days thereafter, DLRL shall specify the Transferred Rights and Obligations which the Franchisee is to perform and discharge on behalf of DLRL and any rights or benefits for the Franchisee which are associated with the DLR Contracts.
- 3.3 The Franchisee may within 14 days of receipt of notice of an Additional DLR Contract from DLRL give notice of Variation under the Variation Procedure. DLRL may either in the notice pursuant to paragraph 3.1 above or by a subsequent notice to be served on the Franchisee within 14 days thereafter provide a notice of Variation under the Variation Procedure. If the Franchisee or DLRL serves a notice of Variation under the Variation Procedure then the provisions of the Variation Procedure shall apply.

4. **THIRD PARTY WARRANTIES AND RELEVANT CLAIMS**

- 4.1 If a claim arises or the Franchisee suffers any Loss in relation to:
 - (a) any DLRL Project Contract pursuant to which DLRL has the benefit of a valid Third Party Warranty which DLRL is entitled to pursue against any counterparty to such contract; or
 - (b) a provision of the Concession Agreement where Part 3 of this Schedule 9 states that this paragraph 4 shall apply,

(a **"Relevant Claim"**) it shall give notice to DLRL as soon as reasonably practicable giving all reasonable detail of the Relevant Claim.
- 4.2 Subject to paragraph 4.3, DLRL will, within a reasonable time period from the receipt of the notice referred to in paragraph 4.1 above, decide in its absolute discretion whether DLRL will:
 - (a) pursue the Relevant Claim; or
 - (b) notify the Franchisee that it may pursue the Relevant Claim in DLRL's name.
- 4.3 DLRL will be entitled to refuse to pursue the Relevant Claim or to refuse to allow the Franchisee to pursue the Relevant Claim in DLRL's name if:
 - (a) DLRL believes that pursuance of the Relevant Claim is likely to have a detrimental effect on the business or reputation of DLRL or TfL;
 - (b) DLRL has received a legal opinion reasonably acceptable to both parties that there is not a reasonable prospect of the Relevant Claim being successful;
 - (c) DLRL estimates that the value or likely proceeds of the Relevant Claim is less than £25,000 (Indexed);
 - (d) the Franchisee is entitled to recover the Loss to which the Relevant Claim relates from insurances; or

- (e) the Franchisee is able to pursue the Relevant Claim in its own name.
- 4.4 If, following notification under paragraph 4.2(b) above, the Franchisee decides to pursue a Relevant Claim in DLRL's name, the Franchisee shall:
- (a) be entitled to have conduct of the Relevant Claim in the name of DLRL and to have the conduct of any defence, dispute, compromise or appeal and of any incidental negotiations;
 - (b) not settle any Relevant Claim without the consent of DLRL, such consent not to be unreasonably withheld or delayed;
 - (c) indemnify DLRL to DLRL's satisfaction against any Loss arising or which may arise out of the pursuance by the Franchisee of the Relevant Claim;
 - (d) provide DLRL with regular updates of the progress of the Relevant Claim with any supporting information that DLRL may reasonably request;
 - (e) at the request of DLRL consult in good faith with DLRL about the conduct and potential settlement of the Relevant Claim; and
 - (f) preserve and protect DLRL's rights and not take any actions which it knows or should reasonably know will impair such rights.
- 4.5 If DLRL decides to pursue a Relevant Claim:
- (a) DLRL shall be entitled to have conduct of the Relevant Claim and to have the conduct of any defence, dispute, compromise or appeal and of any incidental negotiations;
 - (b) the Franchisee shall indemnify DLRL or provide reasonable security in respect of DLRL's costs arising or which may arise out of the pursuance by DLRL of the Relevant Claim;
 - (c) DLRL shall provide the Franchisee with regular updates of the progress of the Relevant Claim with any supporting information that the Franchisee may reasonably request; and
 - (d) DLRL shall at the request of the Franchisee consult in good faith with the Franchisee about the conduct and potential settlement of the Relevant Claim.
- 4.6 Each Party will provide the Party pursuing the Relevant Claim with all reasonable co-operation, access and assistance for the purposes of the consideration and pursuit of such Relevant Claim.
- 4.7 All proceeds of any Relevant Claim shall, unless otherwise agreed, be paid directly to DLRL, less, in the event the Franchisee has pursued the Relevant Claim in DLRL's name, the proper and reasonable costs so incurred and the Franchisee shall supply evidence of all such costs to DLRL.
- 4.8 To the extent any Losses incurred by the Franchisee which were included in the quantum of the Relevant Claim have been recovered by DLRL, DLRL shall pay the Franchisee such sum (or such proportion thereof as may be appropriate in the reasonable opinion of DLRL) less, in the event that DLRL has pursued the Relevant Claim, any proper and reasonable costs so incurred and DLRL shall supply evidence of all such costs to the Franchisee.

SCHEDULE 9

DLR Contracts and Undertakings

Part 2 – Authorised Functions

1. PENALTY FARES

1.1 DLRL hereby appoints the Franchisee as an "authorised person" pursuant to the provisions of Schedule 17 of the Greater London Authority Act 1999 (the "**Penalty Fares Provisions**").

1.2 The Franchisee shall from the Franchise Commencement Date:

- (a) issue collect on behalf of DLRL any Penalty Fares due from passengers pursuant to the terms of the Penalty Fares Provisions;
- (b) administer, or procure the administration of, the follow up collection of Penalty Fares and the appeals procedure; and
- (c) carry out the issue and collection of Penalty Fares in accordance with the Revenue Protection Plan.

1.3 The Franchisee shall, in addition to the collection of Penalty Fares, carry out all duties and responsibilities in relation to such collection as may ordinarily and properly be carried out by a penalty fare collector acting in the best interests of DLRL and TfL and shall be responsible for the costs associated with implementing the Penalty Fares on the Railway in the timescales specified by TfL from time to time.

1.4 The Franchisee shall be entitled to retain all Penalty Fares collected by it.

2. BYELAWS

2.1 DLRL appoints the Franchisee as an "authorised person" pursuant to DLRL Byelaws made under section 67(1) and (3) to (12) and 84(3) of the Transport Act 1962 which regulate the use and working of and travel on the Railway, the maintenance of order on the Railway and the conduct of all persons while on the Railway (as the same may be amended or replaced from time to time) ("**Byelaws**").

2.2 The Franchisee shall, as such authorised person, carry out all duties and responsibilities of an authorised person in relation to the enforcement of the Byelaws as may ordinarily and properly be carried out by a railway operator acting in the best interests of DLRL and TfL and the travelling public, including those duties specifically detailed in the Byelaws.

3. LEWISHAM EXTENSION ANNOUNCEMENTS

The Franchisee shall comply with the undertaking given as part of Lewisham parliamentary process not to make routine public address announcements on surface stations on the Lewisham Extension.

SCHEDULE 9

DLR Contracts and Undertakings

Part 3 – CGLR Matrix

1. The purpose of the tables which follow is to identify, clause by clause, the obligations and rights of the Franchisee arising from the terms of the Concession Agreement.
2. It is the responsibility of the Franchisee to familiarise itself with the terms of the Concession Agreement to which the obligations and rights described in these tables relate.
3. Words and expressions used in the tables shall, unless the context otherwise requires, have the meanings given to them in the Concession Agreement.
4. Subject to the provisions of paragraph 4 of Part 1 of Schedule 9, which shall apply in any case where this table states such provisions shall apply, DLRL shall procure that the Franchisee is entitled to avail itself of the rights in the column headed "Franchisee's Rights" in the table below.

CONCESSION AGREEMENT	FRANCHISEE'S OBLIGATIONS	FRANCHISEE'S RIGHTS
3. GRANT OF THE CONCESSION		
3.2 The Concessionaire to observe Applicable Requirements, Transfer Order and Undertakings	<p>The Franchisee must:</p> <p>(a) assist DLRL in identifying divergences between Applicable Requirements and the Concessionaire's duties and obligations;</p> <p>(b) consider any proposals put forward by the Concessionaire for overcoming the same;</p> <p>(c) assist DLRL in performing its obligation under the Project Documents and exercising its functions and powers under the Lewisham Acts to facilitate the Concessionaire's compliance with Applicable Requirements, Undertakings and Ancillary Agreements and in the exercise of the Concessionaire's functions and powers under the Lewisham Acts</p>	No specific rights conferred on the Franchisee
3.3 The Concessionaire to obtain consents licenses etc.	The Franchisee must assist DLRL in identifying consents etc. that the Concessionaire may require for the Project and its implementation and performance	DLRL will seek to secure for the Franchisee the benefit of consents etc. which the Concessionaire is required to obtain and which are relevant to the obligations assumed by the Franchisee in respect of the Lewisham Extension
3.4 Obligations of the parties to give notices, pay fees etc.	<p>The Franchisee must assist DLRL in the performance of its functions under the 1993 Act as they affect the ability of the Concessionaire to exercise its functions</p> <p>If the Franchisee receives a notice from a third party which relates to matters which are the obligations of the Concessionaire under the Project Documents it must forthwith pass the same to DLRL. The Franchisee must not respond to such notice without the prior consent of DLRL unless unavoidably compelled to do so by law</p>	DLRL will pass to the Franchisee the benefit of the Concessionaire's indemnity. Paragraph 4 of Part 1 of Schedule 9 of the Franchise Agreement shall apply

CONCESSION AGREEMENT	FRANCHISEE'S OBLIGATIONS	FRANCHISEE'S RIGHTS
3.5 Prevention of nuisance	No specific obligations of the Franchisee	DLRL will pass to the Franchisee the benefit of the Concessionaire's indemnity. Paragraph 4 of Part 1 of Schedule 9 of the Franchise Agreement shall apply
3.8 Provision of documents	No specific obligations of the Franchisee	Following the Operating Date the Franchisee may, as DLRL's agent, request from the Concessionaire in the name of DLRL copies of documents and data acquired or brought into existence by or on behalf of the Concessionaire to the extent relevant to the performance by the Franchisee of its obligations in relation to the Lewisham Extension and the Concession Agreement
6. DEFAULT AND EARLY TERMINATION OF CONCESSION		
6.1 The Concessionaire Default and termination	The Franchisee must inform DLRL forthwith of any event or circumstance which the Franchisee suspects is, or may with the passage of time amount to, a Concessionaire's Default	No specific rights conferred on the Franchisee
6.3 Termination as a result of Force Majeure	The Franchisee must assist DLRL in analysing the Concessionaire's proposals for dealing with Major Relevant FM Events insofar as they affect the operation of the Lewisham Extension or the operation and maintenance of the Existing Railway	No specific rights conferred on the Franchisee
7. INDEMNITIES		
7.1 Indemnity by the Concessionaire	No specific obligations of the Franchisee	DLRL will pass to the Franchisee the benefit of the Concessionaire's indemnity. Paragraph 4 of Part 1 of Schedule 9 of the Franchise Agreement shall apply
7.2 Indemnity by DLR Limited	The Franchisee must indemnify DLRL to the extent that DLRL is required to indemnify the Concessionaire as a result of default or negligent acts or omissions on the part of the Franchisee	No specific rights conferred on the Franchisee

CONCESSION AGREEMENT		FRANCHISEE'S OBLIGATIONS	FRANCHISEE'S RIGHTS
8. FORCE MAJEURE			
8.2	Consequences of Force Majeure	The Franchisee must assist DLRL in mitigating/removing the effects of an event of Force Majeure affecting DLRL	No specific rights conferred on the Franchisee
8.3	Notification of Force Majeure	The Franchisee must immediately notify DLRL of the occurrence of any event of Force Majeure affecting it which has, or in the reasonable opinion of the Franchisee may have, the effect of preventing DLRL from performing its obligations under the Concession Agreement	No specific rights conferred on the Franchisee
8.4	Notice of cessation of Force Majeure	The Franchisee must immediately notify DLRL when Force Majeure affecting DLRL or the Concessionaire no longer prevent the Franchisee from performing its obligations under the Franchise Agreement	No specific rights conferred on the Franchisee
8.7	Disputing notice of Force Majeure	The Franchisee must render to DLRL all necessary assistance in any claim for Force Majeure made by DLRL insofar as it relates to the Franchise	No specific rights conferred on the Franchisee
9. INTELLECTUAL PROPERTY			
9.1	Licence to use Intellectual Property	The Franchisee's right to use Intellectual Property the subject of a licence from the Concessionaire to DLRL will be subject to the limitation contained in that licence provided that the terms of the licence have been notified to the Franchisee. Where the Franchisee has been notified of the terms of a licence, the Franchisee shall indemnify DLRL against any infringement of that licence by the Franchisee.	DLRL will pass on to the Franchisee the benefit of any licence in respect of Intellectual Property conferred upon it under the Concession Agreement
9.2	Indemnity against infringement	No specific obligations of the Franchisee	DLRL will pass to the Franchisee the benefit of the Concessionaire's indemnity. Paragraph 4 of Part 1 of Schedule 9 of the Franchise Agreement shall apply

CONCESSION AGREEMENT	FRANCHISEE'S OBLIGATIONS	FRANCHISEE'S RIGHTS
10. SAFETY AND REGULATORY		
10.1 Safety management	No specific obligations of the Franchisee	No specific rights conferred on the Franchisee
10.2 Safety on the Existing Railway	The Franchisee will assess the Concessionaire's safety procedures and measures and endeavour to agree them with the Concessionaire	The Franchisee has the right to approve and agree safety procedures and measures with the Concessionaire on behalf of DLRL
10.3 Audit of safety procedures	The Franchisee will undertake safety audits of the Concessionaire's safety-related activities as required by DLRL or as the Franchisee may reasonably consider to be necessary	The Franchisee has the right to carry out safety audits of the Concessionaire's safety - related activities
10.4 Upgrades	The Franchisee must advise DLRL on any safety-related upgrades required to the Lewisham Extension as a result of Applicable Requirements	No specific rights conferred on the Franchisee
10.7 Applicable requirements relating to safety	The Franchisee must advise DLRL on the Franchisee's interpretation of Applicable Requirements relating to safety in a manner which does not discriminate between the Existing Railway and the Lewisham Extension	No specific rights conferred on the Franchisee
11. QUALITY ASSURANCE		
11.2 Quality Plans	The Franchisee must review and comment on any changes to the Maintenance Quality Plan proposed by the Concessionaire insofar as they may affect the rights and obligations of the Franchisee	The Franchisee will have the right to participate in the process of reviewing and approving any changes to the Maintenance Quality Plan
11.4 Quality Assurance Audit	After the Operating Date Franchisee will undertake audits of Quality Plans as necessary or as requested by DLRL	The Franchisee will have the right to participate in the process of auditing the Maintenance Quality Plan
12. REPRESENTATIVES AND PERSONNEL		
12.3 Personnel	No specific obligations of the Franchisee	DLRL will pass to the Franchisee at its request evidence received from the Concessionaire that persons have been

CONCESSION AGREEMENT	FRANCHISEE'S OBLIGATIONS	FRANCHISEE'S RIGHTS
		properly assessed as competent to perform safety critical duties
17. DESIGN AND CONSTRUCTION OF THE LEWISHAM EXTENSION		
17.4 No right to claim against DLR Limited	The Franchisee must indemnify DLRL against DLRL's liability to the Concessionaire for incorrect information deliberately or recklessly provided to DLRL by the Franchisee and subsequently provided to the Concessionaire	No specific rights conferred on the Franchisee
17.7 Access to and use of DLR Facilities and Interface Information	The Franchisee must permit the Concessionaire to have access to such of the DLRL Facilities as the Concessionaire may reasonably require and to such Interface Information as are in the possession or control of the Franchisee	No specific rights conferred on the Franchisee
22. DLR LIMITED CHANGES		
22.1 Notice of DLR Change	<p>The Franchisee must advise DLRL on the desirability for DLR Changes. If the Franchisee proposes any modification in relation to the Existing Railway it must assess the impact of that modification on the Lewisham Extension. If the Franchisee believes that the proposed modification will have an impact on the Lewisham Extension it must first seek DLRL's approval to the proposed modification which DLRL may give on such terms as DLRL may decide (which may include an obligation on the Franchisee to indemnify DLRL against the costs of such Change). A request for approval must include an analysis of the cost/benefit to DLRL of the proposal modification</p> <p>The Franchisee may implement modifications permitted by the Franchisee Agreement which do not involve modification to the Lewisham Extension but must provide to DLRL an analysis of the cost/benefit if DLRL were to implement the modification on the Lewisham Extension</p>	The Franchisee may propose DLR Changes

CONCESSION AGREEMENT		FRANCHISEE'S OBLIGATIONS	FRANCHISEE'S RIGHTS
22.2	The Concessionaire's estimates	The Franchisee must assist DLRL in evaluating the Concessionaire's estimates of the effects of a DLR Change	No specific rights conferred on the Franchisee
22.3	Agreement of the Concessionaire's estimates	The Franchisee must assist DLRL in evaluating the Concessionaire's estimates of the effects of a DLR Change	No specific rights conferred on the Franchisee
22.4	Disagreement over the Concessionaire's estimates	The Franchisee must assist DLRL in determining what adjustments should be made in respect of a DLR Change where no agreement is reached in respect of the Concessionaire's estimates. If after receipt of the Concessionaire's estimates the Franchisee withdraws its proposal for a modification the Franchisee must indemnify DLRL against any costs which DLRL is required to pay to the Concessionaire	No specific rights conferred on the Franchisee
22.7	Deemed DLR Changes	The Franchisee must indemnify DLRL against the cost of any Deemed DLR Changes which result from the Franchisee's acts or omissions	No specific rights conferred on the Franchisee
23. CONCESSIONAIRE'S CHANGES			
23.1	Request for the Concessionaire's Change	The Franchisee must advise DLRL as to the probable effect of a Concessionaire's Change	No specific rights conferred on the Franchisee
27. DAMAGE TO LEWISHAM EXTENSION			
27.1	Reinstatement following damage or destruction	The Franchisee must procure any necessary consents and licences which it is required to obtain as operator of the Lewisham Extension to allow the Extension to be rebuilt following damage	No specific rights conferred on the Franchisee
27.2	Application of insurance proceeds	No specific obligations of the Franchisee	No specific rights conferred on the Franchisee

CONCESSION AGREEMENT	FRANCHISEE'S OBLIGATIONS	FRANCHISEE'S RIGHTS
28. AVAILABILITY OF LEWISHAM EXTENSION		
28.1 The Concessionaire's obligation to make available Lewisham Extension	The Franchisee shall operate the Passenger Services on the Lewisham Extension	No specific rights conferred on the Franchisee
28.3 Non-availability of the Lewisham Extension	In arranging replacement bus services the Concessionaire must be given the right to tender for the provision of replacement bus services when no train services can be run due to a failure attributable to the Concessionaire	The Franchisee will be entitled to recover the cost of arrangement replacement bus services to the extent that DLRL is entitled to recover such costs from the Concessionaire and to the extent that the Franchisee is responsible for the cost of such replacement bus services pursuant to the Franchise Agreement.
29. OPERATION OF LEWISHAM EXTENSION		
29.1 Right of DLR Limited to operate Train Services	No specific obligations of the Franchisee	Subject to the terms of the Franchise Agreement the Franchisee will have the same right to use the Lewisham Extension as are conferred on DLRL
29.2 DLR Limited's Operational Covenants	The Franchisee must operate the Railway so as not to put DLRL in breach of its Operational Covenants unless otherwise instructed by DLRL and subject to the terms of the Franchise Agreement	No specific rights conferred on the Franchisee
29.3 Access for passengers	No specific obligations of the Franchisee	The Franchisee's passengers will be permitted to pass and repass through, and to use, station and facilities to the extent authorised by the Concession Agreement
29.4 Operation of Integrated Systems	The Franchisee must operate the Integrated Systems unless otherwise instructed by DLRL and subject to the terms of the Franchise Agreement	No specific rights conferred on the Franchisee
29.5 Revenue Collection	The Franchisee will be responsible for collecting fares from passengers on trains and to deal with any revenue collection audits required by the Concession Agreement	No specific rights conferred on the Franchisee

CONCESSION AGREEMENT	FRANCHISEE'S OBLIGATIONS	FRANCHISEE'S RIGHTS
29.7 Supply and Metering of Electrical power	<p>The Franchisee must enter into any electricity supply metering agreements and electricity supply contracts. The Franchisee must arrange for the Metering Systems to be read and must give the Concessionaire the 48 hours notice required by the Concession Agreement to allow the Concessionaire to be present at the reading</p> <p>The Franchisee must prepare the statement of the Concessionaire's liability for electricity and maintenance costs calculated in accordance with the Concession Agreement and invoice the Concessionaire in respect of such costs</p>	The Franchisee will have the right to pursue payment of invoiced costs for electricity costs as agent of DLRL
29.8 Operational Staff	The Franchisee shall provide operating staff as required by the Concession Agreement	No specific rights conferred on the Franchisee
31. POLICING, EMERGENCY EXERCISES AND ENQUIRIES		
31.1 Policing the Lewisham Extension	The Franchisee must procure the policing of public areas of the Lewisham Extension as required by the Concession Agreement and in accordance with the Franchise Agreement	No specific rights conferred on the Franchisee
31.2 Emergencies and emergency exercises	The Franchisee must co-ordinate with the Concessionaire over emergencies and the planning of emergency exercises	The Franchisee will be given the opportunity to be party to discussions and communications with statutory authorities in relation to emergency exercises
31.3 Co-operation with special enquiries	The Franchisee must liaise directly with the Concessionaire in connection with special enquiries	DLRL will pass to the Franchisee the benefit of the Concessionaire's obligation to co-operate with special enquiries and investigations
33. CONCESSIONAIRE'S OBLIGATIONS		
33.3 Changes to the Concessionaire's Maintenance Proposals	The Franchisee must advise DLRL or the implications (both positive and negative) of any change proposed by the Concessionaire to the Concessionaire's Maintenance Proposals on safety or on the performance or condition of	To the extent DLRL requires comment on the Concessionaire's Maintenance Proposals, DLRL shall provide copies of the same to the Franchisee

CONCESSION AGREEMENT	FRANCHISEE'S OBLIGATIONS	FRANCHISEE'S RIGHTS
	the Lewisham Extension or on any other aspect of the Railway	
33.5 Failure to maintain or repair	<p>To the extent it is aware or should be aware, the Franchisee must report to DLRL on a regular basis on the Concessionaire's compliance with its maintenance obligations and must provide DLRL with full details of the costs properly incurred by the Franchisee in responding to lack of maintenance</p> <p>On being instructed to do so by DLRL, the Franchisee must respond to any failure on the part of the Concessionaire to maintain or repair the Lewisham Extension as permitted by the Concession Agreement</p>	<p>The Franchisee will receive the benefit of the Concessionaire's indemnity in respect of costs. Paragraph 4 of Part 1 of Schedule 9 of the Franchise Agreement shall apply</p> <p>The Franchisee shall receive the benefit of the Concessionaire's indemnity in respect of costs. Paragraph 4 of Part 1 of Schedule 9 of the Franchise Agreement shall apply</p>
33.6 Maintenance resulting from DLR Limited breach of covenant	The Franchisee must indemnify DLRL against any cost which the Concessionaire is entitled to recover from DLRL resulting from the Franchisee breaching DLRL's Operational Covenants	No specific rights conferred on the Franchisee
33.7 Training of maintenance personnel	The Franchisee must admit appropriate numbers of the Concessionaire's staff to training courses relating to the Railway	No specific rights conferred on the Franchisee
33.8 Communications	The Franchisee must accept and accommodate the Concessionaire's communication facilities	No specific rights conferred on the Franchisee
34. OPERATIONAL RESPONSE		
34.2 DLR Limited's obligation to perform	The Franchisee must perform all Operational Response on the Lewisham Extension as required by the Concession Agreement and must indemnify DLRL against any claim by the Concessionaire resulting from negligence or failure to respond in the manner required by the Concession Agreement	The Franchisee will have the right to receive copies of the Concessionaire's notices of incident requiring Operational Response

CONCESSION AGREEMENT	FRANCHISEE'S OBLIGATIONS	FRANCHISEE'S RIGHTS
34.3 Notification to the Concessionaire	The Franchisee must notify the Concessionaire on behalf of DLRL (with a copy to DLRL) of any failure, damage or other incident requiring Operational Response. The Franchisee must issue the written report to the Concessionaire describing Operational Response incidents as required by the Concession Agreement	No specific rights conferred on the Franchisee
34.4 Costs of Operational Response	No specific obligations of the Franchisee	The Franchisee will be entitled to recover the cost of Operational Response to the extent that DLRL is entitled to recover such costs from the Concessionaire. Paragraph 4 of Part 1 of Schedule 9 of the Franchise Agreement shall apply
35. REPAIR OF FAILURES AND DAMAGES		
35.3 Modification to the Detailed Design	The Franchisee must comment on the implications of any modifications to Design proposed by the Concessionaire resulting from a repair	The Franchisee shall be entitled to advise DLRL whether the provision of the Services will be affected by the modifications
35.4 Temporary repairs	The Franchisee must notify DLRL as soon as it considers that a temporary repair effected by the Concessionaire is no longer safe and/or fit for its purpose	No specific rights conferred on the Franchisee
36. SECOND AND THIRD LINE MAINTENANCE		
36.4 Approval of Maintenance Programme	The Franchisee must take reasonable steps to accommodate the Concessionaire's proposed Maintenance Programmes in the overall Maintenance Programmes produced by the Franchisee for the Railway	The Franchisee shall be entitled to receive a copy of the Maintenance Programme, provided the same is received by DLRL

CONCESSION AGREEMENT	FRANCHISEE'S OBLIGATIONS	FRANCHISEE'S RIGHTS
	<p>The Franchisee must review the Concessionaire's proposed Maintenance programmes and arrange for their return to the Concessionaire within 28 days of their receipt by DLRL. The Franchisee must consult with DLRL on any comments that the Franchisee intends to make on the Programme (highlighting those areas which the Franchisee will be unable to accommodate without a variation) before they are returned to the Concessionaire (but a failure on the part of DLRL to comment shall not prevent the Franchisee from returning the programme to the Concessionaire with its comments)</p> <p>The Franchisee must act fairly and impartially in considering the Concessionaire's Maintenance Programmes and must use reasonable endeavours to mitigate the effect of the Concessionaire's proposals on the Franchisee's operation and maintenance plans without the need for variation under the Franchise Agreement</p>	
36.5 Changes to Maintenance Programme	<p>The Franchisee must take reasonable steps to accommodate the Concessionaire's proposed Maintenance Programmes in the overall Maintenance Programmes produced by the Franchisee for the Railway</p> <p>The Franchisee must review the Concessionaire's proposed Maintenance Programmes and arrange for their return to the Concessionaire within 28 days of their receipt by DLRL. The Franchisee must consult with DLRL on any comment that the Franchisee intends to make on the Programme (highlighting those areas which the Franchisee will be unable to accommodate without a variation) before they are returned to the Concessionaire (but a failure on the part of DLRL to comment shall not prevent the Franchisee from returning the programme to the</p>	The Franchisee may object to the changes, but only for the reasons set out in the Concession Agreement.

CONCESSION AGREEMENT	FRANCHISEE'S OBLIGATIONS	FRANCHISEE'S RIGHTS
	<p>Concessionaire with its comments)</p> <p>The Franchisee must act fairly and impartially in considering the Concessionaire's Maintenance Programmes and must use reasonable endeavours to mitigate the effect of the Concessionaire's proposals on the Franchisee's operation and maintenance plans without the need for variation under the Franchise Agreement</p>	
36.6 Closure of Railway	The Franchisee must permit the Concessionaire to carry out maintenance during periods when connecting parts of the Railway are not operational	No specific rights conferred on the Franchisee
37. ACCESS TO EXISTING RAILWAY AND POSSESSIONS		
37.1 Engineering hours	<p>The Franchisee must use all reasonable endeavours to ensure that the Concessionaire has the benefit of the number of hours referred to in the Concession Agreement for maintenance purposes</p> <p>It must be for the Franchisee to satisfy itself that the Concessionaire has complied with all relevant safety procedures before re-energising the Lewisham Extension</p>	The Franchisee will have the right to reduce or cancel engineering hours in the circumstances described in the Concession Agreement
37.2 Compliance with DLR Maintenance Procedures	The Franchisee shall endeavour to obtain details from the Concessionaire of any incomplete work, potential hazards or necessary restrictions on Train Services following completion of Possession Period and to judge for itself the effect of those conditions on the safe operation of the Railway	The Franchisee will have the right to receive information from the Concessionaire on incomplete work, potential hazards and restrictions on train services following Possession Periods

CONCESSION AGREEMENT	FRANCHISEE'S OBLIGATIONS	FRANCHISEE'S RIGHTS
37.3 Possessions	<p>The Franchisee must:</p> <ul style="list-style-type: none"> (a) organise and attend quarterly consultation meetings with the Concessionaire; (b) review with the Concessionaire the Possession requirements for the Railway during the quarterly meetings to be held under the Concession Agreement; (c) have due regard to the Concessionaire's Maintenance Programme when formulating its own Maintenance Programme; and (d) not unreasonably withhold or delay its consent to the Concessionaire's requests for Possessions in relation to the Existing Railway (as defined in the Franchise Agreement) 	No specific rights conferred on the Franchisee
37.5 Training and Licences	<p>The Franchisee must:</p> <ul style="list-style-type: none"> (a) provide sufficient health and safety training courses to allow the Concessionaire's personnel reasonable opportunity to become adequately trained to work on or about the Railway; (b) permit the Concessionaire's personnel to attend all relevant health and safety training courses and must, where they meet the necessary standards pass them for work on or about the Railway; and (c) issue licences to the Concessionaire's personnel to work on the assets listed in the Concession Agreement if they are competent to perform work on 	No specific rights conferred on the Franchisee

CONCESSION AGREEMENT	FRANCHISEE'S OBLIGATIONS	FRANCHISEE'S RIGHTS
	those assets	
38. REPORTS, MEETINGS AND RECORDS		
38.1 Reports	The Franchisee must compile reports on operations and maintenance as required by the Concession Agreement and must send them promptly to the Concessionaire and to DLRL	The Franchisee will have the right to receive reports prepared by the Concessionaire
38.2 Meetings	The Franchisee must make itself available to attend meetings with DLRL and the Concessionaire when invited and contribute in a constructive manner to discussions	No specific rights conferred on the Franchisee
38.3 Records and Manuals	The Franchisee must check records and manuals produced by the Concessionaire and comment to DLRL on their contents. Specifically, the Franchisee must report on any areas of concern in relation to the operation of the Railway	No specific rights conferred on the Franchisee
39. SUB-CONTRACTS AND SPARES		
39.3 The Concessionaire to provide spares	The Franchisee must pay for any spares which it consumes from the Concessionaire's stocks unless they are to be made available to DLRL at no cost	No specific rights conferred on the Franchisee
40. ACCESS AND INSPECTIONS		
40.1 Access to the Lewisham Extension	No specific obligation of the Franchisee	The Franchisee will have the same rights as are conferred on DLRL for operating trains on the Lewisham Extension for training and testing purposes
40.2 Attendance during maintenance	The Franchisee must attend such maintenance activities as it considers necessary in order to satisfy itself that maintenance is being undertaken in a manner which does not affect operations on the Railway	The Franchisee will be entitled to attend any maintenance activities.

CONCESSION AGREEMENT		FRANCHISEE'S OBLIGATIONS	FRANCHISEE'S RIGHTS
41. ADDITIONAL WORKS			
41.1	Notice of Additional Works	The Franchisee must advise DLRL on the desirability of carrying out Additional Works. The same consequences apply here as apply to DLR Changes	No specific rights conferred on the Franchisee
42. OBLIGATIONS OF THE PARTIES FOLLOWING TERMINATION			
42.1	Provision of documents	On early termination of the Concession, the Franchisee must assist DLRL in checking the adequacy of the information and documentation to be supplied by the Concessionaire	No specific rights conferred on the Franchisee
42.4	Transfer of title	The Franchisee must render advice to DLRL on which assets of the Concessionaire are required for the ongoing maintenance of the Lewisham Extension	No specific rights conferred on the Franchisee
44. TERMINATION ON OR AFTER THE COMPLETION DATE			
44.3	Continuance of maintenance activities	On early termination of the Concession, the Franchisee will co-operate with the Concessionaire in order to ensure smooth and trouble-free transition of such maintenance activities from the Concessionaire to a substitute maintenance provider with no degradation in the standard of maintenance	No specific rights conferred on the Franchisee
47. COMPENSATION DURING CONCESSION PERIOD			
47.2	Compensation Events	The Franchisee must report to DLRL on any events or circumstances which may constitute compensation Events	No specific rights conferred on the Franchisee
47.3	Notice of Compensation Event	The Franchisee must assist DLRL in considering any notice from the Concessionaire of the occurrence of a	No specific rights conferred on the Franchisee

CONCESSION AGREEMENT		FRANCHISEE'S OBLIGATIONS	FRANCHISEE'S RIGHTS
		Compensation Event	
47.4	Consequences of the Concessionaire's notice	The Franchisee must assist DLRL in evaluating the effect of Compensation Events	No specific rights conferred on the Franchisee
47.5	Payment of Compensation	The Franchisee must put DLRL in funds to discharge compensation which results from the Franchisee's acts or omission	No specific rights conferred on the Franchisee
48. PROJECT INSURANCE			
48.7	Compliance with requirements of insurers	The Franchisee will not do or cause to be done anything which might reasonably be expected to render void or voidable the type of insurance policy the Franchisee could reasonably expect the Concessionaire to take out having regard to the provisions of the Concession Agreement	No specific rights conferred on the Franchisee
48.9	Notification of claims	The Franchisee must notify DLRL of any incident which may reasonably be expected to result in claims in excess of the relevant thresholds of which it becomes aware within any twelve month period with full details of the incident giving rise to the claim	No specific rights conferred on the Franchisee
50. PAYMENT			
50.1	Time for payment and interest	The Franchisee must comply with the procedures for invoicing the Concessionaire	No specific rights conferred on the Franchisee
50.2	Value added tax	The Franchisee must comply with the procedures for invoicing the Concessionaire	No specific rights conferred on the Franchisee
52. CONFIDENTIALITY			
52.2	Obligations as to confidentiality	The Franchisee must observe confidentiality obligations imposed on DLRL	No specific rights conferred on the Franchisee

CONCESSION AGREEMENT	FRANCHISEE'S OBLIGATIONS	FRANCHISEE'S RIGHTS
55. NOTICES		
55.2 Service of notices	The Franchisee must comply with the procedures for the giving of notices	No specific rights conferred on the Franchisee
SCHEDULE 2		
PART 2 - LEASE AND LICENCE	The Franchisee will be required to comply with DLRL's covenant of quiet enjoyment	No specific rights conferred on the Franchisee
SCHEDULE 3		
PART 1 - SPECIFICATION	<p>The Franchisee acknowledges that it has familiarised itself with the Specification insofar as it affects the obligations of the Franchisee under the Franchise Agreement</p> <p>With reference to paragraph 3.6.1 of the Specification the Franchisee must observe the constraints on the level of services that can be run on the Lewisham Extension as a result of the DLR Noise and Vibration Policy and the Franchisee must assist DLRL in making value judgements on how to deal with excessive noise/vibration as between:</p> <ul style="list-style-type: none"> (a) Reducing level of service; (b) Altering the rolling stock; (c) Altering the Lewisham Extension 	No specific rights conferred on the Franchisee

CONCESSION AGREEMENT	FRANCHISEE'S OBLIGATIONS	FRANCHISEE'S RIGHTS
PART 6 - CHECKING AND SAFETY AUDIT PROCEDURES	The Franchisee acknowledges that it has familiarised itself with the checking and Safety Audit Procedures insofar as they affect the obligations of the Franchisee under the Franchise Agreement. In particular, the Franchisee acknowledges that the procedures are adequate to allow the Franchisee to perform its obligations in relation to clauses 10.5 and 10.6 of the Concession Agreement	No specific rights conferred on the Franchisee
PART 8 - TECHNICAL INFORMATION	The Franchisee must be responsible for any liability of DLRL to the Concessionaire in the event that the Technical Information warranted by DLRL changes as a result of acts or omissions of the Franchisee	No specific rights conferred on the Franchisee
PART 9 - INTERFACE EVENTS	The Franchisee acknowledges that it has familiarised itself with the Interface Events insofar as they affect the obligations of the Franchisee under the Franchise Agreement. The Franchisee will be required to incorporate the Interface Events in any relevant plan required to be prepared pursuant to the Franchise Agreement	No specific rights conferred on the Franchisee
SCHEDULE 7 - FEES		
PART 1 - AVAILABILITY FEES	The Franchisee is required to collect and report to DLRL on all such information (including information on the operation of services and the condition, availability and usability of the Lewisham Extension) as DLRL require to calculate Availability Fees	No specific rights conferred on the Franchisee
PART 2 - USAGE FEES	The Franchisee is required to collect and report to DLRL on all such information (including information as to passenger journeys and ticket type usage) as DLRL requires to calculate Usage Fees	No specific rights conferred on the Franchisee

CONCESSION AGREEMENT	FRANCHISEE'S OBLIGATIONS	FRANCHISEE'S RIGHTS
SCHEDULE 8 – CONCESSIONAIRE'S MAINTENANCE PROPOSALS		
	<p>The Franchisee must familiarise itself with the Concessionaire's Maintenance Proposals insofar as they affect the obligations of the Franchisee. It should be recognised that the Concessionaire's Maintenance Proposals may vary over time and the Franchisee must familiarise itself with any changes that are made</p>	<p>No specific rights conferred on the Franchisee</p>
SCHEDULE 9 - DLR OPERATIONAL COVENANTS		
	<p>The Franchisee must operate train services so as not to put DLRL in breach of its covenants but subject to compliance with the Noise and Vibration Policy (See Schedule 3, Part 1 above)</p> <p>The Franchisee must also be aware of DLRL's covenants to London Borough of Lewisham under the Lewisham Train Services Agreement dated 1 October 1996 to provide a minimum level of service on the Lewisham Extension</p>	<p>No specific rights conferred on the Franchisee</p>

SCHEDULE 9

DLR Contracts and Undertakings

Part 4 – DLRL Superior Property Documents

Documents contained on electronic disk titled "DLRL Franchise Agreement Schedule 9" and initialled by the parties for identification.

SCHEDULE 9

DLR Contracts and Undertakings

Part 5 – DLRL Property Documents

Documents contained on electronic disk titled "DLRL Franchise Agreement Schedule 9" and initialled by the parties for identification.

SCHEDULE 9

DLR Contracts and Undertakings

Part 6 – Third Party Maintenance Agreements

Documents contained on electronic disk titled "DLRL Franchise Agreement Schedule 9" and initialled by the parties for identification.

SCHEDULE 10

Provision of Information

1. GENERAL INFORMATION

1.1 Corporate information

- (a) The Franchisee shall provide the following information to DLRL on or before the Franchise Commencement Date and shall notify DLRL of any change to such information within 21 days of such change:
 - (i) its name;
 - (ii) its business address and registered office;
 - (iii) its directors and company secretary;
 - (iv) its auditors;
 - (v) its trading name or names in relation to the Franchise; and
 - (vi) to the best of the Franchisee's knowledge and belief having made due and diligent enquiry, the identity of all persons holding, separately or acting by agreement, directly or indirectly, the right to cast more than 20 per cent. of the votes at general meetings of the Franchisee.
- (b) The Franchisee shall inform DLRL of any material change or proposed material change in relation to the Franchisee (including the employment or the termination of employment of any Key Staff, the termination of any Key Contract and any litigation or other dispute which may have a material effect on the Franchisee) and any material change in or restructuring of the capitalisation or financing of the Franchisee or the Guarantor.
- (c) The Franchisee shall in addition provide to DLRL before the Franchise Commencement Date a certified copy of its memorandum and articles of association, and subsequently at the same time as the relevant issue or delivery (or, if effected by another person, as soon as practicable thereafter), a copy of each notice or circular or other document issued to its shareholders which relates to the Franchise and a copy of any document relating to it which is delivered to the Registrar of Companies in England and Wales.

1.2 Operational, Asset Management and Performance-related Information to be provided by the Franchisee

- (a) The Franchisee shall provide to DLRL the information specified in the Appendices to this Schedule at the times specified therein.
- (b) The Appendices to this Schedule shall be interpreted in accordance with any guidance issued by DLRL from time to time for that purpose.

1.3 Maintenance of Records

- (a) The Franchisee shall maintain true, up to date and complete records of all of the information required to be provided by the Franchisee under this Agreement.
- (b) Each record required to be maintained by the Franchisee in accordance with this Schedule shall be held for a period of 6 years following the date on which such record was required to be created.
- (c) References to records in this Schedule shall include records maintained under any previous Franchise Agreement to the extent that such records relate to the Services and the Franchisee has access to them (which it shall use all reasonable endeavours to secure).
- (d) As soon as reasonably practicable after becoming aware that any records maintained under any Predecessor Franchise Agreement are not true, complete and up to date, the Franchisee shall take all reasonable steps to remedy any such deficiency, and shall thereafter maintain such records in accordance with paragraph 1.3(b).

1.4 **Information to Tfl**

The Franchisee shall comply with any reasonable requests and guidance issued by DLRL from time to time in respect of the provision of information to and co-operation and consultation with Tfl.

2. **BUSINESS PLANS**

2.1 **Initial Business Plans**

No later than the Franchise Commencement Date, the Franchisee shall deliver to DLRL its Initial Business Plan, describing its planned activities for each Fee Year during the Franchise Term, which shall include:

- (a) a description of how the Franchisee will be able to meet its obligations under this Agreement for the Franchise Term, supported by operational plans supporting this;
- (b) details of any investments proposed to be made or procured by the Franchisee in relation to the Franchise during the Franchise Term;
- (c) the output templates from the Financial Model and the Record of Assumptions, together with a detailed statement identifying any differences between such output templates and the Financial Model included at Schedule 21 to this Agreement; and
- (d) a profit and loss forecast, cash flow forecast and forecast balance sheet for each of the first 13 Fee Periods following the Franchise Commencement Date, together with a list of assumptions of the basis on which each such forecast has been prepared.

2.2 **Updated Business Plans**

Not more than 3 Fee Periods and not less than 1 Fee Period prior to the start of each Fee Year (other than the first Fee Year), the Franchisee shall deliver to DLRL, an updated Business Plan which shall:

- (a) be in substantially the same form as the immediately preceding Business Plan delivered to DLRL in accordance with this Agreement, revised to include the information available to the Franchisee as at the date of its delivery, describing the Franchisee's planned activities for the Franchise for each Fee Year during the remainder of the Franchise Term;

- (b) contain a statement of the differences between such updated Business Plan and the immediately preceding Business Plan and the Initial Business Plan delivered to DLRL in accordance with this Agreement together with an explanation of such differences;
- (c) describe the service pattern to be operated during the relevant Franchise Year including any changes to that service pattern and how resources will be built up in order to accommodate a change in the service pattern during the relevant Fee Year or within three months of the end of the relevant Fee Year;
- (d) contain revised output templates from the Financial Model and revised Record of Assumptions together with a detailed statement and explanation of any material differences of the same in the immediately preceding Business Plan;
- (e) contain details of any Remedial Plans in relation to the relevant Fee Year and any progress made in respect of such plan;
- (f) contain an update on the Annual Asset Management Plan, including any changes and related Remedial Plans;
- (g) contain reference to the Annual Asset Management Plan and how it contributes to delivery of the Franchisee's business objectives; and
- (h) contain a revised profit and loss forecast, cash flow forecast and forecast balance sheet for the Franchisee for each of the 13 Fee Periods in that Fee Year in the format set out in Appendix 6 to this Schedule.

2.3 Further Updated Business Plans

The Franchisee shall:

- (a) notify DLRL as soon as reasonably practicable if the business outlook or prospective financial results of the Franchisee are likely to be materially different from those specified in the most recent Business Plan; and
- (b) within 8 weeks of any request by DLRL following receipt of a notification in accordance with paragraph 2.3(a), supply DLRL, with a revised updated Business Plan for the remainder of the Franchise Term which reflects the latest view of its business.

2.4 Provisions relating to Business Plans

- (a) The Franchisee shall:
 - (i) comply with any guidance issued by DLRL from time to time as to its reasonable requirements for the format of any Business Plan; and
 - (ii) attend such meetings and make such presentations as DLRL shall request in connection with any Business Plan.
- (b) The Franchisee shall not be relieved of any of its obligations under this Agreement as a result of any comment or failure to comment by DLRL on any Business Plan or any agreement with or approval, implicit or explicit, of any Business Plan by DLRL at any time.
- (c) DLRL may at any time require the Franchisee to produce an action plan in respect of any aspect of any Business Plan. Such action plan may include steps relating to:
 - (i) timetable development;

- (ii) performance management improvement;
- (iii) customer service improvement;
- (iv) improvements in the quality of service delivery or the efficiency of delivery of the Services;
- (v) improvements to the Asset Management System; and
- (vi) the Annual Asset Management Plan.

3. **FINANCIAL AND OPERATIONAL PLANS**

3.1 **Accounting Records**

The Franchisee shall prepare and at all times during the Franchise Term maintain true, up to date and complete accounting records in respect of the Franchise as separate and stand alone accounts (the "**Management Accounts**") in accordance with international accounting practices. Such records shall be prepared on a consistent basis for each Fee Period.

3.2 **Fee Period Financial Information**

The Franchisee shall deliver to DLRL, within 2 weeks of the end of each Fee Period, Management Accounts for the Franchise for such Fee Period, setting out a cashflow statement, profit and loss account and balance sheet for the Franchise for that Fee Period and cumulatively for the Fee Year to date in the format set out in Appendix 6 to this Schedule. The Management Accounts shall also set out:

- (a) a statement of calculation demonstrating the Franchisee's performance by reference to the financial undertakings during that Fee Period;
- (b) a comparison of the Franchisee's period and cumulative performance during such Fee Period against the forecast provided by the Franchisee in the then current Business Plan;
- (c) a comparison of the Franchisee's period and cumulative performance during the Fee Year in which such period occurs against the forecast referred to in paragraph 3.2(b);
- (d) a detailed statement and explanation of any difference between such Management Accounts and the Business Plan and the Record of Assumptions and forecast figures referred to in paragraph 3.2(b), cross-referring to deviations from the applicable operational models; and
- (e) where the Management Accounts are prepared at the end of the thirteenth Fee Period, cumulatively for the Fee Year, these will be the "**Annual Management Accounts**", to be delivered to DLRL within 3 weeks of the end of the Fee Year.

3.3 **Quarterly Financial Information**

Within 4 weeks after the end of each Quarter in each Fee Year, the Franchisee shall deliver to DLRL the following information:

- (a) an updated version of the profit and loss forecast, cash flow forecast and forecast balance sheet, for the Franchise for each of the following 13 Fee Periods;

- (b) a statement of calculation demonstrating the Franchisee's performance against each of the financial undertakings and a forecast of performance against such undertakings for the following 13 Fee Periods; and
- (c) a detailed statement and explanation of any difference between the information provided in accordance with this paragraph 3.3 and the Business Plan and Record of Assumptions.

Where any Fee Period falls partly within one Fee Year and partly within another, the results for each section of such Fee Period falling either side of such Fee Year end shall be prepared on an accruals basis for each such section of such Fee Period.

3.4 **Annual Financial Information**

- (a) Within 3 Fee Periods of the end of each Fee Year, the Franchisee shall deliver to DLRL a reconciliation between the Annual Management Accounts prepared in accordance with paragraph 3.2 and the Annual Management Accounts to be audited pursuant to paragraph 3.4(b)(i).
- (b) Within three Fee Periods (or a period to be agreed) after the end of each Fee Year, the Franchisee shall deliver to DLRL the following:
 - (i) a set of audited Annual Management Accounts with an unqualified written report from the Franchisee's auditors which confirms that such Annual Management Accounts:
 - (A) comply with paragraph 3.5;
 - (B) give a true and fair view of the state of the financial performance of the Franchisee in relation to the Franchise and of its results for the year then ended and have been properly prepared in accordance with Applicable Requirements; and
 - (ii) a certified true copy of its annual report and annual audited accounts for that Fee Year, together with copies of all related directors' and auditors' reports.

3.5 **Accounting Standards and Practices**

- (a) Each set of Management Accounts and Annual Management Accounts shall be:
 - (i) drawn up in a form consistent with the profit and loss account, cashflow projection and balance sheets contained in Appendix 6, (or such form as may reasonably be required from time to time by DLRL); and
 - (ii) prepared consistently in accordance with the Franchisee's normal accounting policies and period, details of which shall be supplied, on request, to DLRL and any changes to which shall be notified to DLRL on submission of such accounts.
- (b) Each set of audited Annual Management Accounts shall be prepared and audited in accordance with international accounting standards regulation or such other accounting conventions, policies and requirements as DLRL may from time to time specify after consultation with the Franchisee provided that these are compatible with the requirement of the accounting conventions applicable in the UK at the time and consistently applied and in accordance with international accounting standards regulation and, together with those notes and subject to any qualifications contained in any relevant auditors' report, shall give a true and fair view of the financial information pertaining to the Franchise and whether the Annual

Management Accounts have been properly prepared in accordance with the requirements under this Schedule. For the avoidance of doubt the audited Annual Management Accounts will include a profit and loss account, a balance sheet and cashflow statement and all appropriate notes to the accounts.

- (c) The Franchisee shall in addition deliver to, or procure delivery to DLRL, certified true copies of the annual reports and audited accounts of the Guarantor, together with copies of all related directors' and auditors' reports, within 4 Fee Periods of the end of each accounting reference period of the Guarantor or, if the Guarantor is domiciled outside England and Wales or Scotland, the equivalent documents in the jurisdiction of residence of the Guarantor.

4. **ASSET MANAGEMENT REPORTS**

4.1 The Franchisee shall maintain records of the following:

- (a) number of 'Temporary Approved Non-Compliances' (TANCs) and status;
- (b) number of maintenance activities completed and overdue in the period, by asset discipline, against the Annual Asset Management Plan;
- (c) Asset Management Strategies updates;
- (d) asset performance:
 - (i) review of previous Fee Period performance targets against achievement;
 - (ii) trend analysis of failures and future forecasts;
 - (iii) targets for principal assets for coming Fee Year;
 - (iv) performance improvement plan by principal asset;
- (e) maintenance:
 - (i) achievement of Annual Asset Management Plan for the previous Fee Period by principal asset;
 - (ii) plan by principal asset and sub asset where appropriate, by maintenance activity (with mandated maintenance clearly identified) for the next Fee Period;
 - (iii) proposed risk based changes to periodicity of maintenance and inspections;
 - (iv) any MTIs for review;
- (f) Work Bank:
 - (i) a report covering:
 - (A) volume by number of items and/or man hours for each principal asset;
 - (B) movement;
 - (C) criticality;
 - (ii) an update on plan for improvement in the next Fee Period;
- (g) asset health:

- (i) a description of major failures of assets and resultant corrective actions;
- (ii) trend analysis of major failures;
- (h) materials management:
 - (i) stores management update;
 - (ii) inventory management update;
 - (iii) warranty management update;
- (i) audit schedules and outcomes:
 - (i) an update on audit findings and actions taken;
 - (ii) an audit schedule for next Fee Period;
- (j) resources update:
 - (i) progress against resource plan;
- (k) all planned and unplanned maintenance carried out and the relevant assets on which maintenance was carried out, and when such maintenance was carried out;
- (l) staff deployed on maintenance;
- (m) all materials used;
- (n) all inspections carried out and the results and resulting actions;
- (o) modifications to, repairs to and replacement of Franchise Assets;
- (p) all service failures of assets and corrective actions taken;
- (q) renewal and Capital Replacement carried out, when such Capital Replacement was carried out and the relevant assets on which such Capital Replacement was carried out;
- (r) any statutory maintenance works undertaken;
- (s) if applicable, at the end of any maintenance works, all health and safety files, or built drawings and other relevant documents;
- (t) all functional and calibration tests carried out on the Franchise Assets; and
- (u) all functional and calibration tests carried out on test equipment.

4.2 The Franchisee shall also provide to DLRL the following:

- (a) periodic maintenance report;
- (b) a configured "Maintenance Compliance Report" from the respective computer based Asset Management System for each asset category once per Fee Period. As minimum these reports should include:
 - (i) % of maintenance completed/overdue (period to date);
 - (ii) % of maintenance completed/overdue (previous Fee Period);

- (iii) % of maintenance completed/overdue (year to date);
- (c) structures principal inspections reports;
- (d) structures general inspections reports;
- (e) structures CCTV drainage report;
- (f) permanent way engineers inspection reports;
- (g) permanent way supervisor inspection reports;
- (h) permanent way ultrasonic testing report;
- (i) permanent way rail wear report;
- (j) permanent way geometry quality report (excedences);
- (k) electrical inspection reports;
- (l) noise survey report;
- (m) radio signal coverage report;
- (n) permanent way ride quality report;
- (o) E&M thermographic survey report;
- (p) asset condition survey report;
- (q) station lux level report; and
- (r) CCTV shot book.

4.3 The Franchisee shall provide DLRL with information in respect of maintenance assurance as defined in the Appendices to this Schedule 10.

5. **MAINTENANCE PLANS**

5.1 The Franchisee shall maintain the following:

- (a) records of all planned and unplanned maintenance carried out and the relevant assets on which maintenance was carried out, and when such maintenance was carried out;
- (b) records of staff deployed on maintenance;
- (c) records of all inspections carried out and the results and resulting actions;
- (d) records of modifications to, repairs to and replacement of Franchise Assets;
- (e) records of all service failures of assets and corrective actions taken;
- (f) records of renewal and Capital Replacement carried out, when such Capital Replacement was carried out and the relevant assets on which such Capital Replacement was carried out;
- (g) records of any statutory maintenance works undertaken;

- (h) if applicable, at the end of any maintenance works records of all health and safety files, or built drawings and other relevant documents; and
- (i) records of all functional and calibration tests carried out on the Franchise Assets.

5.2 The Franchisee shall provide DLRL with information in respect of maintenance assurance as reasonably requested by DLRL.

6. **REGULAR OPERATIONAL INFORMATION**

6.1 The Franchisee shall produce and supply the following regular operational information to DLRL:

- (a) a daily operations report and summary to be provided to DLRL by 06:00 a.m. on each Service Day in relation to the Passenger Services which is to include:
 - (i) a management summary of relevant operational incidents from the previous day in a format reasonably required by DLRL (or otherwise agreed by the Parties); and
 - (ii) accurate and verified calculations of all of the performance measures in relation to the Passenger Services on the previous Service Day in accordance with paragraph 3 of Schedule 2;
- (b) a periodic summary every Fee Period which is to include:
 - (i) a review of performance across the Railway in the preceding Fee Period against all the performance measures set out in Schedule 2 (with and without any agreed Quality Exclusions) and any other data reasonably required by DLRL;
 - (ii) the status of any performance improvement initiatives (deliverable and action review); and
 - (iii) a summary of significant operational incidents on the Railway in the preceding Fee Period, investigation status and any significant actions taken; and
- (c) a regular operations plan every six months which is to include:
 - (i) a review of the existing Timetable, including areas of operational concern relating to performance and crowding;
 - (ii) a look-forward of upcoming Special Service Requirements and Possessions, including an analysis of lessons learned from recent similar events, current planning statuses and action deliverables;
 - (iii) a summary analysis of performance on the Railway over the previous six months, including identification of forward improvement actions;
 - (iv) a summary of all modified Operating Procedures over the previous six months;
 - (v) a summary of significant incidents, all investigations carried out under BCP-01 (including local investigations) and status of actions arising from them; and

- (vi) an analysis of any best practice identified by the Franchisee within the light rail industry or wider rail industry and whether and how such knowledge has been implemented.

7. **SAFETY INFORMATION**

- 7.1 The Franchisee shall co operate with any request of DLRL from time to time for the prompt provision of information and/or preparation and submission of reports detailing or identifying compliance with safety obligations set out in this Agreement and the approved Safety Authorisation or Safety Certificate including any breaches of an approved Safety Authorisation or Safety Certificate.
- 7.2 The Franchisee shall maintain safety records and all supporting data in respect of safety performance which shall include (but not be limited to):
 - (a) records of all reported accidents and investigations into accidents and actions taken;
 - (b) records of all reported occurrences (as reported through the occurrence report system), including reports of investigations and actions taken;
 - (c) records of all accidents and incidents reportable to statutory authorities including the HSE or the Regulator and details of investigations and actions taken;
 - (d) records of all correspondence and notes of meetings with the HSE or the Regulator;
 - (e) records of meetings of any safety committees, safety sub-committees and any other ad hoc safety meetings and associated papers as requested by DLRL;
 - (f) details of staff accidents related to the lost time injury rate;
 - (g) details of management safety tours undertaken, their findings and actions taken;
 - (h) details of audit programmes, reports and recommendations and actions taken;
 - (i) details of progress on outstanding actions in relation to inquiries prior to the Franchise Term; and
 - (j) details of safety training given to staff and contractors.

8. **FURTHER INFORMATION**

- 8.1 The Franchisee shall deliver to DLRL, or procure the delivery to DLRL of, such information, records or documents as DLRL may request within such period as DLRL may reasonably require and which relates to or are connected with the Franchisee's performance of this Agreement.
- 8.2 DLRL may require the Franchisee to provide the information required to be provided under this Schedule more frequently than set out in this Schedule.
- 8.3 DLRL may require the Franchisee to provide:
 - (a) the information required to be provided under this Schedule, or, in DLRL's discretion, more detailed financial information and explanations, at any time in connection with the re letting of the Franchise (and DLRL shall be entitled to provide such information to any prospective Successor Franchisee or place such information in a data room); and

- (b) such unaudited accounts under such accounting policies as may be prescribed by DLRL, acting reasonably, from time to time.

9. CONTRAVENTIONS OF THIS AGREEMENT

- 9.1 The Franchisee shall notify DLRL, so far as possible before it may occur and in any event as soon as reasonably practicable thereafter, of any material contravention by the Franchisee of any provision of this Agreement. This includes where the Franchisee is under an obligation to use all reasonable endeavours to achieve a particular result by a particular time, where such result is not achieved by such time.
- 9.2 The Franchisee shall deliver to DLRL, or procure the delivery to DLRL of, such information, records or documents as DLRL may request within such period as DLRL may reasonably require for the purpose of determining the existence, likelihood, nature or scope of any contravention of this Agreement or Franchisee Default.

10. INFORMATION FROM THIRD PARTIES

- 10.1 The Franchisee shall, if DLRL so requests, use all reasonable endeavours to ensure that DLRL has direct access to any information, data or records relating to the Franchisee which is or are maintained by third parties and to which DLRL is entitled to have access, or of which DLRL is entitled to receive a copy, under this Agreement.
- 10.2 The obligations of the Franchisee under this Schedule to provide information to DLRL shall not apply if DLRL notifies the Franchisee that it has received the relevant information directly from any other person. The Franchisee shall, if DLRL so requests, confirm or validate any such information which is received from any such other person.

APPENDIX 1

General Information

1. Information about the efficiency of the Franchisee
 - 1.1 The Franchisee shall:
 - (a) at all times during the Franchise Term maintain records in relation to the areas and the information described in this Appendix 1; and
 - (b) subject to paragraph 1.2, provide to DLRL the information set out in the following tables at the frequency specified in the column of each such table headed "When information to be provided".
 - 1.2 When so requested by DLRL, the Franchisee shall, within such reasonable period as DLRL may specify, make such information available for review by DLRL by reference to:
 - (a) such level of disaggregation (including by route) as is reasonably specified by DLRL; and
 - (b) any particular day, week or other longer period as is reasonably specified by DLRL.
2. The following key shall apply to the tables in this Appendix 1:
 - A = information to be provided on or before any Base Service Plan change date;
 - B = information to be provided for every Fee Period within 5 days of the last day of each Fee Period;
 - C = information to be provided annually within 5 days of the last day of each Fee Year; and
 - D = within two weeks of the end of the relevant Fee Period.

Table 1 – Ticket Sales Revenue

Information to be provided	When information to be provided
Ticket sales revenue collected by on train staff	D
Ticket sales revenue collected by automatic ticket machines which is received by the Franchisee	D

Table 2 – Safety and Security

Information to be provided	When information to be provided
Safety Performance Data (all data to be period and year to date)	
Number of Dangerous Occurrences (RIDDOR)	B & D
Hazardous Events, split by operational railway and depots	B & D
Number and description of customer incidents and assaults:	B & D

Information to be provided	When information to be provided
<ul style="list-style-type: none"> - split by fatalities, major RIDDOR, minor RIDDOR, minor injuries non-RIDDOR, near misses, assaults - FWI 	
<p>Number and description of staff incidents:</p> <ul style="list-style-type: none"> - split by fatalities, major RIDDOR, minor RIDDOR, minor injuries non-RIDDOR, near misses - FWI - Total for all staff including contractors, and split by direct employees and contractors 	B & D
<p>Number and description of staff assaults:</p> <ul style="list-style-type: none"> - split by fatalities, major RIDDOR, minor RIDDOR, minor injuries non-RIDDOR, near misses - FWI - Total for all staff including contractors, and split by direct employees and contractors 	B & D
Number of temporary speed restrictions, split by safety and performance	B & D
Number of unauthorised persons trackside	B & D
Number of procedural irregularities, split by Category	B & D
Number of drugs and alcohol tests completed and results (positive and negative) split by reason (for cause and unannounced)	B & D
Number of trackside fires and description	B & D
Platform train interface incidents	
Selective door operation incidents	
Security	
Number and description of route crime as reported by the Franchisee	B & D
Criminal activity as reported to the Franchisee by the British Transport Police and other policing bodies	B & D
Details of all visible patrols of the Railway in accordance with paragraph 2.4 of Part 3 Schedule 7	B & D
Assurance	
List of incident investigations and status	B & D
List of next steps from 48 hour reports by status (including completion of actions arising)	B & D
List of overdue Franchise actions in DORIS and commentary on recovery	B & D
% of Franchisee actions in DORIS overdue	B & D
List of Franchise actions in DORIS ready for verification and closure	B & D

Information to be provided	When information to be provided
Project Safety	
Project incidents, split by: - fatalities, major RIDDOR injuries, minor RIDDOR injuries, minor injuries non-RIDDOR, near misses, Dangerous Occurrences (RIDDOR, non-RIDDOR)	B & D
Project hours worked	B & D
Regulatory	
Statistics required by ORR Annual Safety Report	B & D
Other	
List of IRFs submitted in the period	B & D
List of 20 minute delays and commentary on safety impact	B & D
Other indicators to support the Safety Performance Index	B & D
Commentary	
Director's commentary on period safety performance	B & D
Commentary on safety performance and trends emerging from the data	B & D
Trend analysis	
Review of incident database and commentary on trends arising	Quarterly & annually
Normalised indicators	
Passenger journeys	B & D
Passenger kilometres	B & D
Staff hours	B & D
Project hours	B & D

Table 3: Environmental Information

Environmental Information	Data required		When information is to be provided
Energy consumption	Energy consumption (amounts of electricity and gas/fuel) to such a level of disaggregation as DLRL may reasonably	kWh	B & D

	require		
	Analysis of energy consumption including trends in data, period by period variance analysis and underlying reasons for amounts of energy consumption	kWh	B & D
Gas / fuel source consumption	Gas consumption (split by station, office building and depot)	kWh	B & D
	Oil consumption (split by source)	Litres	B & D
	LPG consumption (split by source)	Litres	B & D
Carbon dioxide (CO₂) emissions	Energy consumption (amounts of electricity and gas/fuel) to such a level of disaggregation as DLRL may reasonably require	Tonnes CO ₂ equivalent	B & D
	Analysis of energy consumption including trends in data, period by period variance analysis and underlying reasons for amounts of energy consumption		B & D
	Gas consumption (split by station, office building and depot)		B & D
	Oil consumption (split by source)		B & D
	LPG consumption (split by source)		B & D
	Other (please specify)		B & D
	Total amount of CO ₂ emissions (<i>no data required - calculated from above</i>)		B & D
Nitrogen oxides (NO_x) emissions	Total amount of NO _x emissions	Tonnes	B & D
Fine particulate matter (PM₁₀) emissions	Total amount of PM ₁₀ emissions	Tonnes	B & D
Noise	Noise complaints	number received	B & D
Resource Consumption	Amount of timber used	Tonnes	B & D
	Amount of timber from recycled or certified sustainable sources used	Tonnes	B & D
	Proportion of timber used from recycled or certifiable sustainable sources (<i>no data required - calculated from above</i>)	%	B & D
	Total amount of paper used	Tonnes	B & D
	Total amount of recycled paper used	Tonnes	B & D
	Proportion of paper from recycled sources (<i>no data required - calculated from above</i>)	%	B & D
Waste produced and proportion recycled	Amount of commercial and industrial (C&I) waste produced (by waste stream)	Tonnes	B & D
	Amount of C&I waste recycled (by waste stream)	Tonnes	B & D
	Proportion of C&I waste recycled (by waste stream) (<i>no data required - calculated from above</i>)	%	B & D
	Amount of C&I waste sent to landfill	Tonnes	B & D
	Proportion of C&I waste sent to landfill (<i>no data required - calculated from above</i>)	%	B & D

	Amount of construction, demolition and excavation (C&DE) waste produced	Tonnes	B & D
	Amount of C&DE waste recycled	Tonnes	B & D
	Proportion of C&DE waste recycled (<i>no data required - calculated from above</i>)	%	B & D
	Amount of C&DE waste sent to landfill	Tonnes	B & D
	Proportion of C&D waste sent to landfill (<i>no data required - calculated from above</i>)	%	B & D
	Total amount of waste produced (<i>no data required - calculated from above</i>)	Tonnes	B & D
	Amount of waste classified as hazardous	Tonnes	B & D
	Amount of hazardous waste, as a proportion of total waste (<i>no data required - calculated from above</i>)	%	B & D
Water consumption	Total water consumed, by source	m ³	B & D
Basis for normalising performance	Level of operational service provided	passenger km	B & D
Normalised indicators	Total amount of CO ₂ emissions, normalised (<i>no data required - calculated from above</i>)	grams per passenger km	B & D
	Total amount of NO _x emissions, normalised (<i>no data required - calculated from above</i>)	grams per passenger km	B & D
	Total amount of PM ₁₀ emissions, normalised (<i>no data required - calculated from above</i>)	grams per passenger km	B & D
	Total water consumed, normalised (<i>no data required - calculated from above</i>)	m ³ per passenger km	B & D
Vehicle data – Cars	Petrol cars (number of vehicles, total fuel consumption, total mileage)		B & D
	Diesel cars (number of vehicles, total fuel consumption, total mileage)		B & D
	Other (number of vehicles, total fuel consumption, total mileage)		B & D
	Petrol hybrid (number of vehicles, total fuel consumption, total mileage)		B & D
	Diesel hybrid (number of vehicles, total fuel consumption, total mileage)		B & D
Vehicle data – Vans	Petrol cars (number of vehicles, total fuel consumption, total mileage)		B & D
	Diesel cars (number of vehicles, total fuel consumption, total mileage)		B & D
	Other (number of vehicles, total fuel consumption, total mileage)		B & D
	Petrol hybrid (number of vehicles, total fuel consumption, total mileage)		B & D
	Diesel hybrid (number of vehicles, total fuel consumption, total mileage)		B & D
Commentary	Commentary on environmental performance, including incidents		B & D
	Commentary on trends emerging		B & D

Table 4 - HR Information

Information to be provided	When information to be provided
Statement of Franchisee's vision, company goals and human resource strategy that supports it	C
Evidence of a personal development process applicable to all staff	C
Evidence of an objective, transparent and fair recruitment process	C
Evidence of analysis of employment and recruitment data by gender, ethnic category, disability function and grade	B
Evidence of analysis of turnover by cause, retirement, dismissal, redundancy, ill health retirement, death	B
Evidence of succession planning, identification of prospective "hot spots" and actions taken to address them	C
Evidence of a diversity plan and impact of implementing it	C
Historical and current data on salaries, earnings, hours of work, overtime worked, free day/rest day working, and other main terms and conditions for all key grade groups	C
Evidence of non financial reward and recognition initiatives	C
Evidence of a competence framework in place based on national occupational standards	C
Evidence of a collective "consultation and bargaining framework"	C
Evidence (supported by hard data (numbers/%%)) of people days lost through industrial action and a record of industrial action short of strike action	C
Evidence of an annual staff attitude survey	C
Evidence of actions taken arising from feedback received from the staff attitude survey	C
Evidence of company links to the community through its staff	C
Evidence of a robust process of staff briefing, core staff briefing material and two-way communication and feedback	C
Evidence of staff hours lost through sickness and other absence	B
Evidence of staff hours lost through training	B

APPENDIX 2

Operational Information

1. **Information About the Performance of the Franchisee**
 - 1.1 The Franchisee shall at all times during the Franchise Term maintain records in relation to its operational performance under this Agreement, covering the areas and the information described in this Appendix 2 and shall, subject to paragraph 1.3, provide such information to DLRL at the frequency specified in the column of each such table headed "When information to be provided".
 - 1.2 The information referred to in paragraph 1.1 shall include details as to whether or not any curtailment, diversion, delay or failure to attain any connection is attributable, in the Franchisee's opinion, to either a Force Majeure Event or the implementation of a service recovery plan.
 - 1.3 When so requested by DLRL, the Franchisee shall, within such reasonable period as DLRL may specify, make such information available for review by DLRL, by reference to:
 - (a) such level of disaggregation (including by route) as is reasonably specified by DLRL, as the case may be; and
 - (b) any particular day, week or other longer period as is reasonably specified by DLRL, as the case may be.
 - 1.4 The following key shall apply to the Table in this Appendix 2
 - A = information to be provided on or before any Base Service Plan change date;
 - B = information to be provided for every Fee Period within 5 days of the last day of each Fee Period;
 - C = information to be provided annually within 5 days of the last day of each Fee Year; and
 - D = information to be provided daily before noon on the following day.
 - 1.5 For the purpose of this Appendix 2, a business day is any day between Monday to Friday (inclusive) excluding public holidays.

Table 5 - Operational Information per Fee Period

Information	When information to be provided
Number of Trains	
Number of Trains each day in the working schedule	B + D
Number of Trains each day in addition to the working schedule	B + D
Number of actual Trains	B + D

Information**When information to be provided**

Mean week day patronage by time for the network	B
Mean Station counts	B
Station counts by time band	B
Peak time series by station	B
Full system time series board and alight weekday	B
Line loading	B
Passenger Kilometres by period retrospectively for three years	B
Year on year analysis and periodic comparisons	B
General service performance	B + D
List of delays where the passenger on any station could have waited for a train to arrive in excess of 20 minutes over the published interval	B + D
Operator actions	B + D
Vehicle performance	B
Rolling stock activity	B
Infrastructure performance	B
Schedules	A
Security and policing	B
Assaults working group	B
Secure stations	B
Revenue Protection	B
Service presentation and cleaning	B
Daily departures, reliability figures split by time band	B
Journey time data including the number of trains that ran when compared to the working schedule, trains that ran as per contract and trains that ran that did not meet the specifications in the contract and the details	B
A review of customer services and marketing that took place that period, including customer complaints	B

Information**When information to be provided**

Safety	B
System engineering	B
An update of the projects for that period	B
Franchise report, including inter alia, a summary of first line maintenance activities, operational matters and liaison, and any other information that may have an impact on the future operation of the Franchise	B
The incidents and where relevant details of incidents that occurred on the railway each day	D
APC data	B + D

APPENDIX 3

Asset Management Information

1. Information About Asset Management

1.1 The Franchisee shall at all times during the Franchise Term maintain records in relation to its performance of its asset management obligations under this Agreement, covering the areas and the information described in this Appendix 3 and shall, subject to paragraph 1.3, provide such information to DLRL at the frequency specified in the column of each such table headed "When information to be provided".

1.2 When so requested by DLRL, the Franchisee shall, within such reasonable period as DLRL may specify, make such information available for review by DLRL, by reference to:

- (a) such level of disaggregation (including by route) as is reasonably specified by DLRL, as the case may be; and
- (b) any particular day, week or other longer period as is reasonably specified by DLRL, as the case may be.

1.3 The following key shall apply to the Table in this Appendix 3:

A = information to be provided weekly;

B = information to be provided for every Fee Period within 5 days of the last day of each Fee Period;

C = information to be provided annually within 5 days of the last day of each Fee Year;

D = information to be provided bi-annually within 5 days of the six month anniversary of the beginning of each Fee Period and within 5 days of the last day of each Fee Period;

E = information to be provided immediately;

F = information to be provided within 5 days of the last day of the first Fee Year;

G = information to be provided on such date as notified to the Franchisee by DLRL; and

H = information to be provided within 14 days of activity.

1.4 For the purpose of this Appendix 3, a business day is any day between Monday to Friday (inclusive) excluding public holidays.

Table 6 – Asset Management Information

Information to be provided	When information to be provided
Asset Management System Improvement Plan update	B
Number of Temporary Approved Non-Compliances (TANCs) and status	B
Number of maintenance activities completed and overdue in the period, by asset discipline, against the plan	B
Where there are multiple items of missed maintenance within an	B

Information to be provided	When information to be provided
engineering discipline, provide a commentary of any cumulative impact of the missed maintenance	
Asset Management Strategies updates	B
<p>Asset Performance:</p> <ul style="list-style-type: none"> • review of previous Fee Period performance targets against achievement • trend analysis of failures and future forecasts • targets for principal assets for coming Fee Year • performance improvement plan by principal asset 	B
<p>Maintenance:</p> <ul style="list-style-type: none"> • achievement of plan for the previous Fee Period by principal asset • plan by principal asset and sub asset where appropriate, by maintenance activity (with mandated maintenance clearly identified) for the next Fee Period • proposed risk based changes to periodicity of maintenance and inspections • any MTIs for review 	B
<p>Work bank:</p> <ul style="list-style-type: none"> • Report covering: <ul style="list-style-type: none"> ○ volume by number of items and/or man hours for each principal asset ○ movement ○ criticality • Update on plan for improvement in the next Fee Period 	B
<p>Asset Health</p> <ul style="list-style-type: none"> • description of major failures of assets and resultant corrective actions • trend analysis of major failures 	B
<p>Materials Management</p> <ul style="list-style-type: none"> • stores management update • inventory management update • warranty management update 	B
Audit Schedules and Outcomes	B

Information to be provided	When information to be provided
<ul style="list-style-type: none"> • update on audit findings and actions taken • audit schedule for next Fee Period 	
<p>Resources update</p> <ul style="list-style-type: none"> • Progress against resource plan 	B
<p>Where it is known in advance that a maintenance/inspection activity will be missed from the Franchisee's agreed programme, the Franchisee shall notify the applicable DLRL Asset Engineer copied to the DLRL Head of Engineering (as notified by DLRL) in advance of the scheduled activity. If not notified, it will be recorded in the Safety Performance Index</p>	E
<p>Periodic Maintenance Report</p> <p>The Franchisee shall provide a configured "Maintenance Compliance Report" from the respective computer based Asset Management System for each asset category once a period. As minimum these reports should include:</p> <ul style="list-style-type: none"> • % of maintenance completed/overdue (period to date) • % of maintenance completed/overdue (previous period) • % of maintenance completed/overdue (year to date) 	B
Structures Principal Inspections reports	H
Structures General Inspections reports	H
Structures CCTV drainage report	H
Permanent Way Engineers inspection reports	H
Permanent Way Supervisor inspection reports	H
Permanent Way ultrasonic testing report	H
Permanent Way rail wear report	H
Permanent Way geometry quality report (excedences)	H
Electrical inspection reports	H
Signalling Track Loop signal to noise test report	H
Noise survey report	H
Radio signal coverage report	H
Permanent Way ride quality report	H
E&M Thermographic survey report	H
Asset condition survey report	H

Information to be provided	When information to be provided
Station lux level report	F
CCTV shot book	F

APPENDIX 4

Passenger Journeys, Miles and Earnings Information

1. Information About Journey Numbers and Earnings

- 1.1 The Franchisee shall at all times during the Franchise Term maintain records in relation to the information specified in the following table and shall, subject to paragraph 1.2, provide such information to DLRL at the frequency specified in the column of such table headed "When information to be provided".
- 1.2 When so requested by DLRL the Franchisee shall make such information available for review by DLRL by reference to:
- (a) such level of disaggregation (including by route) as is specified by DLRL, as the case may be, from time to time; and
 - (b) any particular day, week or other longer period as is specified by DLRL, as the case may be, from time to time.

Table 7- Passenger Journey Information

Information to be provided per Fee Period	When information to be provided
Sales of tickets by PSAs, identifying fare type, any penalty fares issued and the number of penalty fares collected	Within 10 days of the last day of each Fee Period
Details of fare evasion (including details of ticket checks, Oyster reads and TVM fraud)	Within 5 days of the last day of each Fee Period

- 1.3 Where the information referred to in this Appendix 4 is held in a system the Franchisee may fulfil its obligations under paragraph 1.1 by procuring that DLRL shall be granted access free of charge to such records in a readily accessible manner and in a format acceptable to DLRL.
- 1.4 The Franchisee shall advise DLRL of any changes made to its systems or processes or those operated independently of the Franchisee which materially change or affect the continuity of the records maintained pursuant to this Appendix 4. Such advice shall include an assessment of the materiality of the relevant change.

APPENDIX 5

Benchmarking

- 1.1 The Franchisee shall, in full consultation and in partnership with DLRL, use benchmarking techniques to assess delivery of the Franchisee's obligations under this Agreement and to target the achievement of equivalent or improved levels of performance against other comparable operators.
- 1.2 By 31 March 2015 the Franchisee shall produce a benchmarking strategy agreed with DLRL (acting reasonably) which shall include the following (the "**Benchmarking Strategy**"):
- (a) a best endeavours obligation upon the Franchisee to secure the membership of DLRL and the Franchisee into an accredited established benchmarking scheme (as agreed by DLRL acting reasonably), such as Imperial College's "Nova" or "Comet" groups;
 - (b) a programme of regular comparisons of internal measures (as agreed by DLRL acting reasonably) with industry standards and best practice on other operations. Such internal measures to include, but not be limited to:
 - (i) total franchise costs per Vehicle Kilometre, patronage and passenger revenue measures;
 - (ii) service performance, customer service measures and operational performance data;
 - (iii) safety, security, asset management, effective maintenance and asset utilisation;
 - (iv) HR appraisals, staff briefing, management leadership, internal promotion rates and training plans;
 - (v) service reliability, focusing on peak hour delivery and numbers of departures;
 - (vi) total delays;
 - (vii) performance of equipment such as track and trackside equipment, signalling and signalling system, vehicle failures by age and type, delays caused by passenger and staff actions, overall performance by route, comfort of journey and speed of journey;
 - (viii) availability of lifts, escalators, passenger information displays and TVMs;
 - (ix) information on Train Kilometres and Vehicle Kilometres in any given Fee Period;
 - (x) anonymised labour hours and costs for all departments of the Franchisee (including, for the avoidance of doubt, engineering and corporate functions);
 - (xi) contractor hours and total contractor costs; and
 - (xii) other costs relating to marketing, purchasing, corporate overheads and financial management;
 - (c) instituting a programme (to be agreed with DLRL acting reasonably) of identification and targeting of improvements and innovations which will be

incorporated into a long-term business plan which targets improvements in all key areas. This plan will be updated annually, following full consultation with and the agreement of DLRL;

- (d) drafting a monitoring action plan (agreed annually with DLRL, acting reasonably) to demonstrate cost effective enhanced delivery of key attributes such as customer service, service performance, asset management, safety and other relevant characteristics as agreed with DLRL acting reasonably.

1.3 Once the Benchmarking Strategy is in place, the Franchisee shall implement such strategy for the duration of the Franchise Term.

APPENDIX 6
Accounts Formats

See separate document.

SCHEDULE 11

Intellectual Property

1. DLRL LOGO/CORPORATE IMAGE

- 1.1 The Franchisee shall be entitled to use on a non-exclusive, non-transferable basis (but not to sub-licence the use of) DLRL's name, trade marks, logo and corporate image including the names "Docklands Light Railway" and "DLR" (the "**DLRL Trademarks**") in the United Kingdom free of charge for the purposes of and to the extent necessary for performing its obligations under this Agreement provided that the Franchisee:
- (a) shall consult with DLRL in relation to, and obtain DLRL's prior approval for, such use;
 - (b) shall only use the same in a manner which does not suggest, or lead people to believe, that the Franchisee is DLRL; and
 - (c) shall not use the DLRL Trademarks in combination with any other trade marks or logos without DLRL's prior written consent (to be given or withheld in its absolute discretion).
- 1.2 Subject to paragraph 1.1, the Franchisee shall use the DLRL Trademarks to describe the Railway to customers on the Railway and in any other promotional or publicity material.

2. BRANDING AND LIVERY

- 2.1 The Franchisee shall use DLRL's current livery and corporate image (as notified to the Franchisee by DLRL) on all Trains and Stations and shall otherwise carry out its obligations under this Agreement in a manner which is consistent with DLRL's corporate image (as notified to the Franchisee by DLRL) and the Franchisee shall not make any change to Train or Station liveries without DLRL's express written approval.
- 2.2 The Franchisee shall ensure that any staff uniform designs are approved by DLRL prior to being issued to or used by staff.
- 2.3 If in the course of carrying out its obligations under this Agreement the Franchisee creates, modifies, introduces or replaces any livery, corporate image, uniform, logos or other advertising, promotional or marketing devices (in each case as permitted by this Agreement) DLRL shall be entitled, and the Successor Franchisee (following the end of the Franchise Term) shall be entitled, to use and have assigned to it (free of charge and to the extent such assignment has not already occurred) any necessary rights for the continuing use of such liveries, corporate images, uniforms, logos or other advertising, promotional or marketing devices.

3. OWNERSHIP OF IS RIGHTS

- 3.1 Nothing in this Agreement shall operate to transfer any IS Rights belonging to DLRL or TfL to the Franchisee or to any other person.
- 3.2 All IS Rights (other than Third Party IS Rights) developed, created or acquired by the Franchisee in the course of performing its obligations under this Agreement shall belong to DLRL. The Franchisee hereby assigns to DLRL all such rights and the Franchisee shall execute such further documents, and do such other things, at its cost as DLRL may reasonably request in order to (where applicable) transfer absolutely such Franchisee IS Rights to DLRL and otherwise to perfect DLRL's title thereto.

4. LICENCE GRANTED BY THE FRANCHISEE

- 4.1 The Franchisee hereby grants to DLRL an irrevocable, perpetual, cost-free, assignable and non-exclusive licence (or sub-licence, as applicable), with the right to grant sub-licences to any number of tiers, of the Franchisee IS Rights, to be used for any purpose connected with the Railway, whether by DLRL itself or by any other person nominated by DLRL.
- 4.2 The Franchisee shall ensure that all IS Rights used or arising in connection with the Franchise which are material for the continuing operation of the Railway and/or the undertaking comprised in the Franchise are freely assignable and transferrable to DLRL.

5. THIRD PARTY IS RIGHTS

- 5.1 The Franchisee represents and warrants to DLRL that in performing its obligations under this Agreement, neither the Franchisee nor any Sub-Contractor will infringe or make unauthorised use of any IPR of any person.
- 5.2 In the event that the representation and warranty in paragraph 5.1 proves to be untrue or misleading or is breached, the Franchisee shall indemnify the Indemnified Parties for any Losses incurred as a result whether directly or indirectly.
- 5.3 The Franchisee shall procure that any licences or other arrangement with a third party which grants the Franchisee a right to use any Third Party IS in relation to the Franchise (each a "**Third Party IS Agreement**") contains a provision which permits the Franchisee to fully novate for nominal consideration, without the consent of the third party, the entire benefit and burden of the Third Party IS Agreement to DLRL, or DLRL's nominee. The Franchisee shall pay any costs resulting from the performance of this paragraph 5.3, save for any ongoing fees payable for the maintenance in force of each relevant Third Party IS Agreement following the end of the Franchise Term, which shall be paid by DLRL.
- 5.4 On expiry or termination of this Agreement for any reason, the Franchisee shall, at no cost to DLRL, novate to DLRL or its nominee (as DLRL may elect) the entire benefit of all Third Party IS Agreements and the Franchisee shall execute such further documents, and do such other things at its cost, as DLRL may reasonably request in order to transfer such benefit to DLRL or its nominee (as the case may be).
- 5.5 Subject to paragraph 5.6, the Franchisee shall not in complying with its obligations under this Agreement, use any IS Rights which are not owned by the Franchisee or owned or licensed by DLRL, unless the Franchisee has procured, before first using such IS Rights, the grant of a licence (with effect from the end of the Franchise) from the owner of such IS Rights to DLRL (with the right to grant sub-licences), at no cost to DLRL, on terms that are acceptable to DLRL and which are sufficient to operate and develop the Franchise, whether carried on by DLRL or on its behalf.
- 5.6 Paragraph 5.5 shall not apply to any readily available "off the shelf" software and for the avoidance of doubt shall not apply to any software which is in use by DLRL or the Predecessor Franchisee as at the Franchise Commencement Date.
- 5.7 Within ten days after the first anniversary of the Franchise Commencement Date and annually thereafter (or such other period as may be agreed), the Franchisee shall notify DLRL, in writing, of:
- (a) what IS Rights it uses in performing its obligations under this Agreement and the Ancillary Agreements; and
 - (b) the identities of the third party owners of any Third Party IS Rights used in performing the Franchisee's obligations under this Agreement and the Ancillary Agreements.

5.8 On written request from DLRL the Franchisee shall make available for inspection the terms of its licences of such IS Rights, to the extent allowed by its obligations of confidentiality and provided that the Franchisee shall use all reasonable endeavours to have any relevant such obligations waived to the extent necessary to provide this right of access and, from time to time thereafter, the Franchisee shall, in a timely fashion, answer DLRL's questions regarding such terms.

6. **DLRL IS RIGHTS**

6.1 To the extent that DLRL is free to do so, DLRL grants to the Franchisee a non-transferable, non-assignable, non-exclusive, royalty-free licence (carrying the right to grant a sub-licence to any Sub-Contractors) to use the DLRL IS Rights for the Franchise Term, for the purposes of and to the extent necessary for performing its obligations under this Agreement.

6.2 The licences granted by paragraph 6.1 shall be effective from the Franchise Commencement Date or, in the case of DLRL Software constituting new releases or versions of any software otherwise designated as such by DLRL hereafter, from the date on which they are designated as DLRL Software by DLRL.

6.3 With respect to the DLRL Software for which DLRL is the licensee, the Franchisee undertakes:

(a) to comply with the terms, to the extent that they are known to the Franchisee (now or hereafter) or about which the Franchisee ought reasonably to know (now or hereafter), of the relevant licences granted to DLRL including the obligations on DLRL regarding numbers of users of such Software;

(b) to indemnify DLRL against any Losses it suffers as a result of the Franchisee failing to comply with its obligations under paragraph 6.3(a) hereof; and

(c) to execute all such documents, and do all such acts, as DLRL, or the licensor of the relevant Software, shall reasonably require in order to give effect to the sub-licence.

6.4 The Franchisee shall not use the DLRL IS Rights except as licensed by paragraph 6.1, and shall not use the DLRL IS Rights in any manner which suggests, or may lead people to believe, that it is DLRL, or is connected or associated with DLRL except as a licensee of DLRL.

6.5 DLRL gives no warranty and makes no representation that the DLRL IS Rights, or any part of it is accurate, valid or suitable for the Franchisee's purposes or that the use of the DLRL IS Rights will not infringe the rights of any third party.

6.6 The Franchisee shall, as soon as it becomes aware thereof, give DLRL in writing full particulars of any infringement of any DLRL IS Rights. If the Franchisee becomes aware that any third party alleges that the use of any DLR IS Rights infringes any rights of another person, the Franchisee shall immediately give DLRL full particulars thereof and shall make no comment or admission to any third party in respect thereof.

6.7 DLRL shall have the conduct of any proceedings relating to the DLRL IS Rights and shall in its sole discretion decide what action, if any, to take in respect of any infringement or alleged infringement of the DLRL IPR or any other claim or counterclaim brought or threatened in respect of the use or registration of the DLR IPR.

6.8 The Franchisee will at the request of DLRL give full co-operation to DLRL in any action, claim or proceedings brought or threatened in respect of the DLRL IPR.

7. **IMPROVEMENTS**

7.1 If either Party makes or acquires any improvement, modification, upgrade or alteration (together an "**Improvement**") to any DLRL IS Rights, such Improvements shall be the property of DLRL.

7.2 If the Franchisee makes or acquires any Improvement, it shall:

- (a) execute such further documents and do such other things as DLRL may reasonably request to transfer absolutely title to the IPR therein to DLRL free of any liens and otherwise to perfect DLRL's title thereto; and
- (b) grant to DLRL an irrevocable, perpetual, cost-free, assignable and non-exclusive licence (or sub-licence, as applicable), with the right to grant sub-licences to any number of tiers, of such Improvement, to be used for any purpose, whether by DLRL itself or by any other person nominated by DLRL.

8. **FURTHER DOCUMENTATION**

Upon request from DLRL, the Franchisee shall execute such further documents, and do such other things, as DLRL may reasonably request in order to obtain for DLRL the full benefit of this Schedule 11, at no cost to DLRL.

9. **COMPATIBILITY OF INFORMATION**

9.1 All financial, operational or other information, and any data and records required to be provided to DLRL under this Agreement shall be provided, if so requested by DLRL, in a form compatible with DLRL's electronic data and records systems on the Franchise Commencement Date.

9.2 The Franchisee shall ensure that the interconnection of such systems or the provision of such information, data and records to DLRL under this Agreement will not result in any infringement of any Third Party IPR to which its systems or such information, data or records may be subject.

10. **COMPUTER SYSTEMS**

The Franchisee shall at all times during the Franchise Term have the necessary Computer Systems to enable it to comply with its information provision obligations in paragraph 9.

SCHEDULE 12

Committed Obligations

Part 1 - List of Committed Obligations

1. Accreditation and Certification

Collaborative Business Relationship

1.1 The Franchisee shall within two years after the Franchise Commencement Date obtain BS 11000 certification of the Franchisee/DLRL collaborative business relationship and retain such BS 11000 certification for the duration of the Franchise provided that DLRL:

- (a) works together with the Franchisee over such two-year period to implement the principles of the BS 11000 model in order to establish and embed collaborative concepts and behaviours in the Franchisee/DLRL business relationship which are consistently applied and maintained across the Franchisee's organisation; and
- (b) assists the Franchisee with obtaining and retaining such certification,

in each case as reasonably requested by the Franchisee.

Integrated Management System

1.2 The Franchisee shall adopt the Publicly Available Specification 99 ("**PAS 99**") framework to integrate the ISO 9001 quality management standard, the ISO 14001 environmental management standard and the BS OHSAS 18001 occupational health and safety management standard (the "**Management System Standards**") within a single system which will:

- (a) enable the Franchisee to register its integrated management system, allowing for simplification of certification and the assessment process for each Management System Standard; and
- (b) support the Franchisee in meeting the compliance requirements of each individual Management System Standard.

1.3 The Franchisee shall obtain a certificate of registration in accordance with PAS 99 within the first 12 months of the Franchise Term, and once obtained, shall maintain such registration throughout the Franchise Term.

2. Change Director

2.1 The Franchisee shall appoint and employ a change director with effect from the Franchise Commencement Date and for the first 12 months of the Franchise Term or until such earlier date on which the Franchisee's managing director and DLRL agree, acting reasonably, that the change director's responsibilities have been satisfied. The change director's role will be to manage and deliver change initiatives on behalf of the Franchisee and the change director's responsibilities will include:

- (a) governing the process for the implementation of any change initiatives proposed by the Franchisee;
- (b) managing negotiations with DLRL in respect of any change initiatives;
- (c) communication and consultation with staff regarding any change initiatives;

- (d) acting as the primary point of contact for external partners including DLRL, Transport for London and other stakeholders involved in any change initiatives;
- (e) managing a Franchise change team which will be responsible for:
 - (i) developing the Franchisee's input into change initiatives;
 - (ii) co-ordinating the delivery of Franchise commitments; and
 - (iii) stakeholder management.

3. Safety

Occupational health and safety management

- 3.1 Within the first 12 months of the Franchise Term the Franchisee shall achieve BS OHSAS 18001 accreditation across the Franchise.

Accident Reduction

- 3.2 For the purposes of these paragraphs 3.2 – 3.4 (inclusive), "**Minor Accidents Baseline**" shall mean the number of passenger slips, trips and falls on the Railway in respect of the first 12 months of the Franchise Term, as measured by a system to be agreed by DLRL (the "**Network Safety Risk Model**").

By the first anniversary of the Franchise Commencement Date, the Franchisee shall reduce the number of passenger slips, trips and falls on the Railway by 5% when compared to the number of passenger slips, trips and falls on the Railway which occurred during the last 12 months of the franchise term under the Predecessor Franchise Agreement (as measured by the Network Safety Risk Model) (the "**Predecessor Franchise Agreement Baseline**").

- 3.3 In order to achieve the reduction referred to in paragraph 3.2 above, the Franchisee will:
- (a) implement a programme of education which will include the use of posters and flyers on Stations and on-board Train announcements to:
 - (i) increase the level of intervention and interaction of its customer facing employees with passengers;
 - (ii) encourage passengers and its employees to adopt a pro-active approach to identifying and rectifying potential hazards; and
 - (iii) encourage passengers and its employees to take action to ensure the removal of potential hazards prior to the occurrence of any incident; and
 - (b) introduce and manage a "**visible felt leadership**" programme of management safety tours and planned general inspections to increase engagement by its employees on safety issues, and to ensure that its employees are able to communicate directly with each other and senior managers on safety issues on a regular basis.
- 3.4 Following receipt from DLRL of the Predecessor Franchise Agreement Baseline and the Minor Accidents Baseline, the Franchisee shall measure the reduction it has achieved by comparing the Minor Accidents Baseline against the Predecessor Franchise Agreement Baseline. Within four weeks of receipt from DLRL of the Predecessor Franchise Agreement Baseline and the Minor Accidents Baseline, the Franchisee shall confirm the level of any reduction or increase in the number of passenger slips, trips and falls on the Railway to DLRL in writing.

Control Centre Cross Industry Visits

- 3.5 Within one year after the Franchise Commencement Date, the Franchisee shall implement a rolling programme of annual cross industry visits for 10% of Control Centre employees to organisations relevant to the Franchise, and the Franchisee shall use reasonable endeavours to procure the participation of industry stakeholders including, but not limited to, LUL and Network Rail. Such cross industry visits shall:
- (a) promote the exchange of best practice and experience between the Franchisee and other industry stakeholders;
 - (b) assist the adoption by Control Centre employees of a holistic approach to the provision of the Services;
 - (c) provide Control Centre employees with an opportunity to observe ways of working by employees in similar roles that are based in other industry organisations.

CSCS Cards

- 3.6 The Franchisee shall introduce a mandatory requirement for:
- (a) (within twelve months after the Franchise Commencement Date), 80% of all Franchisee employees responsible for undertaking the Franchisee's maintenance obligations under this Agreement (including contractors and sub-contractors of the Franchisee except rolling stock maintenance staff); and
 - (b) (within fifteen months after the Franchise Commencement Date), 100% of all Franchisee employees responsible for undertaking the Franchisee's maintenance obligations under this Agreement (including contractors and sub-contractors of the Franchisee except rolling stock maintenance staff),

to hold a Construction Skills Certification Scheme card under CSCS Ltd's competency card scheme ("**CSCS card**") which is appropriate for the role undertaken by that employee. The CSCS card shall be a portable means by which Franchisee employees (including contractors and sub-contractors of the Franchisee except rolling stock maintenance staff) can provide proof of identity and evidence that they have the competence to carry out their work safely and productively, and the Franchisee shall procure that the CSCS card is carried by such Franchisee employees at all times when undertaking the Franchisee's maintenance obligations under this Agreement.

4. Asset Management

ISO 55000 ("PAS 55")

- 4.1 The Franchisee shall gain ISO 55000 ("**PAS 55**") accreditation (or any equivalent accreditation which replaces PAS 55) by the end of the third year after the Franchise Commencement Date (being 31 December 2017), and once obtained shall maintain such accreditation throughout the Franchise Term.

Remote condition monitoring equipment feasibility study

- 4.2 [●]²⁷.
- 4.3 [●]²⁸.

Traction Motor Bearing Monitoring Trial

²⁷ Redacted

²⁸ Redacted

4.4 [●]²⁹.

4.5 [●]³⁰.

Asset Management System

4.6 The Franchisee shall, with DLRL's consent (not to be unreasonably withheld or delayed), implement the full functionality of the asset management system [●]³¹ ("**[●]**³²") in order to deliver a modern, leading edge asset management regime based on whole life principles, by the date that falls one year after the Franchise Commencement Date.

4.7 Following implementation of [●]³³, the Franchisee shall, at its own cost, provide training sessions to DLRL in the use of [●]³⁴ to enable DLRL to interrogate and utilise the system effectively.

Amey Centre for Excellence in Asset Management

4.8 Within six months after the Franchise Commencement Date, the Franchisee shall invite DLRL to join the Amey Centre for Excellence in Asset Management free of charge, the global knowledge sharing and research organisation operated by Amey.

4.9 Membership of the Amey Centre for Excellence in Asset Management shall include (amongst other things):

- (a) attendance at meetings and periodic workshops;
- (b) the sharing of information, best practice and innovation;
- (c) access to best practice in asset management including modelling, forecasting, data handling and engineering;
- (d) sharing common issues in "**real time**";
- (e) benchmarking against other organisations and contracts;
- (f) access to training; and
- (g) access to enterprise asset management system support.

5. Service delivery

Annual Automated Railway Seminar

5.1 The Franchisee shall convene a one-day international light rail seminar on an annual basis. The first seminar shall take place within the first year of the Franchise Term, and future seminars shall take place at approximately yearly intervals thereafter. The Franchisee shall invite to each seminar representatives of DLRL and representatives of the Franchisee's Shareholders and, if the parties agree, representatives of TfL and other third parties. Each seminar shall be themed around a particular issue of interest, and the Franchisee shall consult with DLRL prior to deciding upon the theme.

²⁹ Redacted

³⁰ Redacted

³¹ Redacted

³² Redacted

³³ Redacted

³⁴ Redacted

Keolis "Rapid Transit Benchmark"

- 5.2 The Franchisee shall, within 12 months after the Franchise Commencement Date and thereafter throughout the Franchise Term, procure that relevant data from the Franchise is included in the Keolis "**Rapid Transit Benchmark**" on a bi-annual basis (or with such other frequency as Keolis may, from time to time, decide to update the "**Rapid Transit Benchmark**"), and shall procure that the results of the "**Rapid Transit Benchmark**" are made available to the Franchisee to enable the Franchisee to compare the operation of the Railway with the operation of other equivalent systems included in the "**Rapid Transit Benchmark**".

Twining

- 5.3 Within eighteen months after the Franchise Commencement Date, the Franchisee shall, after obtaining DLRL's consent, implement a twinning process between the Railway and another metro or light rapid transit line which possesses the same characteristics as the Railway (the "**twinned metro line**").
- 5.4 The twinning process referred to in paragraph 5.3 above shall link the Franchisee's Managing Director, service delivery director and engineering director (the "**twinned managers**") with the equivalent senior manager on the twinned metro line. The twinned managers shall establish a relationship with their counterparts on the twinned metro line, and shall, together with other relevant members of staff, meet their counterparts on the twinned metro line at least once each year to exchange best practice and discuss common issues.

6. Customer service, security and revenue protection

Senior Management Team

- 6.1 The Franchisee shall:
- (a) within six months after the Franchise Commencement Date and thereafter throughout the Franchise Term, ensure that each senior manager holds one meeting session each year at a location to be determined by the Franchisee (acting reasonably), whereby that senior manager of the Franchisee shall meet with passengers ("**Meet the Managers Sessions**"). The Franchisee shall procure that six Meet the Managers Sessions are held each year, each attended by one senior manager, and that such Meet the Managers Sessions are supported by other members of its staff from all departments as required. The Franchisee shall at least one week in advance announce the dates of Meet the Manager Sessions on posters displayed at Stations. The Franchisee shall procure that any feedback received from passengers during each Meet the Managers Session which cannot be addressed during the session is followed up, and where necessary a response is provided to the passenger. No later than four weeks after each Meet the Managers Session, the Franchisee shall provide a report to DLRL detailing the matters discussed and comments received during such Meet the Managers Session;
 - (b) within six months after the Franchise Commencement Date and thereafter throughout the Franchise Term, ensure that each senior manager of the Franchisee participates in one Station Block each year (a "**Managers on Station Blocks Session**"). The Franchisee shall procure that six Managers on Station Blocks Sessions are held each year, each attended by one senior manager.

Reporting

- 6.2 Within one year after the Franchise Commencement Date, the Franchisee shall, after obtaining DLRL's consent, modify the system for reporting by the Franchisee to DLRL on, amongst other things, key performance indicators, security incidents and fare evasion, to

deliver reporting which is substantially improved when compared to the reporting system in use prior to the Franchise Commencement Date. Such improvements shall include improved reporting and analysis through geographic information system mapping and the use of visual reporting tools.

7. Environment

Regenerative braking feasibility study

- 7.1 Within one year after the Franchise Commencement Date, the Franchisee shall undertake a feasibility study to investigate the use of regenerative braking technology in order to identify any timetabling options which may reduce or change energy consumption, provided that such options shall not adversely affect the provision of the Services by the Franchisee. The regenerative braking study will include assessment of Train braking systems and the high voltage distribution system.
- 7.2 No later than three months following conclusion of the feasibility study referred to in paragraph 7.1, the Franchisee shall provide to DLRL for discussion by the parties, a report detailing the Franchisee's recommendations in respect of the findings of the feasibility study.

Reduction of waste sent to landfill

- 7.3 No later than the first anniversary of the Franchise Commencement Date and for the remainder of the Franchise Term, the Franchisee shall select and appoint a waste contractor that shall ensure that 100% of the waste collected by or on behalf of the Franchisee is diverted from landfill, and is instead recycled and/or used to produce refuse derived fuel or energy from waste.
- 7.4 The Franchisee shall ensure that the waste contractor appointed in accordance with paragraph 7.3 above maintains records of its treatment of the waste collected by or on behalf of the Franchisee, and provides monthly reports to the Franchisee containing waste disposal figures, which the Franchisee shall make available to DLRL on reasonable request. The Franchisee shall monitor compliance by its waste contractor with the requirements of paragraph 7.3 by conducting audits on a periodic basis.

Carbon awareness training

- 7.5 By the first anniversary of the Franchise Commencement Date, the Franchisee shall procure that Amey Rail Limited provides its in-house "**Institute of Environmental Management**" (IEMA) accredited carbon awareness course to all members of the Franchisee's environmental action group and each environmental champion appointed by a member of the Franchisee's environmental action group.

8. Working with stakeholders

Community outreach programme

- 8.1 By no later than the third anniversary of the Franchise Commencement Date, the Franchisee shall, subject to agreement with DLRL, implement a comprehensive community outreach programme, which will include (following further discussion and agreement with DLRL), the Franchisee using reasonable endeavours to make the Railway Britain's first "**Urban Community Rail Partnership**" (or a "**Station Adoption Scheme**" subject to further discussions with the "**Association of Community Rail Partnerships**") to provide for the Franchisee, local people and organisations to work in partnership to improve the Railway.

From the third anniversary of the Franchise Commencement Date and throughout the remainder of the Franchise, the Franchisee shall develop a full community engagement plan which will, amongst other things:

- (a) encourage local participation and involvement by local people and stakeholders in ways that contribute to local social and economic vitality and improve the local environment; and
- (b) strengthen the community ambassadors' scheme by proactively targeting more local groups and communities who would benefit from knowing more about the Railway and what it could provide.

Stakeholder advisory board

8.2 Within one year after the Franchise Commencement Date, the Franchisee shall establish and thereafter administer a stakeholder advisory and communications board which shall meet a minimum of twice per year and shall comprise core stakeholders acting as a 'steering group' to enhance the development of the Franchise, to ensure stakeholder activities are effectively progressed and to encourage innovation (the "**DLR Stakeholder Advisory and Communications Board**"). The DLR Stakeholder Advisory and Communications Board shall be formally constituted to provide advice and recommendations to the Franchisee on strategic and policy issues, and will complement the Franchisee's senior management team. The terms of reference and initial agenda items will be agreed by the DLR Stakeholder Advisory and Communications Board at its first meeting.

8.3 The Franchisee shall use reasonable endeavours to procure that in addition to representatives from each of DLRL and the Franchisee, the DLR Stakeholder Advisory and Communications Board shall comprise representatives from core stakeholders including but not necessarily limited to:

- (a) British Transport Police;
- (b) London Fire Brigade;
- (c) London Ambulance Service;
- (d) the Concessionaire;
- (e) London Underground;
- (f) London City Airport;
- (g) Network Rail;
- (h) Relevant London Boroughs (e.g. Greenwich, Lewisham, Newham, Tower Hamlets);
- (i) London Travelwatch;
- (j) ExCel;
- (k) Canary Wharf Group; and
- (l) neighbouring TOCs.

9. Responsible Procurement

Equality & Diversity Steering Group

- 9.1 Within six months after the Franchise Commencement Date, the Franchisee shall establish and thereafter administer an equality and diversity steering group which shall meet a minimum of twice per year, and will be the responsibility of the Managing Director of the Franchisee. The Equality & Diversity Steering Group shall be formally constituted to provide advice and recommendations to the Franchisee on equality and diversity issues with respect to employees and procurement plans and policies relating to the Franchise. The terms of reference and initial agenda items will be agreed by the Equality & Diversity Steering Group at its first meeting.

Tendering – local business engagement

- 9.2 From the date falling six months after the Franchise Commencement Date, the Franchisee shall issue tender opportunities using the central Government-backed portal 'Contract Finder' and the TfL-supported 'CompeteFor', with a view to engaging with a wide range of local businesses.

Apprentice Programme

- 9.3 Without prejudice to the Franchisee's obligations in Schedule 19, the Franchisee shall ensure that a minimum of twenty-one individuals based in London complete apprentice or graduate programmes over the course of the Franchise Term (provided that if the Franchise Term ends prior to the date specified in limb (a) of the definition of Expiry Date, the number of individuals the Franchisee is obliged to employ pursuant to this paragraph 9.3 shall be reduced pro rata to the length of the Franchise Term).

Employment Partnering with Jobcentre Plus

- 9.4 The Franchisee shall, within three months after the Franchise Commencement Date and thereafter throughout the Franchise Term, be a key employment partner to Jobcentre Plus in London with a view to providing transparency of vacancies and increasing awareness of positions and therefore opportunities for all. This will include the Franchisee working with Jobcentre Plus to advertise all vacancies and holding regular meetings with Jobcentre Plus to discuss how best to access the Franchisee's target groups (i.e. women, disabled and non-white UK individuals).

Sedex level A membership

- 9.5 Within the first twelve months of the Franchise Term, the Franchisee shall become a member of Sedex (the "**Supplier Ethical Data Exchange**") holding category A membership (as described on the Sedex website - www.sedexglobal.com) following liaison with, and confirmation from Sedex that this is an appropriate approach for the Franchisee to adopt. The Franchisee shall maintain its category A membership of Sedex throughout the Franchise Term, provided that if such membership becomes unavailable at any time (whether because of the abolition of that category of membership by Sedex or because of the closure of Sedex) the Franchisee shall use reasonable endeavours to obtain equivalent membership of Sedex or to obtain membership of an equivalent organisation (as appropriate).

10. Additional Committed Obligations

Occupational Health shows

- 10.1 The Franchisee shall plan and deliver not less than two occupational health shows in each Fee Year, the content and format of which to be determined by the Franchisee with DLRL's prior consent (such consent not to be unreasonably withheld or delayed).

CIRAS confidential reporting

- 10.2 By the first anniversary of the Franchise Commencement Date, the Franchisee shall secure membership of the CIRAS confidential reporting system, and shall maintain such membership for the duration of the Franchise Term.

Automated inspection regime

10.3 [●]³⁵.

10.4 [●]³⁶.

10.5 [●]³⁷.

Reduction of emissions

10.6 By the end of the Franchise Term, the Franchisee shall reduce annual NOx and PM10 emissions of the Franchise by 10% as measured against an annual baseline reflecting the annual emissions of the Franchise immediately prior to the Franchise Commencement Date, as agreed by the parties prior to the Franchise Commencement Date. Thereafter the Franchisee shall establish and measure the NOx and PM10 emissions for the duration of the Franchise Term and report the results to DLRL on an annual basis.

10.7 By the first anniversary of the Franchise Commencement Date, the Franchisee shall ensure that at least 15% of its motor vehicle fleet is made up of hybrid and/or energy efficient vehicles.

Reduction of water usage

10.8 By the end of the Franchise Term, the Franchisee shall reduce the total annual water usage by the Franchise by 20% as measured against an annual baseline reflecting the annual water usage of the Franchise immediately prior to the Franchise Commencement Date, as agreed by the parties prior to the Franchise Commencement Date. Thereafter the Franchisee shall establish and measure water usage for the duration of the Franchise Term and report the results to DLRL on an annual basis.

Stakeholder conference

10.9 Within six months of the start of the first Fee Year, and subsequently once every Fee Year, the Franchisee shall organise and hold an annual stakeholder conference to share the Franchisee's objectives for the subsequent year and allow all stakeholders to share their experiences of the Franchise and ask questions of its management team. The Franchisee shall obtain DLRL's prior agreement in relation to the list of stakeholders to be invited.

10.10 Construction Supply Chain Payment Charter

Within six months after the Franchise Commencement Date, the Franchisee shall sign up to the "Construction Supply Chain Payment Charter" launched on 22 April 2014.

Customer Service Hosts

10.11 For the duration of the Franchise Term, the Franchisee will ensure that at least one customer service host is present at Canning Town station at all times during Station Opening Hours to assist with passenger enquires and offer general assistance.

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³⁷ Redacted

Disruption Management

- 10.12 Without prejudice to the Franchisee's obligations with respect to the Disruption Management Plan in paragraph 13 of Schedule 1 to this Agreement, by the Franchise Commencement Date the Franchisee will introduce and thereafter update and maintain incident checklists for use by all appropriate staff during disruption on the Railway.
- 10.13 The Franchisee shall obtain DLRL's consent to the content of such checklists prior to the Franchise Commencement Date and again prior to any update or amendment to the checklists, such consent not to be unreasonably withheld or delayed. The Franchisee shall ensure that such checklists shall be available electronically such that the most up-to-date versions are available to staff.

SCHEDULE 12

Committed Obligations

Part 2 - Miscellaneous Provisions

1. APPLICATION

This Part 2 of this Schedule 12 sets out further terms which apply to the Committed Obligations set out in Part 1 to this Schedule 12 and the references to Committed Obligations in this Part 2 of this Schedule 12 are only to the Committed Obligations in Part 1 of this Schedule 12.

2. CONTINUATION OF AVAILABILITY

2.1 Save as expressly provided in this Schedule 12, any facilities or assets established in accordance with a Committed Obligation shall be deemed to be part of the Franchise Assets and the Franchisee shall maintain and operate such facilities or assets throughout the remainder of the Franchise Term.

2.2 The Franchisee shall not be in breach of its obligation to deliver a Committed Obligation where a facility or asset is temporarily unavailable due to accidental damage or vandalism or maintenance, repair or replacement activities, or temporary staff absence, subject in each case to the Franchisee taking all reasonable steps to keep any such period of temporary non-availability to a minimum.

2.3 Where Part 1 (List of Committed Obligations) to this Schedule 12 includes a commitment regarding staffing or particular appointments:

(a) the obligation of the Franchisee shall not be regarded as being contravened by:

(i) temporary absences (for example for sickness or holiday); or

(ii) temporary non-fulfilment of a relevant post whilst the Franchisee is recruiting for that post, subject to the Franchisee using all reasonable endeavours to keep the duration between appointments as short as reasonably practicable; and

(b) the Franchisee's rights and obligations in relation to the numbers or deployment of its other staff remain unaffected.

3. EXPENDITURE COMMITMENTS

3.1 Annual Expenditure

Where Part 1 to this Schedule 12 provides for the expenditure of an annual amount (or an amount over some other period) by the Franchisee, that amount:

(a) is assessed net of VAT; and

(b) is the amount required to be expended by the Franchisee itself or procured by the Franchisee to be expended.

3.2 Expenditure Commitments in real amounts

All expenditure commitments set out in Part 1 to this Schedule 12, to the extent they have not already been incurred by the Franchisee, shall be Indexed as described in Part 1 of Schedule 14.

3.3 **Expenditure by DLRL/TfL**

All amounts which the Franchisee has committed (whether unconditionally or otherwise) pursuant to Part 1 to this Schedule 12 to expend in connection with improvements to the Railway shall be in addition to any expenditure made by DLRL as part of any Capital Replacement undertaken by DLRL.

4. **LIAISON AND CO-OPERATION**

Where the Franchisee is committed to liaison and co-operation under Part 1 to this Schedule 12, it shall participate actively in the relevant measures including through the application of management time and internal resources, correspondence and attendance at meetings, in each case as the Franchisee reasonably considers in all the circumstances to be an appropriate use of its resources and effective to help achieve the relevant objective.

5. **NATURE OF COMMITMENT**

5.1 Any commitment in terms of Part 1 to this Schedule 12 shall be in addition to any obligation of the Franchisee elsewhere in this Agreement and nothing in this Schedule 12 shall limit or restrict an obligation imposed on the Franchisee elsewhere in this Agreement.

5.2 Where in Part 1 to this Schedule 12, references are made to particular manufacturers or suppliers of equipment or services, the Franchisee may fulfil its relevant commitment by using reasonable equivalents.

5.3 Each commitment under this Schedule 12 shall come to an end on expiry of the Franchise Term for whatever reason, save in respect of any accrued payments owed pursuant to Part 3 to this Schedule 12 but not yet paid.

6. **REVIEW OF COMPLIANCE**

6.1 Progress with Committed Obligations shall be a standing agenda item for Franchise Performance Meetings and the Franchisee shall ensure that at such meetings DLRL is given such progress reports as it may reasonably request.

6.2 In addition to its obligation under paragraph 6.1, the Franchisee shall from time to time promptly provide such evidence of its compliance with any Committed Obligation as DLRL may reasonably request.

SCHEDULE 12

Committed Obligations

Part 3 - Late/Non Completion of Committed Obligations

1. LATE COMPLETION OR NON-DELIVERY OF COMMITTED OBLIGATIONS

If the Franchisee fails to deliver in full a Committed Obligation in accordance with and by the timeframe specified for its delivery in Part 1 to this Schedule 12, such late, partial or non-delivery shall constitute a contravention of this Agreement.

2. COMMITTED OBLIGATION PAYMENT ADJUSTMENT

2.1 In addition to being a contravention of the Franchise Agreement, if any of the Committed Obligations referred to in the table in paragraph 2.7 is not delivered in full by the date specified for that Committed Obligation in column 3 of the table in paragraph 2.7, the Franchisee shall pay to DLRL:

- (a) in respect of each Fee Period or part thereof for which that Committed Obligation remains undelivered in full from such date; and
- (b) until the Committed Obligation is delivered in full,

a Committed Obligation Payment Adjustment, being the amount set out in column 4 of the table in paragraph 2.7, as adjusted in accordance with paragraph 2.3 or 2.4 (as appropriate).

2.2 Column 5 of the table in paragraph 2.7 shall specify which of paragraphs 2.3 or 2.4 shall apply to each Committed Obligation specified therein, should any such Committed Obligation be partially delivered by the date specified for that Committed Obligation in column 3 of the table in paragraph 2.7.

2.3 Pro-rating of Committed Obligation Payment Adjustment where partial delivery

Where:

- (a) in relation to any Committed Obligation referred to in column 5 of the table in paragraph 2.7 to be subject to the terms of this paragraph 2.3, that Committed Obligation is expressed in terms of a requirement to deliver or carry out activities in respect of a specified number of facilities or assets; and
- (b) the Franchisee has delivered or carried out the relevant activity in respect of one or more but less than the number of facilities or assets specified in that Committed Obligation by the relevant delivery date,

then the relevant Committed Obligation Payment Adjustment shall be reduced pro rata by reference to the number of facilities or assets so delivered or by reference to the number of those activities that have been carried out (as appropriate).

2.4 Adjustment to Committed Obligation Payment Adjustment where partial spend

Where:

- (a) in relation to any Committed Obligation referred to in column 5 of the table in paragraph 2.7 to be subject to the terms of this paragraph 2.4, that Committed Obligation is expressed in terms of a requirement to spend a specified sum in fulfilling its stated objective; and

- (b) the Franchisee has spent less than the sum specified in that Committed Obligation in fulfilling its stated objective by the relevant delivery date,

then the relevant Committed Obligation Payment Adjustment shall be reduced pro rata by reference to the amount actually spent by that delivery date.

2.5 Additional Provisions

- (a) Where in relation to any Committed Obligation that is expressed in terms of a requirement to spend a specified sum in fulfilling its stated objective, the Franchisee is able to achieve that stated objective within the timeframe specified for its delivery without investing the full amount referred to in that Committed Obligation, whether because of cost savings or securing additional investment from third parties, the Franchisee may apply to DLRL for the consent referred to in paragraph 2.5(b).
- (b) DLRL's consent for the purposes of paragraph 2.5(a) is its consent for the Franchisee to invest any unspent amount towards the fulfilment of such other commitments as the Franchisee proposes at that time. That consent may not be unreasonably withheld.
- (c) If DLRL consents to an application pursuant to paragraph 2.5(a) in respect of any Committed Obligation, then:
- (i) Part 1 to Schedule 12 and this Part 3 shall be amended to reflect the terms of any new commitments; and
 - (ii) no Committed Obligation Payment Adjustment shall be payable in respect of the unspent amount that relates to that Committed Obligation.

2.6 All Committed Obligation Payment Adjustments shall be payable in accordance with Schedule 14.

2.7 Table: Committed Obligations where a Committed Obligation Payment Adjustment applies.

Column 1	Column 2	Column 3	Column 4	Column 5
Reference (paragraph in Part 1)	Summary Description	Deadline	Committed Obligation Payment Adjustment (£ per Reporting Period)	Does Paragraph 2.3 or 2.4 apply?
1.1	BS 11000 certification	Initial certification on or before the date that is two years after the Franchise Commencement Date and retained for the duration of the Franchise	[●] ³⁸	No
1.2 – 1.3	Attainment of PAS 99	Initial certification on or before the date that is one year after the Franchise Commencement Date and retained for the	[●] ³⁹	No

³⁸ Redacted

³⁹ Redacted

Column 1	Column 2	Column 3	Column 4	Column 5
Reference (paragraph in Part 1)	Summary Description	Deadline	Committed Obligation Payment Adjustment (£ per Reporting Period)	Does Paragraph 2.3 or 2.4 apply?
		duration of the Franchise		
2	Appointment and employment of a change director for first 12 months of Franchise Term or until such date as determined by the Franchisee's managing director	Franchise Commencement Date	[●] ⁴⁰	No
3.1	BS OHSAS 18001 accreditation	On or before the date that is one year after the Franchise Commencement Date	[●] ⁴¹	No
3.2 - 3.4	Reduce passenger slips, trips and falls by 5% from current baseline and introduce "visible felt leadership" visits	Within one year after the Franchise Commencement Date	[●] ⁴²	No
3.5	Annual cross industry visits for 10% of Control Centre employees	Within one year after the Franchise Commencement Date, and thereafter on an annual basis	[●] ⁴³	No
3.6	Mandatory requirement for maintenance employees to hold CSCS cards	Within 15 months after the Franchise Commencement Date	[●] ⁴⁴	Yes – Paragraph 2.3
4.1	ISO 55000 (PAS 55) accreditation	On or before the end of the third year after the Franchise Commencement Date (31 December 2017)	[●] ⁴⁵	No
4.2 - 4.3	[●] ⁴⁶	On or before the date that is one year after the Franchise Commencement Date	[●] ⁴⁷	No
4.4 - 4.5	[●] ⁴⁸	On or before the date that is two years after	[●] ⁴⁹	No

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Column 1	Column 2	Column 3	Column 4	Column 5
Reference (paragraph in Part 1)	Summary Description	Deadline	Committed Obligation Payment Adjustment (£ per Reporting Period)	Does Paragraph 2.3 or 2.4 apply?
		the Franchise Commencement Date		
4.6 – 4.7	Implement the full functionality of the Asset Management System, and provide training on the system to DLRL	Within one year after the Franchise Commencement Date	[●] ⁵⁰	No
4.8 – 4.9	Invite DLRL to become a member of the Amey Centre for Excellence in Asset Management	Within 6 months after the Franchise Commencement Date	[●] ⁵¹	No
5.1	Convening an annual light rail seminar	Within one year after the Franchise Commencement Date and thereafter annually	[●] ⁵²	No
5.2	Inclusion of the Franchise in the Keolis "Rapid Transit Benchmark"	Within one year after the Franchise Commencement Date	[●] ⁵³	No
5.3 – 5.4	Twinning with one of Keolis' high performing automated metro lines	Within 18 months after the Franchise Commencement Date	[●] ⁵⁴	No
6.1(a)	Introduction of "Meet the Managers Sessions"	Within 6 months after the Franchise Commencement Date and thereafter six "Meet the Managers Sessions" each year throughout the Franchise Term	[●] ⁵⁵	Yes – Paragraph 2.3
6.1(b)	Introduction of "Managers on Station Blocks Sessions"	Within 6 months after the Franchise Commencement Date and thereafter six "Managers on Station Blocks Sessions" each year throughout the Franchise Term	[●] ⁵⁶	Yes – Paragraph 2.3

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Column 1	Column 2	Column 3	Column 4	Column 5
Reference (paragraph in Part 1)	Summary Description	Deadline	Committed Obligation Payment Adjustment (£ per Reporting Period)	Does Paragraph 2.3 or 2.4 apply?
6.2	Improve reporting by reporting KPIs, security incidents and fare evasion etc through geographical/visual presentation	Within one year after the Franchise Commencement Date	[●] ⁵⁷	No
7.1 – 7.2	Feasibility study on regenerative braking and optimisation of the timetable to reduce energy consumption	Within one year after the Franchise Commencement Date	[●] ⁵⁸	No
7.3 – 7.4	Achieve 0% of waste to landfill	Within one year after the Franchise Commencement Date	[●] ⁵⁹	No
7.5	Provision of IEMA accredited carbon awareness training to all members of the Environmental Action Group	Within one year after the Franchise Commencement Date	[●] ⁶⁰	No
8.1	Establishment and management of a comprehensive community outreach programme	By the third anniversary of the Franchise Commencement Date	[●] ⁶¹	No
8.2 - 8.3	Establishment of a stakeholder advisory board	Within one year after the Franchise Commencement Date	[●] ⁶²	No
9.1	Establishment of Equality and Diversity Steering Group	6 months after the Franchise Commencement Date	[●] ⁶³	No
9.2	Use of Contract Finder and CompeteFor for tender opportunities	6 months after the Franchise Commencement Date	[●] ⁶⁴	No
9.3	Employment of 21 individuals based in London on apprentice	Throughout Franchise Term	[●] ⁶⁵	No

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⁵⁹ Redacted

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⁶¹ Redacted

⁶² Redacted

⁶³ Redacted

⁶⁴ Redacted

⁶⁵ Redacted

Column 1	Column 2	Column 3	Column 4	Column 5
Reference (paragraph in Part 1)	Summary Description	Deadline	Committed Obligation Payment Adjustment (£ per Reporting Period)	Does Paragraph 2.3 or 2.4 apply?
	or graduate programmes			
9.4	Employment partnering with Jobcentre Plus	3 months after the Franchise Commencement Date	[●] ⁶⁶	No
9.5	Obtaining Sedex Level A membership	12 months after the Franchise Commencement Date	[●] ⁶⁷	No

Note: column 2 (Summary Description) in the table above should be read in conjunction with the relevant Committed Obligation in Part 1 to this Schedule 12 set out at the paragraph specified in column 1 (Reference).

3. WAIVER OF COMMITTED OBLIGATION PAYMENT ADJUSTMENTS

- 3.1 DLRL may in its absolute discretion decide to waive its rights to receive any Committed Obligation Payment Adjustment in respect of a late, partial or non-delivery of any Committed Obligations.
- 3.2 In deciding whether to waive such rights DLRL may, but shall not be obliged to, take into consideration the circumstances under which the late, partial or non-delivery arose.

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SCHEDULE 13

Enforcement Regime

1. INTRODUCTION

- 1.1 This Schedule sets out certain enforcement activities which DLRL is entitled to take if the Franchisee fails to comply with its obligations under this Agreement.
- 1.2 DLRL's rights in this Schedule are not exhaustive and the provisions of this Schedule are not intended to limit or restrict and are without prejudice to any of DLRL's other rights and remedies:
- (a) in this Schedule;
 - (b) in this Agreement; and
 - (c) which are provided by law (including common law, equity, by statute or otherwise).

2. AUDIT AND INSPECTION

- 2.1 Without prejudice to any other audit or inspection right that DLRL is entitled to exercise under this Agreement or under any Applicable Requirements, in order to verify the Franchisee's performance of and compliance with this Agreement, DLRL (and/or its nominees) shall be entitled on reasonable written notice:

- (a) to audit, inspect, test or witness any aspects of the quality or performance of any of the Franchisee's obligations (including performance by any of its Sub-Contractors) pursuant to this Agreement;
- (b) to inspect and be provided with copies (electronic and hard copy) without further charge to the extent necessary to verify the Franchisee's compliance with this Agreement of the Franchisee's records and documentation relating to this Agreement; and
- (c) to audit the management systems of the Franchisee and those of any Sub-Contractor,

provided that each of the audits and inspections described in this paragraph 2 shall not unreasonably disrupt the performance of the Franchisee's obligations under this Agreement.

- 2.2 To the extent necessary for the purpose of exercising any of the rights granted under this paragraph 2 the Franchisee shall provide, and shall procure that its Sub-Contractors shall provide, all reasonable co-operation to DLRL including:

- (a) where reasonably requested, making all of the Franchisee's documents and records available for inspection within a reasonable time (or within such reasonable time specified by DLRL if such a time is specified); and
- (b) making the Franchisee's employees and/or any Sub-Contractor's employees available for discussion with DLRL or its nominee.

- 2.3 Any audit, inspection and/or testing by DLRL or its nominee pursuant to this paragraph 2 shall not relieve the Franchisee (or any of its Sub-Contractors) from any of its obligations under this Agreement or prejudice any right or remedy of DLRL against the Franchisee.

- 2.4 If and to the extent that DLRL, when exercising its rights under this paragraph 2 discovers any breach or non-compliance with the requirements of this Agreement, then the

Franchisee shall remedy such breach or non-compliance as soon as reasonably practicable and shall compensate DLRL for all reasonable costs incurred in undertaking such audit or inspection.

3. **PERFORMANCE NOTICES**

3.1 **Operations Performance Notices**

DLRL shall be entitled to serve an Operations Performance Notice on the Franchisee each time any of the following circumstances arises (as the following terms are defined in Schedule 2, where applicable):

- (a) Departures Actual for any Fee Period is less than 97%;
- (b) Departures Actual on any three Service Days within a Fee Period is less than 95%;
- (c) Departures Actual for a Peak Period on any three Service Days within a Fee Period is less than 92%;
- (d) Journey Time Actual for any Fee Period is less than 92% (except where this occurs during the first six Fee Periods following the Franchise Commencement Date);
- (e) EWT Actual for any Fee Period is greater than 0.40 minutes;
- (f) Aggregate Station Closures in any Fee Period exceeds four;
- (g) the aggregate Operational Performance Regime Adjustments payable by the Franchisee in respect of any three consecutive Fee Periods exceeds £825,000 (Indexed);
- (h) the aggregate Operational Performance Regime Adjustments payable by the Franchisee in respect of any thirteen consecutive Fee Periods exceeds £2,000,000 (Indexed).

3.2 **Customer Services Performance Notices**

DLRL shall be entitled to serve a Customer Services Performance Notice on the Franchisee each time any of the following circumstances arises:

- (a) the aggregate number of hours that all TVMs have not been fully operational (as described in Appendix 1 to Part 1 of Schedule 3) is greater than 899 hours in any Fee Period;
- (b) the aggregate number of hours that all TVMs have not been fully operational (as described in Appendix 1 of Part 1 of Schedule 3) is greater than 120 hours per Service Day on three Service Days in any Fee Period;
- (c) the aggregate number of hours that all lifts have not been fully operational (as described in Appendix 1 of Part 1 of Schedule 3) is greater than 200 hours in any Fee Period;
- (d) the aggregate number of hours that all lifts have not been fully operational (as described in Appendix 1 of Part 1 of Schedule 3) is greater than 58 hours per Service Day on three Service Days in any Fee Period;
- (e) the CSS Score for any topic (as more particularly described in paragraph 3.2 of Part 2 of Schedule 3) is three or more points lower than the corresponding CSS Target (as defined in paragraph 3.2 of Part 2 of Schedule 2) (except where this

occurs during the first three Fee Periods following the Franchise Commencement Date).

3.3 **Asset Management Performance Notices**

DLRL shall be entitled to serve an Asset Management Performance Notice on the Franchisee when any of the following circumstances arise in any Fee Period, provided that DLRL shall be required to provide the Franchisee with a warning of 30 days' duration to allow the Franchisee to rectify any failure prior to serving an Asset Management Performance Notice:

- (a) the Franchisee fails to comply with any of the requirements of clause 9;
- (b) the Franchisee fails to report, notify, investigate or preserve evidence of safety critical engineering incidents, accidents or omissions including the timely production of a suitable Temporary Acceptance of Non Compliance ("**TANC**") as defined in MR-100 – Maintenance Management Standard;
- (c) the Franchisee fails to comply with the requirements of Part 4 of Schedule 4 or fails to comply with the Annual Asset Management Plan which is in effect pursuant to paragraph 4 of Part 4 of Schedule 4;
- (d) the Franchisee fails to provide periodic asset management information to DLRL as required by Schedule 10;
- (e) the Franchisee fails to comply with any of the activities in the columns headed "Maintenance Activities" or "Mandated Maintenance" in the table in Part 5 of Schedule 4 at the frequencies specified therein in accordance with the provisions of clause 9;
- (f) the Franchisee fails to comply with the DLRL Maintenance Documents;
- (g) the Franchisee fails to comply with the materials management requirements set out in Part 7 of Schedule 4;
- (h) the Franchisee fails to correctly record and rectify any reactive and unplanned maintenance activities in the Work Bank in accordance with Part 9 of Schedule 4;
- (i) the Franchisee fails to deliver the programme of activities agreed to improve the Asset Management System as required by Part 10 of Schedule 4.

3.4 **General Performance Notices**

DLRL shall be entitled to serve a General Performance Notice on the Franchisee if the Franchisee breaches any obligation in this Agreement which (in DLRL's absolute discretion) has or may have consequences to DLRL or the Franchise which are not immaterial.

3.5 **Remedial Plans**

- (a) Without prejudice to any other right or remedy available to DLRL, within 14 days of receipt of any Performance Notice the Franchisee shall propose to DLRL for acceptance a reasonable and appropriate plan (a "**Remedial Plan**") to remedy the failure or contravention set out in that Performance Notice, such plan to specify in reasonable detail:
 - (i) an analysis and explanation of the reasons for the relevant failure or contravention;

- (ii) the manner in which the Franchisee proposes to remedy such failure or contravention and ensure the failure or contravention does not recur in future; and
 - (iii) the time period within which the Franchisee proposes to implement the proposals.
- (b) If DLRL is satisfied that the proposals contained in the Remedial Plan are appropriate and sufficient (with or without further modification as the parties may agree) it shall accept such Remedial Plan and the Franchisee shall (at its own cost) comply with such Remedial Plan in accordance with its terms.
 - (c) If DLRL is not satisfied that the proposals contained in the Remedial Plan are appropriate and sufficient then DLRL may (acting reasonably) determine the Remedial Plan and the Franchisee shall (at its own cost) comply with such Remedial Plan in accordance with its terms.
 - (d) If the Remedial Plan is not accepted or determined within 7 days of it being submitted to DLRL, the Dispute may be referred by either party for resolution under the Dispute Resolution Procedure.
 - (e) DLRL shall not be entitled to serve a Performance Notice on the Franchisee in respect of the same failure or contravention which has previously counted towards the service of a Performance Notice.
 - (f) Notwithstanding 3.5(e) if a failure or contravention which would allow a Performance Notice to be served in accordance with this paragraph 3 occurs more than once, DLRL shall not be prohibited from serving a Performance Notice when entitled by this paragraph 3 on the basis that a previous occurrence of such failure or occurrence has counted towards a previous Performance Notice).

4. **ENFORCEMENT NOTICES**

4.1 DLRL shall be entitled to serve an Enforcement Notice on the Franchisee each time any of the following circumstances arises:

- (a) three Operations Performance Notices have been served in any thirteen consecutive Fee Periods;
- (b) three Customer Services Performance Notices have been served in any thirteen consecutive Fee Periods;
- (c) five Asset Management Performance Notices have been served in any three consecutive Fee Periods;
- (d) five General Performance Notices have been served in any thirteen consecutive Fee Periods;
- (e) five Performance Notices have been served in any thirteen consecutive Fee Periods; or
- (f) the Franchisee fails to comply with a Remedial Plan accepted or determined in accordance with paragraph 3.5, or the Franchisee complies with a Remedial Plan accepted or determined in accordance with paragraph 3.5 but the relevant failure or contravention is not remedied by compliance with such Remedial Plan.

5. **INCREASED MONITORING**

- 5.1 Following service of any Enforcement Notices on the Franchisee DLRL may (without prejudice to any other right or remedy available to DLRL) by notice to the Franchisee (the "**Increased Monitoring Notice**") increase the level of its monitoring of the Franchisee in a manner that is proportionate to the nature and extent of the relevant matters until such time as the Franchisee shall have demonstrated to the reasonable satisfaction of DLRL that it will perform and is capable of performing its obligations under this Agreement.
- 5.2 The Increased Monitoring Notice shall specify the additional measures to be taken by DLRL in monitoring the Franchisee in response to the matters which led to such Enforcement Notice being sent.
- 5.3 The Franchisee shall cooperate with and provide assistance in relation to such increased level of monitoring and shall compensate DLRL for all additional costs properly incurred by DLRL as a result of such increased level of monitoring or DLRL shall be entitled to deduct the same from monies that become due the Franchisee.

6. **WARNING NOTICES**

- 6.1 DLRL shall be entitled to serve a Warning Notice on the Franchisee if three Enforcement Notices have been served by DLRL in any thirteen consecutive Fee Periods.
- 6.2 As set out in clause 32.1.9 of this Agreement, it shall be a Franchisee Default if the Franchisee receives three or more Warning Notices in any thirteen consecutive Fee Periods.

7. **STEP-IN**

- 7.1 If the Franchisee has at any time failed to perform its obligations under this Agreement or under any Applicable Requirement and such failure:

- (a) does not involve a safety issue which has an imminent threat of harm or damage, then from the date of any relevant Enforcement Notice, or
- (b) does involve a safety issue which has an imminent threat of harm or damage, then immediately,

DLRL shall be entitled, as an independent remedy and without prejudice to any other right or remedy it may have under this Agreement, to take or procure any steps as it may think fit to protect the safety of the Railway, the public, staff and other property or individuals and/or to itself correct or procure the correction of such failure (the "**Required Action**").

- 7.2 If paragraph 7.1 applies and DLRL wishes to take action, DLRL shall notify the Franchisee of the following:

- (a) the Required Action it wishes to take;
- (b) the reason for such Required Action;
- (c) the date it wishes to commence such Required Action;
- (d) the time period which it believes will be necessary for such Required Action;
- (e) to the extent practicable, the effect on the Franchisee and its obligations to provide the Services during the period such Required Action is being taken; and
- (f) any obligations of the Franchisee under this Agreement which DLRL will be undertaking during the period of the Required Action.

- 7.3 When taking or procuring any Required Action in accordance with paragraph 7.1:
- (a) DLRL shall at a minimum act in accordance with Good Industry Practice;
 - (b) the Franchisee shall give all reasonable assistance to DLRL while it is taking such Required Action; and
 - (c) the Franchisee shall be relieved from complying with those obligations identified in paragraph 7.2(f).
- 7.4 If DLRL notifies the Franchisee pursuant to paragraph 7.2(f) that the Franchisee should cease to comply with its obligations in this Agreement in full during the period any Required Action is being taken, DLRL shall not be obliged to pay the Franchisee the Franchise Payment for such period, and DLRL shall be entitled to recover the cost of taking such Required Action from the Franchisee to the extent it is greater than the unpaid Franchise Payment (or may deduct the same from any monies due or that become due to the Franchisee).
- 7.5 If DLRL notifies the Franchisee pursuant to paragraph 7.2(f) that the Franchisee should continue to provide a proportion of the Services during the period such Required Action is being taken, DLRL shall during any Required Action continue to pay the Franchisee the Franchise Payment in accordance with this Agreement and be entitled to recover the cost of taking such Required Action from the Franchisee or may deduct the same from any monies due or that become due to the Franchisee.
- 7.6 If DLRL has exercised its entitlement pursuant to paragraph 7.1 to take any Required Action, the Franchisee shall immediately resume the relevant services upon receipt of notice from DLRL that it has completed the Required Action, and DLRL shall use reasonable endeavours to provide such advance notice as is reasonably practicable of its anticipated completion of any Required Action.
- 7.7 DLRL shall not be liable to the Franchisee for the consequences of taking any Required Action and the Franchisee shall in no circumstances be entitled to claim against DLRL for any Loss caused by DLRL undertaking any Required Action.

SCHEDULE 14

Finance

Part 1 – Franchise Payments

1. FRANCHISE PAYMENTS

1.1 Calculation of Franchise Payments

Subject to paragraph 3 below, following the Franchise Commencement Date the Franchise Payment for each Fee Period shall be an amount equal to:

$$\text{£FP} = (\text{FF} + \text{OPRA} - \text{CFRA} + \text{CSSA} \pm \text{VP} - \text{COPA}) \times \text{I}$$

where:

£FP means the Franchise Payment

FF means the Fixed Fee, calculated in accordance with paragraph 2 or as otherwise adjusted in accordance with this Agreement

OPRA means the Operational Performance Regime Adjustment

CFRA means the CFR Adjustment

CSSA means the CSS Adjustment

VP means any Variation Payment calculated in accordance with Schedule 15

COPA means any Committed Obligation Payment Adjustment calculated in accordance with Schedule 12

I means Indexed in accordance with Part 2 of Schedule 14

Where expressly provided for in this Agreement, other amounts may become payable by the Parties under this Agreement which are not included in the formula above.

1.2 Payments

DLRL shall pay to the Franchisee the Franchise Payment that is payable for each Fee Period in accordance with the payment terms set out in clause 25 (Administration of Payments).

1.3 Adjustment Payments

(a) An Adjustment Payment shall become payable in the following circumstances:

(i) in any case where DLRL has estimated information or data for the purposes of calculation of any Franchise Payment pursuant to clause 25.2 (Estimates by DLRL), within 14 days of receipt by DLRL of the actual information or data previously estimated by DLRL under clause 25.2 (Estimates by DLRL), DLRL shall determine the amount of any Adjustment Payment payable; and

(ii) if DLRL or the Franchisee becomes aware that there has been a mistake in the calculation or payment of a Franchise Payment under the terms and provisions of this Agreement (other than any payment determined pursuant to the Dispute Resolution Procedure) it shall provide to the other details of such mistake. Within 14 days following provision of such details, DLRL shall

notify the Franchisee of any further information which it reasonably requires in order to determine the amount of any Adjustment Payment required to take account of such mistake. Within 14 days of such notification, DLRL shall determine the amount of any Adjustment Payment payable in accordance with this paragraph 1.3.

- (b) Any Adjustment Payment payable under paragraph 1.3(a) above shall be calculated as follows:
- (i) in the case of an Adjustment Payment payable under paragraph 1.3(a)(i) above, the Adjustment Payment shall be calculated as the amount by which the Franchise Payment affected by the information or data so estimated by DLRL would have differed had the actual information or data been set out in the relevant certificate provided by the Franchisee pursuant to clause 25.1 (Delivery of certificate); and
 - (ii) in the case of an Adjustment Payment payable under paragraph 1.3(a)(ii) above, the Adjustment Payment shall be calculated as the amount by which the Franchise Payment affected by such mistake would have differed had such mistake not been made at the time of calculation or payment of such Franchise Payment,

and no interest shall accrue on any part of the Franchise Payment which is not received in accordance with clause 25 if and to the extent that it is subsequently payable as an Adjustment Payment under this paragraph 1.3.

- (c) DLRL shall pay to the Franchisee any Adjustment Payment which would have increased the value of an amount payable by DLRL to the Franchisee or reduced the value of an amount payable by the Franchisee to DLRL and the Franchisee shall pay to DLRL any Adjustment Payment which would have increased the value of an amount payable by the Franchisee to DLRL or reduced an amount payable by DLRL to the Franchisee.

2. **FIXED FEE**

- 2.1 The Fixed Fee payable in respect of any Fee Period shall be calculated as the number of days in that Fee Period multiplied by the Daily Rate in respect of that Fee Period, provided that if the Daily Rate in respect of a Fee Period changes during that Fee Period the Fixed Fee payable shall be determined in accordance with the following formula:

$$FF = (D_1 \times DR_1) + (D_2 \times DR_2)$$

where

FF means the Fixed Fee for such Fee Period

D_1 means the number of days in that Fee Period up to (but excluding) the date of the change of Daily Rate

D_2 means the number of days in that Fee Period following (and including) the date of the change of Daily Rate

DR_1 means the Daily Rate applicable prior to the date of change of Daily Rate

DR_2 means the Daily Rate applicable following the date of change of Daily Rate

and if the Daily Rate changes more than once during any Fee Period, the same principles shall apply (*mutatis mutandis*).

- 2.2 For the purposes of this paragraph 2 the **"Daily Rate"** in respect of each Fee Period for Base Service Plan A is:

Fee Year commencing	Base Service Plan A
01/04/2014	218,768
01/04/2015	190,085
01/04/2016	189,803
01/04/2017	192,759
01/04/2018	193,956
01/04/2019	186,691
01/04/2020	184,583
01/04/2021	182,738
01/04/2022	184,694
01/04/2023	179,460
01/04/2024	0

3. **INDUSTRIAL ACTION**

- 3.1 For each day of any Industrial Action the Franchisee may, by written notice to be received by DLRL prior to the commencement of such Industrial Action, elect for the method of calculating the Franchise Payment set out in paragraph 1.1 above to be amended as follows:

"FF + OPRA - CFRA"

in the formula in paragraph 1.1 shall be deleted and replaced with

"Aggregate Properly Completed Dispatches x RPA"

where:

Aggregate Properly Completed Dispatches for the relevant day is calculated as described in Schedule 2; and

RPA means $75\% \times (\text{Daily Rate for the relevant day assuming no Industrial Action was occurring} / \text{number of Required Dispatches for the relevant day assuming no Industrial Action was occurring})$,

provided that, on any day where the formula in this paragraph 3.1 is applying the Franchisee shall not be entitled to receive under the revised formula in aggregate more than 75% of the applicable Daily Rate

- 3.2 For the avoidance of doubt the method of calculating the Franchise Payment set out in paragraph 3.1 above shall only apply for the duration of any Industrial Action, and the Franchise Payment shall continue to be calculated as set out in paragraph 1.1 above at all other times during the Fee Period.

4. **FINANCIAL RATIO**

- 4.1 In this Schedule 14 the following terms shall have the meanings set out below:

"Current Assets" means the current assets of the Franchisee, calculated in accordance with international accounting standards;

"Current Liabilities" means the current liabilities of the Franchisee, calculated in accordance with international accounting standards;

"Financial Performance Measurement Period" means, subject to paragraph 4.4, any period consisting of up to 13 consecutive Fee Periods;

"Inter-company Loan Facility" means the loan facility under which the Parents make available a facility of no less than [●]⁶⁸ to the Franchisee from the date of this Agreement until the end of the Franchise Term in accordance with the terms of the Support Letter;

"Lock-up Period" means the relevant period referred to in paragraph 4.3 during which the restrictions referred to in paragraph 4.2 apply;

"Minimum Cash Balance" means £1 million, calculated as the sum of credit and/or debit balances in any bank account;

"Parents" means Keolis (UK) Ltd and Amey Rail Ltd; and

"Support Letter" means the letter from the Parents to the Franchisee and DLRL dated on or around the date hereof under which the Parents agree to make available to the Franchisee the Inter-company Loan Facility on the terms set out in that Support Letter for the duration of the Franchise Term.

4.2 The Franchisee may not without DLRL's prior consent:

- (a) declare or pay any dividend (equity or preference) or make any other distribution including surrendering any taxable losses to any of its Affiliates or pay any of its Affiliates in respect of taxable losses that they wish to surrender to the Franchisee;
- (b) pay management charges to any of its Affiliates in excess of those specified in the Initial Business Plan or any Updated Business Plan; or
- (c) make payment under any intra-group borrowings, including under the Inter-company Loan Facility,

during any Lock-up Period.

4.3 The restrictions described in paragraph 4.2 shall apply where:

- (a) the ratio of Current Assets to Current Liabilities is less than the ratio of 1:1 and/or the Franchisee has not maintained the Minimum Cash Balance, in each case as shown in the latest Management Accounts, in which case, the Lock-up Period shall continue until the ratio of Current Assets to Current Liabilities is once again equal to or more than the ratio of 1:1 or the Franchisee achieves the Minimum Cash Balance (as applicable), in each case as shown in the latest Management Accounts; or
- (b) the Management Accounts for any three Fee Periods out of any Financial Performance Measurement Period disclose that the ratio of Current Assets to Current Liabilities is less than the ratio of 1:1 and/or the Franchisee has not maintained the Minimum Cash Balance, in which case, the Lock-up Period shall continue for a period of 13 consecutive Fee Periods commencing with the next Fee Period after the third Fee Period to which those Management Accounts relate, regardless of whether the ratio of Current Assets to Current Liabilities is equal to or more than the ratio of 1:1 and/or the Franchisee achieves the Minimum Cash Balance, as shown in any Management Accounts relating to any of the Fee Periods in that Lock-up Period.

⁶⁸ Redacted.

- 4.4 Where any Lock-up Period referred to in paragraph 4.3(b) (a "**13 Period Lock-up**") occurs:
- (a) the next Financial Performance Measurement Period shall not commence until the next Fee Period after the end of that 13 Period Lock-up, provided that the Lock-up Period referred to in paragraph 4.3(b) shall be triggered again as soon as any three Fee Periods in that subsequent Financial Performance Measurement Period disclose that the ratio of Current Assets to Current Liabilities is less than the ratio of 1:1 and/or the Franchisee has not maintained the Minimum Cash Balance; and
 - (b) the Lock-up Period referred to in paragraph 4.3(a) may be triggered from the next Fee Period after the end of that 13 Period Lock-up where either of the circumstances referred to in paragraph 4.3(a) apply.

5. **SUPPORT LETTER**

- 5.1 The Franchisee shall procure that the Parents shall provide the Inter-company Loan Facility in accordance with the terms of the Support Letter.

SCHEDULE 14

Finance

Part 2 - Indexation

- 1.1 With effect from the date of this Agreement, indexation shall be applied to those values referred to in this Agreement that are specified as requiring indexation to be applied to them, in accordance with the methodology set out in this Part 2 of Schedule 14.
- 1.2 For the purposes of the calculation of indexation, "A" shall be any value referred to in this Agreement to which indexation is stated to apply.
- (a) "A" shall be indexed annually in April of the Relevant Fee Year (Year_n) in accordance with the following formula:

$$A_n = A \times (RPI_n / RPI_o)$$

Where:

A_n = the value of A in the Relevant Fee Year (Year_n)

A = the value of A as stated in this Agreement

RPI_n = the RPI Index for March in the year (Year_{n-1}) immediately preceding the Relevant Fee Year (Year_n) published in April of the Relevant Fee Year (Year_n)

RPI_o = the RPI Index for March 2014 published in April 2014 as set out in paragraph 1.3

Relevant Fee Year = the relevant current Fee Year beginning 1 April

For the Relevant Fee Year covering 1 April 2014 to 31 March 2015, RPI_n / RPI_o shall equal one.

- 1.3 For the purposes of this Schedule, RPI Index shall mean:
- (a) The RP02 Retail Prices Index (RPI All Items) or on cessation/modification of this index, an appropriate equivalent index agreed by the Parties at the time.
- (b) In the event that the RPI Index defined in paragraph 1.3(a) is re-based, then:
- (i) RPI_o shall be re-based to correspond to such re-basing of the RPI Index; and
- (ii) the value to be indexed shall be re-based to correspond to such re-basing of the RPI Index.
- (c) The RPI Index at the time of the Franchise Commencement Date is set out below:

Relevant Fee Year	RPI Index for March (published in April)
2014	254.8

SCHEDULE 14

Finance

Part 3 – Insurance

1. **INSURANCES TO BE EFFECTED AND MAINTAINED IN ACCORDANCE WITH CLAUSE 29.1**
- 1.1 The insurances to be effected and maintained in accordance with clause 29.1 are as follows and more specifically described in paragraphs 2, 3, 4 and 5 of this Part 3 of Schedule 14 (Finance):
 - 1.1.1 All Risks Property Insurance;
 - 1.1.2 Third Party Liability Insurance;
 - 1.1.3 Employers Liability Insurance; and
 - 1.1.4 Motor Vehicle Insurance.
2. **ALL RISKS PROPERTY INSURANCE**
- 2.1 The "**All Risks Property Insurance**" shall cover all risks of loss of or damage to the Franchise Assets and other assets of the Railway (other than land) ("**Insured Assets**") which would normally be provided by an Industrial All Risks Form of insurance coupled with a standard terrorism policy. Such insurance shall include, in the case of rolling stock and other moveable property, where such damage occurs in or on the Railway or any extension thereto or on premises to which temporary removal elsewhere in the United Kingdom has occurred.
- 2.2 The insurance effected in accordance with paragraph 2.1 shall be subject to a deductible of £100,000 each and every occurrence giving rise to a claim under the policies (but with a deductible of £250,000 in respect of machinery breakdown of rolling stock only).
- 2.3 The insurance effected and maintained pursuant to paragraph 2.1 hereof shall be either for:
 - (a) the Maximum Foreseeable Loss which amount together with the replacement value of the Insured Assets shall be reviewed prior to the Franchise Commencement Date and triennially thereafter by an expert acceptable to both parties or which failing agreement shall be nominated for the time being of the Institution of Civil Engineers by the president; or
 - (b) for the full replacement-as-new value of the Insured Assets as ascertained in accordance with paragraph 2.4.
- 2.4 The triennial review carried out in accordance with paragraph 2.3.1 shall determine, for the purposes of setting a combined first loss sum insured, the Maximum Foreseeable Loss and the Normal Loss Expectancy as defined below:
 - (a) Maximum Foreseeable Loss for the purposes of this Part 3 of Schedule 14, is an estimate of the largest loss by percentage or value to be expected under adverse circumstances, without the functioning of active protection equipment or installations, and with the extent of damage limited only by open space or a perfect fire wall devoid of opening but excluding seismic disturbances, acts of terrorism and tidal waves; and

(b) Normal Loss Expectancy, for the purposes of this Part 3 of Schedule 14, is an estimate of the largest loss by percentage or value to be expected under normal circumstances, allowing for the functioning of active protection equipment or installations and prompt attendance of fire brigade, but excluding seismic disturbances, acts of terrorism and tidal waves.

2.5 For so long as the policy or policies evidencing the insurances to be effected and maintained pursuant to paragraph 2.1 hereof, except that or those in respect of acts of terrorism, is or are issued by London Transport Insurance (Guernsey) Ltd. (the "**Issuing Insurer**"), DLRL shall procure the inclusion therein of a cut-through clause whereby DLRL and or the Franchisee shall have a right to enforce the insurance contract directly against the reinsurers of the Issuing Insurer in the event only of its insolvency. Further, DLRL shall procure the agreement to of the reinsurers of the Issuing Insurer to such a clause.

3. **THIRD PARTY LIABILITY INSURANCE**

3.1 The "**Third Party Liability Insurance**" shall cover legal liability (not being liability covered by the Employer's Liability Insurance) for injury to or death of persons and damage to or loss of property as would normally be provided by a Third Party Insurance Form for a sum of not less than £100 million in respect of any one occurrence, except in respect of those causes of injury, death, damage or loss where it is market practice to limit insurers' liability in any one period of insurance, (or, if greater, such amount as is required by the Applicable Requirements), such insurance to be appropriate to the operation of the Railway.

3.2 The insurance effected in accordance with paragraph 3.1 shall be subject to a deductible each and every occurrence or series of occurrences arising out of one event of £175,000 or as otherwise agreed by DLRL and the Franchisee.

4. **EMPLOYER'S LIABILITY INSURANCE**

The "**Employer's Liability Insurance**" shall be such insurance as is required from time to time by the Employers Liability Compulsory Insurance Act 1969 and any other Applicable Requirements (whether before or after the date of this Agreement) relating thereto (including any modification, re-enactment or consolidation thereof).

5. **REQUIREMENTS IN RELATION TO MOTOR VEHICLE INSURANCE**

The "**Motor Vehicle Insurance**" shall provide such cover as is required by law and cover for loss of or damage to any motor vehicles included in the Franchise Assets. Such insurance shall be sufficient to cover the market value of such motor vehicles.

6. **INDUSTRIAL ALL RISKS FORM AND THIRD PARTY INSURANCE FORM**

The expressions "Industrial All Risks Form" and "Third Party Insurance Form" means the Industrial All Risks form of insurance policy and the Third Party form of insurance policy, as the term is understood in and as the form is commonly used in the London insurance market.

SCHEDULE 14

Finance

Part 4 – Profit Share

1. OVERALL PURPOSE

The objective of the profit share arrangements set out in this Part 2 of Schedule 14 is to ensure that at the end of the Franchise Term there has been a reconciled cumulative sharing of excess profit between the Franchisee and DLRL.

2. ANNUAL CALCULATION AND INFORMATION PROVISION

Annual calculation

2.1 Within four Fee Periods after the end of each Fee Year, the Franchisee shall deliver to DLRL a calculation of:

- (a) the Annual Cumulative Profit Share Amount for that Fee Year; and
- (b) with effect from the Fee Year ended 31 March 2016, the Profit Share Payment or Profit Share Reconciliation Payment payable.

2.2 The calculation delivered in accordance with paragraph 2.1 shall be certified by the Franchisee's auditors.

2.3 During the period referred to in paragraph 2.4, the Franchisee shall supply to DLRL as soon as reasonably practicable any additional information that DLRL might reasonably require in relation to the calculation delivered in accordance with paragraph 2.1.

2.4 Within 28 days of receiving the calculation in accordance with paragraph 2.1, DLRL shall notify the Franchisee that it:

- (a) agrees the calculation; or
- (b) disputes the calculation.

2.5 Any notice given in accordance with paragraph 2.4(b) shall include an explanation in reasonable detail of why DLRL disputes the calculation.

2.6 If DLRL notifies the Franchisee that it disputes the calculation in accordance with paragraph 2.4(b), the parties shall seek to resolve the Dispute in accordance with the Dispute Resolution Procedure.

2.7 If DLRL fails to notify the Franchisee in accordance with paragraph 2.4, DLRL shall be deemed to have agreed the calculation.

3. ANNUAL CUMULATIVE PROFIT SHARE AMOUNT CALCULATION

3.1 The **Annual Cumulative Profit Share Amount** shall be calculated in accordance with the following formula:

$$PSA = (CAP - CTP) \times 50\%$$

where:

PSA is the Annual Cumulative Profit Share Amount;

CAP is the sum of the Actual Profit for all of the Fee Years from the Franchise Commencement Date up to and including the relevant Fee Year just ended; and

CTP is the cumulative threshold profit for the relevant Fee Year just ended expressed in nominal terms as specified in the table set out in paragraph 5,

provided that if (CAP – CTP) is a negative number, PSA shall be zero.

3.2 **Actual Profit** for the purposes of paragraph 3.1, shall be derived from the following formula:

$$AP = EBIT + MC + IA$$

Where:

AP is the Actual Profit;

EBIT is earnings before interest and tax as identified in the relevant Annual Audited Accounts;

MC is the management charge, if any, paid to any Affiliate of the Franchisee in relation to the Franchise (for the avoidance of doubt this includes but is not limited to amortisation in relation to capitalised bid costs and charges for group services but excludes matters that are otherwise considered an Inter-Group Company Adjustment);

IA is the Inter-Group Company Adjustment, if any.

3.3 **Inter-Group Company Adjustment** for the purposes of paragraph 3.2, is the sum of the amounts by which the price of relevant contracts or arrangements with Affiliates exceeds the price of those contracts or arrangements had they been concluded on arm's length terms in accordance with clause 37.5 (Arrangements with Affiliates) if it is determined that those contracts are not on such terms, plus 10 per cent.

4. **PROFIT SHARE AND PROFIT SHARE RECONCILIATION PAYMENTS**

4.1 No Profit Share Payment shall be payable until the Fee Year ending on 31 March 2016.

4.2 With effect from the Fee Year ending on 31 March 2016, a Profit Share Payment (or Profit Share Reconciliation Payment) shall be payable each Fee Year on the following basis:

(a) from the Annual Cumulative Profit Share Amount for the relevant Fee Year shall be subtracted the sum of any Profit Share Payments and Profit Share Reconciliation Payments (the Profit Share Reconciliation Payments having a negative value for the purposes of this calculation) paid in the preceding Fee Years;

(b) if the number resulting from the calculation in paragraph 4.2(a) is positive, the Franchisee shall pay that amount by way of Profit Share Payment to DLRL;

(c) if the number resulting from the calculation in paragraph 4.2(a) is negative, DLRL shall pay that amount by way of Profit Share Reconciliation Payment to the Franchisee.

4.3 The Profit Share Payment or Profit Share Reconciliation Payment, as the case may be, shall be made by way of adjustment to the Franchise Payment payable in the next Fee Period following agreement or determination of the Profit Share Payment or Profit Share Reconciliation Payment, provided that if such agreement or determination occurs less than seven days before the end of that Fee Period, payment shall be made in the next following Fee Period.

4.4 In the final Fee Year, payment of the Profit Share Payment or Profit Share Reconciliation Payment shall be made within 30 days of agreement or determination of the relevant amount.

5. **THRESHOLD PROFIT**

[●]⁶⁹

⁶⁹ Redacted. The threshold profit is 50% higher than the level of profit in the Franchisee's bid.

SCHEDULE 15

Variation Procedure

Part 1 – Pre Priced Variations

1. INTRODUCTION

- (a) DLRL may at any time instruct the Franchisee to carry out a Pre-Priced Variation pursuant to this Agreement, and upon receipt of such instruction the Franchisee shall promptly exercise such Pre-Priced Variation.
- (b) There shall be:
 - (i) an incremental adjustment to the Fixed Fee where DLRL exercises a Base Service Change, calculated in accordance with paragraph 2.1 below; and
 - (ii) a Variation Payment where DLRL exercises a Marginal Base Service Change, calculated in accordance with paragraph 2.2 below.

2. PRE-PRICED VARIATIONS

2.1 Base Service Changes

- (a) If DLRL instructs a Base Service Change in accordance with paragraph 2.2 of Schedule 1 then, from the date that the Franchisee is required to operate the Base Service Plan (the "**Base Service Change Date**") contained in such instruction (which may be any date within the relevant Fee Year), the Fixed Fee shall be adjusted in accordance with paragraphs 2.1(b) and 2.1(c).
- (b) Incremental/Decremental Adjustment to Daily Rate relating to Base Service Changes

From the Base Service Change Date, the Daily Rate set out in paragraph 2.2 of Part 1 of Schedule 14 shall be adjusted for the remainder of the Franchise Term (or until DLRL instructs a further Base Service Change) by the aggregate incremental/decremental amount for such Base Service Plan and all previous Base Service Plans set out in the row in the table below for the relevant Fee Year in which the Base Service Change Date falls.

This adjustment to the Daily Rate does not represent amounts related to one-off start up costs related to a Base Service Change, which are dealt with in paragraph 2.1(c) below.

[●]⁷⁰

⁷⁰ Redacted

By way of example only:

- (i) if DLRL instructs a Base Service Change so that the Franchisee is required to operate Base Service Plan D from 01/04/2017, then from 01/04/2017 the Daily Rate shall be adjusted for the remainder of the Franchise Term (or until DLRL instructs a further Base Service Change) by the aggregate incremental amounts for Base Service Plan B, Base Service Plan C and Base Service Plan D as set out in the row in the table above for the Fee Year commencing 01/04/2017. The adjustment would apply until the Expiry Date and there would be no further adjustment to the Daily Rate (unless and until DLRL instructs a further Base Service Change); and
- (ii) if DLRL subsequently instructs a further Base Service Change so that the Franchisee is required to operate Base Service Plan E from 01/10/2019, then from 01/10/2019 the Daily Rate shall be adjusted for the remainder of the Franchise Term by the aggregate incremental amounts for Base Service Plan B, Base Service Plan C, Base Service Plan D and Base Service Plan E as set out in the row in the table above for the Fee Year commencing 01/04/2019. The adjustment would apply until the Expiry Date and there would be no further adjustment to the Daily Rate.

(c) Apportionment of one-off start-up costs relating to Base Service Changes

In addition to the adjustment in paragraph 2.1(b) above, from the Base Service Change Date, the Daily Rate set out in paragraph 2.2 of Part 1 Schedule 14 shall be adjusted for the remainder of the Franchise Term (assuming no extension pursuant to clause 4.2) by:

- (i) taking the one-off start up cost associated with implementing the relevant Base Service Plan set out in the table below in the row for the relevant Fee Year in which the Base Service Change Date falls; and
- (ii) dividing it by the total number of days remaining prior to and including the Expiry Date (assuming no extension is notified by DLRL pursuant to clause 4.2),

to produce an apportioned daily figure allowing the Franchisee to recover such start up costs over the remainder of the Franchise Term (assuming no extension is notified by DLRL pursuant to clause 4.2).

If the relevant Base Service Change Date occurs after 31 March 2021 (i.e. assuming an extension is notified by DLRL pursuant to clause 4.2), the relevant start up cost shall be divided by the total number of days remaining prior to and including the Expiry Date (as notified by DLRL pursuant to clause 4.2) and the Daily Rate adjusted accordingly.

[●]⁷¹

⁷¹ Redacted

By way of example only:

- (i) if DLRL instructs a Base Service Change so that the Franchisee is required to operate Base Service Plan D from 01/04/2017, then the amount in the table above in the column for Base Service Plan D only and the row for the Fee Year commencing 01/04/2017 shall be divided by the number of days remaining prior to and including 01/04/2021, and the Daily Rate shall be adjusted for the remainder of the Franchise Term by such amount. The adjustment would apply until the Expiry Date and there would be no further adjustment to the Daily Rate in relation to the start up costs for that Base Service Change; and
 - (ii) if DLRL subsequently instructs a further Base Service Change so that the Franchisee is required to operate Base Service Plan E from 01/10/2019, then the amount in the table above in the column for Base Service Plan E and the row for the Fee Year commencing 01/04/2019 shall be divided by the number of days remaining prior to and including 01/04/2021, and the Daily Rate shall be adjusted for the remainder of the Franchise Term by such amount. This amount is in addition to the previous adjustment in (i) above. The adjustment would apply until the Expiry Date and there would be no further adjustment to the Daily Rate in relation to such start up costs.
- (d) The adjustments of the Daily Rate as described in this paragraph 2.1 shall be the Franchisee's sole entitlement for additional payment as a result of any Base Service Change, and all the other provisions of this Agreement shall remain unamended and continue to have full force and effect.
- (e) If DLRL instructs a Base Service Change in accordance with paragraph 2.2 of Schedule 1, from the date that the Franchisee is required to operate the Base Service Plan contained in such instruction all previously instructed Marginal Base Service Changes (and any associated Variation Payments calculated in accordance with paragraph 2.2 below) shall henceforth be cancelled, provided that DLRL may immediately instruct further Marginal Base Service Changes in its absolute discretion.

2.2 **Marginal Base Service Changes**

- (a) Where DLRL instructs a Marginal Base Service Change in accordance with paragraph 5 of Schedule 1, a Variation Payment (which may be positive or negative) shall be determined in accordance with the following:

[●]⁷²

- (b) Such Variation Payment to be payable in relation to any Fee Periods during which the Franchisee is required to provide such Marginal Base Service Change (whether on a permanent or temporary basis).
- (c) The payment of the Variation Payment as described in paragraph 2.2(a) and (b) above shall be the Franchisee's sole entitlement for additional payment as a result of any Marginal Base Service Change, and all the other provisions of this Agreement shall remain unamended and continue to have full force and effect.

⁷² Redacted

SCHEDULE 15

Variation Procedure

Part 2 – General Variation

1. VARIATION NOTICE

1.1 A Variation may be proposed during the Franchise Term:

(a) by DLRL, at any time at its absolute discretion; and

(b) by the Franchisee, in the case of any Qualifying DLRL Direct Investment,

and for the avoidance of doubt DLRL shall be entitled to instruct Pre-Priced Variations in accordance with Part 1 of Schedule 15 and Small Works Variations in accordance with Part 3 of Schedule 15.

1.2 DLRL shall be required, or the Franchisee shall be entitled, to serve a Variation Notice if there is any amendment to a Controlled Document which the Franchisee has agreed with DLRL (both acting reasonably) is likely to have (either singly or in aggregate with any other changes which have not previously been taken into account for such purposes) a material adverse financial effect on the Franchisee. Except where otherwise expressly stated, it shall not be a Variation and the Franchisee shall not be entitled to any additional payment if any other document with which the Franchisee is required to comply pursuant to this Agreement is amended.

1.3 In the circumstances described in paragraphs 1.1 and 1.2 above, DLRL or the Franchisee may serve a notice (a "**Variation Notice**") on the other Party. The Variation Notice shall be signed by an authorised person of the relevant Party and shall set out the details of the proposed Variation in sufficient detail to enable the Franchisee to provide the Initial Variation Appraisal in accordance with paragraph 2.

1.4 If DLRL considers, in its absolute discretion, that a Variation needs to be implemented immediately (an "**Emergency Variation**") then DLRL may indicate in any Variation Notice or at any time during the process set out in this Part 2 of Schedule 15 that the Variation is an Emergency Variation and the Franchisee shall commence the implementation of such Variation forthwith notwithstanding that the full process in this Part 2 of Schedule 15 has not been followed. The process set out in paragraphs 2 to 8 of this Part 2 of Schedule 15 shall apply to such Emergency Variation save that, where the context requires, such provisions shall be read having regard to the fact that the Franchisee has already commenced the implementation of the Variation.

1.5 In relation to an Emergency Variation, DLRL shall:

(a) during the implementation of any Emergency Variation and prior to completion of the full process in this Part 2 of Schedule 15, pay to the Franchisee each Fee Period an amount to cover any reasonable interim incremental costs, fees and expenses reasonably and properly incurred during that Fee Period as a direct result of the implementation of the Emergency Variation (an "**Emergency Variation Interim Payment**"). Any Emergency Variation Interim Payments shall be reconciled in the Schedule of Payments in accordance with paragraph 8.2; and

(b) if it withdraws the relevant Variation Notice (or if it is deemed to be withdrawn), pay the reasonable costs properly incurred by the Franchisee in respect of the Emergency Variation prior to such withdrawal (to the extent not already covered by the Emergency Variation Interim Payments).

2. **INITIAL VARIATION APPRAISAL**

2.1 As soon as practicable and in any event within 15 Business Days after service of the Variation Notice (or such longer period as is agreed by DLRL acting reasonably) the Franchisee shall deliver to DLRL a written report (an "**Initial Variation Appraisal**") which shall set out:

- (a) whether, in the reasonable opinion of the Franchisee, the proposed Variation would:
 - (i) be technically unfeasible or impossible;
 - (ii) be illegal or put it in breach of any Applicable Requirements where such illegality or breach could not be remedied by the Franchisee making other changes to accommodate such Variation;
 - (iii) materially and adversely affect the ability of the Franchisee to provide the Services in a manner that cannot be compensated or relieved by this Schedule 15;

accompanied by an explanation of the Franchisee's reasons for this opinion and, if not:

- (b) the Franchisee's initial assessment of the impact of the proposed Variation on the Services;
- (c) the Franchisee's initial assessment of the impact of the proposed Variation on any matters which affect the Franchisee's revenue from the Franchise;
- (d) the Franchisee's estimate (acting in good faith) of the Change in Costs relating to such Variation; and
- (e) the Franchisee's initial assessment of its staff resources plan for undertaking the proposed Variation (including whether such staff would be existing or new staff, agency or consultant staff or otherwise).

2.2 All of the Franchisee's costs of preparing any Initial Variation Appraisal shall be borne by the Franchisee.

3. **PROCEDURE FOLLOWING SUBMISSION OF AN INITIAL VARIATION APPRAISAL**

3.1 If the Initial Variation Appraisal states that, in the Franchisee's opinion, the proposed Variation falls within one or more of the restrictions set out in paragraph 2.1(a) then the Franchisee shall be entitled to object to the implementation of the proposed Variation.

3.2 If DLRL disagrees with the Franchisee's opinion that the proposed Variation falls within one or more of the restrictions set out in paragraph 2.1(a), then the Parties shall seek to resolve the matter in dispute and, if agreement has not been reached within 20 Business Days of receipt of the Initial Variation Appraisal, DLRL may either withdraw the Variation Notice or either Party may refer the matter for resolution under the Dispute Resolution Procedure.

3.3 Provided (1) that the Variation Notice has not been withdrawn by DLRL in accordance with paragraph 3.2; and (2) the Franchisee and DLRL are not seeking to resolve the matter in dispute in accordance with paragraph 3.2, then within 20 Business Days after receipt of the Initial Variation Appraisal, DLRL:

- (a) may; or

- (b) in the case of a Variation Notice issued by the Franchisee in accordance with paragraph 1.1(b), DLRL shall,

issue a Variation Appraisal Instruction instructing the Franchisee to prepare a Variation Appraisal in respect of the proposed Variation. In the case of paragraph 3.3(a), if DLRL has not issued a Variation Appraisal Instruction within such 20 Business Day period, the Variation Notice shall be deemed to have been withdrawn.

3.4 A Variation Appraisal Instruction provided by DLRL under paragraph 3.3(a) shall state:

- (a) whether DLRL requires:
 - (i) the Financial Model to be adjusted to reflect the Change in Costs, in which case Appendix 2 of this Part 2 shall apply; or
 - (ii) the Franchisee to propose a Schedule of Payments;
- (b) whether DLRL requires the Franchisee to submit to it a Fixed Price Quotation in respect of the proposed Variation or any part of the proposed Variation;
- (c) any other requirement which DLRL has with regard to the form of procurement;
- (d) any additional information in respect of the proposed Variation which DLRL requires the Franchisee to consider when preparing the Variation Appraisal;
- (e) any reporting format, break down of quotations or any other matters specifically required to be included in the Variation Appraisal; and
- (f) the date by which the Franchisee must submit its Variation Appraisal, to be determined by DLRL (acting reasonably and taking into account the scale of the work required to prepare the Variation Appraisal).

3.5 A Variation Appraisal Instruction provided by DLRL under paragraph 3.3(b) shall state all of the requirements of paragraph 3.4 above, save that DLRL must require the Financial Model to be adjusted to reflect the Change in Costs and Appendix 2 of this Part 2 shall apply.

4. **VARIATION APPRAISAL**

4.1 Following the issue of a Variation Appraisal Instruction, the Franchisee shall deliver a written report (a "**Variation Appraisal**") to DLRL no later than the date specified in accordance with paragraph 3.4(f) above.

4.2 The Variation Appraisal shall set out:

- (a) the Franchisee's detailed assessment of the matters referred to in paragraphs, 2.1(b), 2.1(c), 2.1(d) and 2.1(e) and any other impact of the proposed Variation on the provision of the Services;
- (b) any amendments required to this Agreement and the Ancillary Agreements as a result of the proposed Variation;
- (c) where the Variation Appraisal Instruction specifies that a Fixed Price Quotation must be provided, the amount of such Fixed Price Quotation and a full breakdown of such quotation; and
- (d) if applicable, the Franchisee's proposed Schedule of Payments.

4.3 The Franchisee's reasonable and properly incurred costs of preparing any Variation Appraisal shall be borne by DLRL.

5. **PROCEDURE FOLLOWING SUBMISSION OF A VARIATION APPRAISAL**

5.1 As soon as practicable after DLRL receives the Variation Appraisal, the Parties shall discuss and endeavour to agree, acting reasonably, the matters set out in the Variation Appraisal. During such discussions, DLRL may request that the Franchisee provide any further evidence or information in respect of the matter referred to at paragraph 5.3 and notify the Franchisee whether it wishes to amend any Variation it has proposed, providing full details of any proposed amendment, in which case the Franchisee shall submit an amended Variation Appraisal within 10 Business Days of such notification or such longer period as is agreed between the Parties.

5.2 All evidence and information provided by the Franchisee in response to a request under paragraph 5.1 shall be provided on an open book basis and DLRL shall be entitled to audit and inspect all documentation relating to any costings, claims of expenditure or losses incurred or likely to be incurred, estimates and quotations relevant to the proposed Variation.

5.3 If the Parties cannot agree on the contents of the Variation Appraisal (other than any element which forms part of the Franchisee Cost Proposal for which the provisions of paragraph 6 (Implementation of Variation) shall apply), then either Party may refer the Dispute for resolution under the Dispute Resolution Procedure.

5.4 As soon as practicable, and in any event within 40 Business Days, after the contents of the Variation Appraisal (other than any outstanding issues in relation to the Franchisee Cost Proposal as referred to in paragraph 6 (Implementation of Variation)) have been agreed in accordance with paragraph 5.1 or determined in accordance with paragraph 5.3, DLRL may either:

(a) issue a Variation Confirmation Notice counter-signed by an authorised person instructing the Franchisee to proceed with the implementation of the Variation or a part of the Variation in accordance with paragraph 6 (Implementation of Variation); or

(b) withdraw the Variation Notice,

provided that DLRL shall not be entitled to withdraw a Variation Confirmation Notice for a Variation referred to in paragraph 3.3(b) above.

In the case of a Variation Confirmation Notice for a Variation referred to in paragraph 3.3(a) above, if DLRL has not issued a Variation Confirmation Notice within such 40 Business Day period, then the Variation Notice shall be deemed to have been withdrawn.

6. **IMPLEMENTATION OF VARIATION**

6.1 A Variation Confirmation Notice issued by DLRL shall state whether or not DLRL:

(a) accepts the Franchisee Cost Proposal as included in the Variation Appraisal; or

(b) requires the Financial Model to be adjusted to reflect the Change in Costs identified in the Variation Appraisal, in which case Appendix 2 of this Part 2 shall apply.

6.2 If DLRL states in accordance with paragraph 6.1 that it does not accept the Franchisee Cost Proposal, it shall also state whether DLRL requires the Franchisee to proceed with the Variation or any part of the Variation either:

- (a) immediately following issue of the Variation Confirmation Notice or such other date specified in the Variation Confirmation Notice notwithstanding that the Parties have not reached final agreement in respect of the Franchisee Cost Proposal; or
 - (b) immediately following agreement or determination in respect of the Franchisee Cost Proposal in accordance with paragraph 6.5.
- 6.3 A Variation Confirmation Notice issued by DLRL pursuant to paragraph 5.4 shall attach a copy of or otherwise reference the Variation Appraisal which shall be in agreed form other than in respect of any issues relating to the Franchisee Cost Proposal or which remain to be agreed or determined under this paragraph 6.
- 6.4 A Variation Confirmation Notice shall have the effect of varying the relevant terms of this Agreement to the extent provided in the agreed Variation Appraisal, as applicable, with effect from the date of receipt by the Franchisee of the Variation Confirmation Notice or such other date specified in the Variation Confirmation Notice. With effect from such date the Franchisee shall implement the Variation or part of the Variation and shall be bound by this Agreement in so doing as if the Variation or relevant part of the Variation formed part of the relevant terms of this Agreement.
- 6.5 If DLRL states in the Variation Confirmation Notice that it does not agree with the Franchisee Cost Proposal (but does not require the Financial Model to be adjusted to reflect the Change in Costs), then:
 - (a) the Parties shall endeavour to reach agreement in respect of the cost (or saving) of implementing the Variation; and
 - (b) DLRL may request any additional information of the type referred to in paragraph 5.4 and in providing such information the provisions of paragraph 5.2 shall apply mutatis mutandis.

If the Parties fail to reach agreement within 20 Business Days of the issue of the Variation Confirmation Notice, then either Party may refer the matter for resolution under the Dispute Resolution Procedure. Notwithstanding any other provision of this Part 2 of Schedule 15, the Franchisee shall not be entitled to any compensation in connection with a Variation save to the extent expressly agreed pursuant to this Part 2 of Schedule 15.

- 6.6 The Franchisee Cost Proposal accepted in accordance with paragraph 6.1 or agreed or determined in accordance with paragraph 6.5 shall be binding on both Parties in full and final settlement of all costs incurred by the Franchisee and any impact (whether arising directly or indirectly as a result of the Variation) on the Franchise Payment notwithstanding that the actual costs or impact may be greater or less than the Franchisee Cost Proposal accepted, agreed or determined as the case may be.
- 6.7 The Franchisee shall maintain and make available any records relating to a Variation in accordance with this Agreement.
- 6.8 The Franchisee shall within 30 days of the Variation Confirmation Notice provide an amended and/or restated Performance Bond and/or Guarantee to reflect and cover the Variation as required by DLRL.

7. **SCHEDULE OF PAYMENT**

- 7.1 Any Schedule of Payments proposed by the Franchisee in accordance with paragraph 4.2(d) shall:
 - (a) set out a detailed statement outlining each of the different elements of the Change in Costs;

- (b) set out the timing of the payments proposed to be made by DLRL in respect of the Change in Costs (as quoted or estimated in the Variation Appraisal); and
- (c) in respect of the payments referred to in paragraph 7.1(b) identify those payments which relate to the carrying out of, or specific progress towards, an element within the Variation and, in respect of each such payment, specify the evidence which the Franchisee will provide in order to confirm that the part of the Variation corresponding to each occasion when payment is due has been duly carried out.

8. PAYMENTS BY DLRL

- 8.1 Where the Franchisee Cost Proposal (accepted in accordance with paragraph 6.1 or agreed or determined in accordance with paragraph 6.5) requires DLRL to make one or more payments to the Franchisee by reference to a Schedule of Payments, DLRL shall make any such payment as a Variation Payment as part of the Franchise Payment next due in accordance with clause 25 following receipt by DLRL of an invoice (complete in all material respects) in accordance with the agreed Schedule of Payments accompanied by relevant evidence (where applicable) that the relevant part of the Variation has been carried out.
- 8.2 Once a Variation Confirmation Notice has been issued by DLRL, the Parties shall ensure that the Schedule of Payments provides for a reconciliation of any discrepancy between the Emergency Variation Interim Payments made by DLRL and the actual incremental costs, fees and expenses reasonably and properly incurred by the Franchisee (and accounted for) in relation to the implementation of the Emergency Variation during the period from the relevant Variation Notice issued pursuant to paragraph 1.4 and prior to the Variation Confirmation Notice.
- 8.3 Where pursuant to this Schedule 15 DLRL requires the Financial Model to be adjusted to reflect any Change in Costs, the Fixed Fee shall be adjusted in accordance with Appendix 2 of this Part 2.

SCHEDULE 15

Variation Procedure

Part 2 – General Variation

APPENDIX 1 – CALCULATION OF CHANGE IN COST

1. SCHEDULE OF COSTS

Any elements of the Change in Costs which are equivalent or similar to activities, items or costs set out in this paragraph shall be determined as follows:

1.1 Staff Costs

(a) Existing Franchisee staff

The Franchisee shall not be entitled to include in the Change in Costs any amount relating to the Franchisee's existing staff, unless the Franchisee is required to increase any person's hours of work or scope of employment to provide the Services required by a Variation. Where the Franchisee is required to increase a person's hours or scope of employment to provide the Services required by a Variation, the increased cost reasonably and properly payable to such persons shall be recoverable.

(b) New Franchisee staff or agency or consultant staff (based in the offices of the Franchisee or its Sub-Contractors)

The cost of new staff or agency or sub-consultant staff providing the Services required by a Variation who are based in the offices of the Franchisee or its Sub-Contractors shall be recoverable on a time basis as follows:

$$\text{Hourly Cost} \quad \times \quad \text{Actual Hours Worked} \quad \times \quad \text{On-Cost Multiplier A}$$

where:

"Hourly Cost" means the reasonable hourly cost paid to such new staff or to an agency or sub-consultant in respect of named individual professionals (excluding the on-costs described below and all miscellaneous costs referred to in paragraph 1.1(d) below);

"Actual Hours Worked" means actual hours worked;

"On-Cost Multiplier A" is the factor required to recover the appropriate part of the Franchisee's and any Sub-Contractor's on-costs. The multiplier to be used for this paragraph 1.1 is [●]⁷³. The on-costs deemed to be covered by On-Cost Multiplier A include (i) the costs of general management and accountancy, support staff, secretarial and administration staff and the like, and (ii) the costs of normal office overheads and margin.

(c) Agency or sub-consultant staff (based in their own offices)

The cost of agency or sub-consultant staff providing the Services required by a Variation who are not direct employees of any of the Franchisee and are based in their own offices shall be recoverable on a time basis as follows:

⁷³ Redacted

$$\text{Hourly Cost} \quad \times \quad \text{Actual Hours Worked} \quad \times \quad \text{On-Cost Multiplier B}$$

Where:

"Hourly Cost" means the reasonable hourly cost paid to an agency or sub-consultant in respect of named individual professionals (excluding the on-costs described below and all miscellaneous costs referred to in paragraph 1.1(d) below);

"Actual Hours Worked" means actual hours worked including overtime hours; and

"On-Cost Multiplier B" is the factor required to recover the appropriate part of the Franchisee's on-costs. The multiplier to be used for this paragraph 1.5 is [●]⁷⁴. The on-costs deemed to be covered by On-Cost Multiplier B include (i) the costs of general management and accountancy, support staff, secretarial and administration staff and the like; and (ii) margin.

(d) **Miscellaneous**

- (i) Time spent in travelling for the purposes of the Variation to be performed under this Schedule of Costs shall be chargeable, excluding travel between home and normal work place.
- (ii) Time spent by staff engaged in general accountancy, secretarial or administration duties (unless otherwise agreed) shall not be chargeable.
- (iii) In addition to the amounts described in the rest of this paragraph 1.1, the Franchisee shall be reimbursed by DLRL for all approved costs and expenses properly incurred by it in connection with the Variation to be performed under this Schedule of Costs and certified by the Franchisee in respect of:
 - (A) an appropriate portion of travel and subsistence expenses paid to employees, agency staff or sub-consultant staff as the case may be;
 - (B) the cost of printing and reproduction of all documents, drawings, maps and records and the like authorised by DLRL; and
 - (C) the cost of any other expenses authorised by DLRL, excluding normal office overheads such as rent, rates, heating, lighting, telephone and postal charges.
- (iv) For the purposes of this Schedule of Costs, "approved" means approved in writing by DLRL before the cost, remuneration or expenditure in question is incurred or committed (other than an Emergency Variation where the provisions of paragraphs 1.5 and 8.2 of Part 2 of Schedule 15 shall apply).

2. **CHANGE IN COSTS PRINCIPLES**

The Franchisee shall ensure that the Change in Costs is calculated in accordance with the following principles:

- (a) the Franchisee shall separately demonstrate the effect that any Variation will have (either positively or negatively) by reference to any changes required to:

⁷⁴ Redacted

- (i) the Maintenance Documents;
 - (ii) the Asset Management Plan;
 - (iii) the Asset Management Strategy;
 - (iv) Part 5 of Schedule 4;
 - (v) the Operating Procedures;
 - (vi) the Record of Assumptions and the Financial Model; and
 - (vii) the Business Plan and the quarterly financial information referred to in paragraph 3.3 of Schedule 10;
- (b) where the activities, items or costs are similar to equivalent activities, items or costs:
- (i) contained in the Financial Model, the costs for such items shall be equivalent to and benchmarked against such costs; or
 - (ii) contained in any sub-contract then, the costs for such items shall be equivalent to and benchmarked against those in the relevant sub-contract;
- (c) the Franchisee shall use its best endeavours to oblige its Sub-Contractors to minimise any increase in costs and maximise any reduction in costs;
- (d) the Franchisee shall demonstrate how any expenditure to be incurred or avoided is being measured in a cost effective manner including showing that when such expenditure is incurred foreseeable changes of law at that time have been taken into account;
- (e) the Franchisee shall ensure that the Change in Costs take account of any reduction in expenditure incurred to replace or maintain assets which was originally anticipated but would be avoided as a result of implementing the Variation;
- (f) where none of the above apply, the costs shall reflect prevailing market rates applicable to the circumstances of the quotation and on an open book basis; and
- (g) the Franchisee shall demonstrate that where Sub-Contractors have sourced parts or materials from within their respective group undertaking (as such term is defined in section 1161 of the Companies Act 2006) such arrangements are on an arm's length basis and on reasonable commercial terms.

3. **FRANCHISEE'S MARGIN**

- (a) The only margin which may be added to any elements of the Change in Costs is as set out in this paragraph 3. No margin shall be added to any element of the Change in Costs which already includes a margin, including quotations, estimates or prices obtained by reference to the Schedule of Costs or circumstances where any benchmarked amount contains a margin.
- (b) The margin shall be deemed to include all of the Franchisee's additional or reduced overheads including the costs of management, administration, legal accountancy, head office overheads and charges, supervision, insurance, accommodation, provision of small tools, standard items of plant, protective clothing, general contingency, general manufacturing and/or risk and profit resulting from the Variation.

4. **EVIDENCE**

The Franchisee shall provide DLRL with all evidence required to substantiate all elements of the Change in Cost to DLRL's satisfaction (acting reasonably).

⁷⁵ Redacted

SCHEDULE 15

Variation Procedure

Part 2 – General Variation

APPENDIX 2 – FINANCIAL ADJUSTMENTS

1. GENERAL

Where DLRL requires the Financial Model to be adjusted to reflect a Variation, the Financial Model shall be adjusted to reflect the Change in Costs in respect of the relevant Variation and any resulting adjustment to the Fixed Fee shall be calculated in accordance with this Appendix 2.

2. UPDATING THE FINANCIAL MODEL AND RECORD OF ASSUMPTIONS

- (a) Where this Appendix 2 applies the Franchisee shall propose adjustments to the version of the Financial Model and Record of Assumptions applicable immediately prior to the relevant adjustment to reflect the impact of the Variation, for DLRL's approval. The Franchisee shall ensure that the Financial Model and the Record of Assumptions (as adjusted) match each other.
- (b) In assessing what adjustments should be made to the Financial Model and Record of Assumptions arising from the Variation, the Franchisee shall base all revised inputs on the Change in Costs calculated in accordance with the principles set out in Appendix 1 of this Part 2 of Schedule 15 and shall be entitled to take into account, inter alia:
 - (i) changes in the prospective technical performance of the Franchise arising as a result of the Variation; and
 - (ii) changes required to the performance targets set out in Schedule 2 (Operational Performance Regime) and/or the CSS Targets set out in Part 2 of Schedule 3 (Customer Facing Performance Regime),

provided that DLRL shall not be required (and the Franchisee shall not be entitled) to take into account the financial impact up to the date of the Variation of those risks which the Franchisee bears under the terms of this Agreement.

- (c) Where pursuant to this Agreement the Financial Model and Record of Assumptions is to be adjusted to reflect a Variation, the adjustment to the Fixed Fee shall be that required to ensure that, by reference to the Financial Model and Record of Assumptions adjusted under this Appendix 2, the Franchisee is left in a no better and no worse position than under the version of the Financial Model and Record of Assumptions applicable immediately prior to the relevant adjustment, and shall be ascertained by determining the adjustment to the Fixed Fee required to maintain the annual post tax profit margin of the Franchisee with that which it would have been under the version of the Financial Model and Record of Assumptions applicable immediately prior to the relevant adjustment. All adjustments should be optimised by following the following rules:
 - (i) annual post tax profit margin must be no different to that in the Financial Model attached at Schedule 21;
 - (ii) year end cash balances must be no greater than those in the Financial Model attached at Schedule 21; and
 - (iii) a current ratio of 1 must be maintained.

- (d) If the adjustments to the Financial Model calculated in accordance with this paragraph 2 result in an adjustment that is different to that anticipated by paragraph 2(a) above, then the Franchisee shall propose adjustments to the Record of Assumptions to reflect the results of the adjustment to the Financial Model (calculated in accordance with paragraph 2(c)) for DLRL's approval.

3. **NO BETTER AND NO WORSE**

Any reference in this Agreement to "no better and no worse" or to leaving the Franchisee in a "no better and no worse position" shall be construed by reference to the Franchisee's:

- (a) rights, duties and liabilities under or arising pursuant to performance of this Agreement; and
- (b) ability to perform its obligations and exercise its rights under this Agreement,

so as to ensure that:

- (i) the Franchisee is left in a position which is no better and no worse in relation to its annual post tax profit margin by reference to the version of the Financial Model and Record of Assumptions applicable immediately prior to the Variation than had the Variation not occurred; and
- (ii) the ability of the Franchisee to comply with this Agreement is not adversely affected or improved as a consequence of the Variation.

4. **REPLACEMENT OF FINANCIAL MODEL AND RECORD OF ASSUMPTIONS**

Any Financial Model and Record of Assumptions produced following adjustments in accordance with this Appendix 2 shall, when it is approved by DLRL (such approval not to be unreasonably withheld, and it shall be reasonable for DLRL to procure a third party model auditor to review such adjustments), become the Financial Model and Record of Assumptions for the purposes of this Agreement until its further amendment in accordance with this Agreement.

5. **DISCLOSURE OF FINANCIAL MODEL AND RECORD OF ASSUMPTIONS**

Following any change to the Financial Model and Record of Assumptions under the provisions of this Appendix 2 the Franchisee shall promptly deliver a copy of the revised Financial Model and Record of Assumptions to DLRL in the same form as is established at the date of this Agreement or in such other form as may be agreed between the Parties.

SCHEDULE 15

Variation Procedure

Part 3 – Small Works Variation Procedure

1. Small Works Variation

- (a) DLRL may at any time issue to the Franchisee a Small Works Instruction, in accordance with paragraph 2.
- (b) DLRL shall not issue a Small Works Instruction which would (if implemented) be contrary to paragraph 2.1(a) of Part 2 of Schedule 15.

2. Small Works Instructions

- (a) Each Small Works Instruction issued by DLRL shall include:
 - (i) sufficient explanation and information to permit the Franchisee to carry out the Small Works Variation;
 - (ii) the time period for implementing the Small Works Variation; and
 - (iii) such other information as DLRL considers appropriate,and on receipt the Franchisee shall implement the Small Works Instruction.
- (b) The cost of implementing any Small Works Instruction shall be calculated on the basis that:
 - (i) the labour element shall be calculated in accordance with the Schedule of Costs or, where such rates are not applicable, in accordance with rates which are in DLRL's opinion (acting reasonably) fair and reasonable; and
 - (ii) the materials element shall be charged at the cost of materials to the Franchisee or to the Sub-Contractor carrying out the work plus the margin set out in paragraph 3 of Appendix 1 of Part 2 of Schedule 15.
- (c) Other than the costs referred to in paragraph 2(b), the Franchisee shall make no additional charge whatsoever to DLRL in relation to such Small Works Instruction including no charge for additional or related overheads, profit, cost of management, administration, legal, head office overheads and charges, supervision, insurance, accommodation, provision of small tools, standard items of plant, protective clothing, training or general contingency for processing, implementing or managing a Small Works Instruction.
- (d) Once the Small Works Instruction has been implemented to the satisfaction of DLRL acting reasonably, the Franchisee shall include the costs of the Small Works Instruction in the next Fee Certificate submitted pursuant to clause 25.

SCHEDULE 16

Credit Support

Part 1 – Parent Company Guarantee

ashurst

Guarantee

[•]

and

[•]

and

Docklands Light Railway Limited

2014

THIS DEED is made on

2014

BETWEEN:

- (1) [●] (No. ●) whose registered office is at [●]("[●])" and [●] (No. ●) whose registered office is [●]("[●])" (each a "Guarantor" and together the "**Guarantors**"); and
- (2) **DOCKLANDS LIGHT RAILWAY LIMITED** (No. 2052677) whose registered office is at 42-50 Victoria Street, London, SW1H 0TL ("**DLRL**").

RECITALS

- (A) By a franchise agreement made between DLRL and [●] (the "**Franchisee**") on or about the date hereof (the "**Franchise Agreement**"), as amended or varied from time to time, the Franchisee was awarded the right to operate the Franchise in accordance with the terms of the Franchise Agreement, as more particularly specified and defined in the Franchise Agreement.
- (B) The Guarantors have agreed with DLRL, at the request of the Franchisee, to guarantee the due and proper performance of the Franchisee's obligations under the Franchise Agreement upon the terms and conditions of this guarantee.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this guarantee, words and phrases commencing with capital letters will, unless defined below or a contrary intention appears, have the same meaning ascribed to them under the Franchise Agreement:

"Business Day" means any day (other than a Saturday or Sunday) on which banks in London are open for general business; and

"Taxes" means any kind of tax, duty, levy or other charge (other than VAT) whether or not similar to any in force at the date of this Guarantee and whether imposed by a local, governmental or other Competent Authority in the United Kingdom or elsewhere.

- 1.2 In the event of any conflict between the Franchise Agreement and this guarantee, the latter will prevail.

2. GUARANTEE AND INDEMNITY

- 2.1 In consideration of DLRL entering into the Franchise Agreement with the Franchisee, the Guarantors irrevocably and unconditionally:

- (a) guarantee to DLRL the due and punctual performance and observance by the Franchisee of each and all of its duties and obligations (whether express, implied, actual or contingent) under the Franchise Agreement (the "**Guaranteed Obligations**") when they or any part of them become due and performable according to the terms of the Franchise Agreement; and

- (b) covenant with and undertake to DLRL fully to perform and observe such Guaranteed Obligations (or to procure the full performance and observance thereof) within thirty (30) Business Days of written demand in accordance with the terms of this guarantee if the Franchisee shall fail in any respect to perform and observe the same.

- 2.2 The Guarantors, as principal obligors and as separate and independent obligations and liabilities from their obligations and liabilities under clause 2.1, agree to indemnify DLRL

against all loss, debt, damage, interest, liability, cost and expense (including legal expenses) incurred or suffered by DLRL by reason of a failure by the Franchisee to perform any or all of the Guaranteed Obligations when they are due and performable and undertake to pay to DLRL immediately on DLRL's first written demand the amount of that loss, debt, damage, interest, liability, cost and expense without set-off or counterclaim and free and clear of, and without deduction for or on account of, any present or future taxes, duties, charges, fees, deductions or withholdings of any nature whatsoever.

- 2.3 The Guarantors agree to satisfy and discharge any court, arbitrator or adjudicator's award made against the Franchisee in favour of DLRL.
- 2.4 The Guarantors irrevocably authorise DLRL and the Franchisee to make any amendment or variation to the terms of the Franchise Agreement in their absolute discretion and the Guarantors shall be bound by and shall guarantee all of the Guaranteed Obligations under the Franchise Agreement as amended or varied.
- 2.5 DLRL may serve more than one demand under this clause 2 (Guarantee and Indemnity).
- 2.6 Without prejudice to clause 10 (Costs and Expenses) and notwithstanding any other provision of this guarantee, the Guarantors' liability hereunder shall be no greater than the liability of the Franchisee to DLRL under the Franchise Agreement with respect to the Guaranteed Obligations.

3. **PRESERVATION OF RIGHTS**

- 3.1 The obligations of the Guarantors under this guarantee are in addition to and independent of any other security which DLRL may at any time hold in respect of the Guaranteed Obligations.
- 3.2 The Guarantors' obligations and liabilities under this guarantee will remain in full force and effect and are not to be discharged, diminished or affected in any way by reason of any of the following:
 - (a) the insolvency, bankruptcy, liquidation, winding-up, dissolution, administration, receivership, incapacity, amalgamation, reconstruction, re-organisation or any analogous proceeding relating to the Franchisee or the Guarantors;
 - (b) any change in the status, function, constitution, control or ownership of the Franchisee, the Guarantors or DLRL;
 - (c) the taking, variation, compromise, renewal, release or refusal or neglect to perfect or enforce any right, remedies or securities against the Franchisee or any other person;
 - (d) any purported obligation of the Franchisee or any other person to DLRL (or any security for that obligation) becoming wholly or in part void, invalid, illegal or unenforceable for any reason;
 - (e) any incapacity, lack of power, authority or legal personality or any change in the constitution of, or any amalgamation or reconstruction of, the Franchisee, DLRL or any other person;
 - (f) any variation to or amendment of the Franchise Agreement (including, without limitation, any extension of time for performance, or any concession or waiver by DLRL in respect of the Franchisee's obligations under the Franchise Agreement) so that references to the Franchise Agreement in this guarantee shall include each such variation or amendment;

- (g) any provision of the Franchise Agreement being or becoming illegal, invalid, void, voidable or unenforceable for any reason whatsoever;
- (h) any failure of supervision or detection or prevention of any default of the Franchisee under or in connection with the Franchise Agreement;
- (i) any additional or advance payment to the Franchisee under or in connection with the Franchise Agreement;
- (j) the suspension or termination of the Franchise Agreement or of the employment of the Franchisee under the Franchise Agreement for any reason whatsoever;
- (k) any indulgence, forbearance or waiver of any right of action or remedy of DLRL against the Franchisee or negligence by DLRL in enforcing any such right of action or remedy;
- (l) any compromise of any dispute with the Franchisee arising out of or in connection with the Franchise Agreement; and
- (m) any other fact, circumstance, act, event, omission or provision of statute or law or otherwise which but for this clause might operate to discharge, impair or otherwise affect any of the obligations of the Guarantors under this guarantee or any of the rights, powers or remedies conferred on DLRL by this guarantee or by law.

4. **NO COMPETITION**

4.1 The Guarantors must not (so long as the Franchisee has any actual or contingent obligations pursuant to the Franchise Agreement) by reason of performance by them of their obligations under this guarantee or on any other ground:

- (a) exercise any right they may have to be subrogated to or otherwise entitled to share in, any security or monies held, received or receivable by DLRL or to claim any right of contribution in relation to any payment made by the Guarantors under this guarantee;
- (b) following a claim being made on the Guarantors under this guarantee, exercise any right they may have to demand or accept repayment of any monies due from the Franchisee or claim any set-off or counterclaim against the Franchisee;
- (c) claim or recover by the institution of proceedings or the threat of proceedings or otherwise any sum from the Franchisee or claim any set-off or counterclaim against the Franchisee; or
- (d) take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of DLRL under the Franchise Agreement or otherwise; or
- (e) claim or prove in a liquidation or other insolvency proceeding of the Franchisee in competition with DLRL in respect of any payment by the Guarantors under this guarantee or otherwise be entitled in competition with DLRL to claim or have the benefit of any security which DLRL has or may hold for any monies or liabilities due or incurred by the Franchisee to DLRL and in case the Guarantors receive any sums from the Franchisee in respect of any payment of the Guarantors under this guarantee the Guarantors must hold such monies in trust for DLRL so long as any sums are payable (contingently or otherwise) under this guarantee.

4.2 The Guarantors undertake to DLRL that they have not taken and will not take any security from the Franchisee in respect of the Guarantors' obligations under this guarantee and any security taken and all monies received by the Guarantors in breach of this provision will be held in trust for DLRL as security for the obligations of the Guarantors.

5. **IMMEDIATE RECOURSE**

DLRL will not be obliged, before enforcing any of its rights or remedies conferred upon it by this guarantee or by law, to take any step or action, including (without limitation):

- (a) the taking of any legal proceedings or action or the obtaining of any judgment against the Franchisee in any court, arbitration or adjudication;
- (b) the making or filing of any claim in bankruptcy, liquidation, winding-up or dissolution of the Franchisee; or
- (c) the pursuance or exhaustion of any other right or remedy against the Franchisee,

and the liabilities of the Guarantors under this guarantee may be enforced irrespective of whether any legal proceedings are being or have been taken against the Franchisee. The Guarantors hereby waive any right they may have of first requiring DLRL to proceed against or enforce any rights or security or claim payment from any person before claiming against them under this guarantee.

6. **REPRESENTATIONS AND WARRANTIES**

Each Guarantor in relation to itself (and not in relation to the other Guarantor) represents and warrants to DLRL in the terms set out in clauses 6.1 (Incorporation) to 6.5 (No Contravention) below.

6.1 **Incorporation**

It is duly incorporated and validly existing with limited liability under the laws of [England] and has the power to own its assets and carry on its business.

6.2 **Power and Capacity**

It has the power and capacity to enter into and comply with its obligations under this guarantee.

6.3 **Authorisation**

It has taken all necessary action:

- (a) to authorise the entry into and compliance with its obligations under the guarantee;
- (b) to ensure that its obligations under this guarantee are valid, legally binding and enforceable in accordance with their terms; and
- (c) to make this guarantee admissible in evidence in the courts of England.

6.4 **Consents**

All consents and filings required by it for the conduct of its business as presently conducted and in connection with the entry into, performance, validity, enforceability and admissibility in evidence of this guarantee have been unconditionally obtained and are in full force and effect.

6.5 **No Contravention**

Neither the entry into of this guarantee nor the performance of any of its obligations under it do now or will:

- (a) conflict with its constitutional documents; or
- (b) contravene any law, regulation, judgment or order to which it is subject; or
- (c) breach any agreement or the terms of any consent binding on it.

7. **CONTINUING OBLIGATION**

This guarantee is a continuing guarantee and will remain in full force and effect until each and every part of the Guaranteed Obligations have been discharged and performed in full.

8. **SUSPENSE ACCOUNT**

Until all Guaranteed Obligations have been irrevocably satisfied in full, DLRL may place and keep any money received or recovered from the Guarantors in relation to the Guaranteed Obligations in a suspense account and interest accrued shall be credited to that account.

9. **PAYMENTS**

9.1 All payments to be made by the Guarantors to DLRL under this guarantee shall be made to DLRL in immediately available cleared funds and paid in full in the currency in which they are due under the Franchise Agreement (or a successor currency) without set-off or counterclaim free of any present or future Taxes, deduction, levies, charges, fees or withholding whatsoever. If the Guarantors are obliged by law to make any deduction or withholding from any such payment, the amount due from the Guarantors in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, DLRL receives a net amount equal to the amount DLRL would have received had no such deduction or withholding been made.

9.2 The Guarantors shall pay interest to DLRL on all amounts due from them under this guarantee from the date any such demand is made until payment of such amounts (both before and after any judgment) calculated on a daily basis at the Prescribed Rate.

9.3 All payments by the Guarantors under this guarantee must be made to DLRL to its account at a bank in the United Kingdom as DLRL may notify the Guarantors from time to time or otherwise in any notice of demand served under the terms of clause 2 (Guarantee and Indemnity).

9.4 If a payment under this guarantee is due on a day which is not a Business Day the due date for that payment will instead be the next Business Day.

10. **COSTS AND EXPENSES**

The Guarantors will pay to DLRL on demand the amount of all costs and expenses (including legal fees and other out-of-pocket expenses and any value added tax or similar tax thereon) incurred by DLRL in connection with the negotiation, preparation, execution, amendment, release, enforcement or attempted enforcement of, or preservation of DLRL's rights under, this guarantee, or in consequence of any payment made under this guarantee (whether made by the Guarantors or a third person) being declared void for any reason whatsoever.

11. **WAIVER OF RELEVANT RIGHTS**

For the benefit of DLRL and the Franchisee, the Guarantors waive any right or remedy that they have or may have to subrogation, indemnification or payment on any other basis by the Franchisee and any other remedy against the Franchisee (each a "**Relevant**

Right") by reason of or in connection with the performance of the Guarantors' obligations under this guarantee in circumstances where the Franchisee promotes, enters into, or implements a voluntary arrangement (under Part 26 of the Companies Act 2006). Damages shall not be an adequate remedy for DLRL or the Franchisee in respect of a breach of this clause and the parties shall consent to any application brought by DLRL or the Franchisee for injunctive relief to prevent any such Relevant Right being enforced.

12. **ASSIGNMENT**

DLRL may assign, novate or otherwise transfer the benefit of, and its rights under, this guarantee to any person to whom the Franchise Agreement is assigned, novated or otherwise transferred without having to obtain the consent of the Guarantors. The Guarantors shall not assign, novate or otherwise transfer this guarantee or any right or obligation arising or pursuant to this guarantee to any person.

13. **THIRD PARTY RIGHTS**

Except for the Franchisee's rights under clause 10 of this guarantee, a person who is not a party to this guarantee has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this guarantee.

14. **PARTIAL INVALIDITY**

If any provision of this guarantee is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.

15. **GOVERNING LAW**

This guarantee and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this guarantee or its formation (including any non-contractual disputes or claims), shall be governed by and construed in accordance with English law.

16. **JURISDICTION**

The parties irrevocably agree that the courts of England shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and/or to settle any disputes, which may arise out of or in any way relate to this guarantee or its formation and, for these purposes, each party irrevocably submits to the jurisdiction of the courts of England. Nothing in this clause shall affect the ability of DLRL to enforce any judgment against the Guarantors in any jurisdiction.

17. **NOTICES**

17.1 All demands and notices to be given under this guarantee must be in writing and sent by hand or courier or prepaid first-class post or recorded delivery or facsimile to the address of the relevant party set out in clause 17.2 or such other address as that party may by notice in writing nominate for the purpose of service and:

- (a) any demands or notices sent by prepaid first-class post or recorded delivery will be deemed (in the absence of evidence of earlier receipt) to have been delivered at 9.00 a.m. on the second business day (which expression means a day (excluding Saturdays) on which banks generally are open in the City of London for the transaction of normal banking business) after posting;
- (b) any demands or notices sent by courier will be deemed to have been delivered on the date and at the time that the courier's delivery receipt is signed; and

(c) any demands or notices sent by facsimile will be deemed to have been delivered on the date of dispatch.

17.2 Unless notified otherwise, all demands and notices shall be addressed to the parties as follows:

[Guarantors]

Address: ●

Facsimile: ●

Attention: ●

Address: ●

Facsimile: ●

Attention: ●

DLRL

Address: Operations and Maintenance Centre,
Castor Lane, Poplar, London E14 0DX

Facsimile No: 0207 363 9708

Attention: David Keep
Company Secretary
Docklands Light Railway Limited

18. **EXPIRY**

18.1 This guarantee shall expire on the date which falls 3 years after the Franchise Termination Date (as defined in the Franchise Agreement) save to the extent any claim has been made under this guarantee prior to the expiry of such period in which case this guarantee shall remain in full force and effect in relation to any such claim until the date of its withdrawal, satisfaction or dismissal by a final and binding order of a court of competent jurisdiction.

19. **JOINT AND SEVERAL LIABILITY**

19.1 Save in respect of clause 6, the obligations under this guarantee of each of the Guarantors are and shall be joint and several.

19.2 If any liability of one, but not both, of the Guarantors is or becomes, illegal, invalid or unenforceable in any respect, that shall not affect the liabilities of the other under this guarantee.

19.3 Where any liability of one, but not both, of the Guarantors arising out of an obligation which is both joint and several is discharged (in whole or in part), whether by release, waiver, forbearance, accord and satisfaction or otherwise, the other shall continue to be jointly and severally liable in relation to that obligation, provided that nothing in this clause shall entitle DLRL to recover twice for the same loss.

IN WITNESS whereof this deed has been executed and delivered on the date first above written.

Executed as a deed by [*insert name in*)
bold and upper case])
acting by [a director and its)
secretary/two directors]:)

Director

Director/Secretary

Executed as a deed by [*insert name in*)
bold and upper case])
acting by [a director and its)
secretary/two directors]:)

Director

Director/Secretary

Executed as a deed by **DOCKLANDS**)
LIGHT RAILWAY LIMITED acting by [a)
director and its secretary/two directors]:)
)

Director

Director/Secretary

SCHEDULE 16

Credit Support

Part 2 – On-demand Performance Bond

ashurst

On-Demand Performance Bond

[•]

and

Docklands Light Railway Limited

20[•]

THIS BOND is made on

20[●]

BETWEEN:

- (1) [●] (No. ●) whose registered office is at (the "**Bond Provider**"); and
- (2) **DOCKLANDS LIGHT RAILWAY LIMITED** (No. 2052677) whose registered office is at 42-50 Victoria Street, London, SW1H 0TL ("**DLRL**").

RECITALS

- (A) By a franchise agreement made between DLRL and [●] (the "**Franchisee**") on [●] (the "**Franchise Agreement**"), as amended or varied from time to time, the Franchisee was awarded the right to operate the services relating to the franchise in accordance with the terms of the Franchise Agreement, as more particularly specified and defined in the Franchise Agreement.
- (B) Under the Franchise Agreement, the Franchisee is obliged to procure, in favour of DLRL, a performance bond.
- (C) The Bond Provider has agreed with DLRL, at the request of the Franchisee, to provide this performance bond in satisfaction of the Franchisee's obligation referred to in Recital (B) (this "**Bond**").

THE PARTIES AGREE AS FOLLOWS:

1. The Bond Provider irrevocably and unconditionally undertakes to pay to DLRL or its assigns, immediately on receipt of the first and all subsequent written demands to the Bond Provider, the sum stated in each such demand, without proof or conditions. DLRL may at any time make any number of demands under this Bond provided that the maximum aggregate liability of the Bond Provider under this Bond shall not exceed the sum of £15,000,000 (the "**Maximum Amount**").
2. The Bond Provider's obligation to make payment under this Bond shall be a primary, independent, irrevocable and absolute obligation and it shall not be entitled to delay or withhold payment for any reason whatsoever.
3. A demand shall be conclusive evidence of the Bond Provider's liability and of the amount of the sum or sums which it is liable to pay to DLRL, notwithstanding any objection made by the Franchisee or any other person. The Bond Provider shall have no right and shall not be under any duty or responsibility to enquire into the reason or circumstances of any demand, the respective rights, obligations and/or liabilities of DLRL and the Franchisee under the Franchise Agreement, the authenticity of any written demand made by or the authority of the persons signing any written demand by DLRL.
4. All payments under this Bond shall be in pounds sterling and shall be made free and clear of, and without any set-off, counterclaim or deduction on account of, any liability whatsoever including, without limitation, any present or future taxes, duties, charges, fees, deductions or withholdings of any nature whatsoever and by whomsoever imposed.
5. DLRL shall not be obliged, before enforcing any of its rights or remedies conferred upon it by this Bond or by law, to take any step or action, including (without limitation):
 - (a) the taking of any legal proceedings or action or the obtaining of any judgment against the Franchisee in any court, arbitration or adjudication;
 - (b) the making or filing of any claim in bankruptcy, liquidation, winding up or dissolution of the Franchisee; or

(c) the pursuance or exhaustion of any other right or remedy against the Franchisee, and the liabilities of the Bond Provider under this Bond may be enforced irrespective of whether any legal proceedings are being or have been taken against the Franchisee.

6. The Bond Provider must not (so long as the Franchisee has any actual or contingent obligations pursuant to the Franchise Agreement) by reason of performance by it of its obligations under this Bond or on any other ground:

(a) claim or recover by the institution of proceedings or the threat of proceedings or otherwise any sum from the Franchisee or claim any set-off or counterclaim against the Franchisee; or

(b) claim or prove in a liquidation or other insolvency proceeding of the Franchisee in competition with DLRL,

in respect of any payment by the Bond Provider under this Bond and in case the Bond Provider receives any sums from the Franchisee in respect of any payment of the Bond Provider under this Bond the Bond Provider must hold such monies in trust for DLRL so long as any sums are payable (contingently or otherwise) under this Bond.

7. This Bond is a continuing obligation and shall remain in full force and effect until the earlier of:

(a) the payment by the Bond Provider to DLRL of a sum or sums in aggregate which equals or equal the Maximum Amount; or

(b) [●],

when it shall expire and cease to be valid whether or not this Bond is returned to the Bond Provider except in respect of any demand made by DLRL in accordance with clause 1 of this Bond on or before such date.

8. All demands to be made in accordance with clause 1 of this Bond must be in writing and be sent by hand or courier or prepaid first-class post or recorded delivery to the Bond Provider at [●] (marked for the attention of [●]), and:

(a) any demands sent by prepaid first-class post or recorded delivery will be deemed (in the absence of evidence of earlier receipt) to have been delivered at 9.00 a.m. on the second business day (which expression means a day (excluding Saturdays) on which banks generally are open in the City of London for the transaction of normal banking business) after posting;

(b) any demands sent by courier will be deemed to have been delivered on the date and at the time that the courier's delivery receipt is signed;

(c) the Bond Provider may by five days' written notice to DLRL change its postal address or addressee for receipt of such demands.

9. DLRL may assign, transfer or novate the benefit of, and its rights under, this Bond to any person to whom the Franchise Agreement is assigned, transferred or novated without having to obtain the consent of the Bond Provider and DLRL shall notify the Bond Provider of the identity of any such assignee, transferee or novatee within 20 Business Days.

10. The Bond Provider shall not assign, transfer or novate this Bond in whole or in part.

11. The Bond Provider hereby covenants, warrants and represents that it is duly authorised to enter into, deliver and perform its obligations under this Bond and that it constitutes

valid, binding and enforceable obligations of the Bond Provider in accordance with its terms.

12. A person who is not a party to this Bond has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Bond.
13. If any provision of this Bond is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.
14. The terms of this Bond constitute the entire agreement and understanding between the parties to this Bond in connection with the subject matter to this Bond. Neither party to this bond has relied upon any representation by the other party except as expressly set out in this Bond.
15. This Bond and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this Bond or its formation (including any non-contractual disputes or claims) shall be governed by and construed in accordance with English law.
16. The parties irrevocably agree that the courts of England shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and/or to settle any disputes, which may arise out of or in any way relate to this Bond or its formation and, for these purposes, each party irrevocably submits to the jurisdiction of the courts of England. Nothing in this clause shall affect the ability of DLRL to enforce any judgment against the Bond Provider in any jurisdiction.

IN WITNESS whereof this Bond has been executed as a deed on the date first above written.

Executed as a deed by **BOND PROVIDER**)
acting by [a director and its)
secretary/two directors]:)

Director

Director/Secretary

Executed as a deed by **DOCKLANDS**)
LIGHT RAILWAY LIMITED acting by [a)
director and its secretary/two directors]:)
)

Director

Director/Secretary

SCHEDULE 17

Handover and Handback

PART 1 – Conditions Precedent

1. CONDITIONS PRECEDENT

- 1.1 Receipt by DLRL of evidence to its reasonable satisfaction that the Franchisee's Safety Certificate and Safety Authorisation have been approved by the Regulator.
- 1.2 Receipt by DLRL of evidence to its reasonable satisfaction that the Regulator has agreed that the Franchisee shall become the "Infrastructure Manager (Stations)" and "Transport Undertaking" in respect of the Railway as successor to the Predecessor Franchisee upon the Franchise Commencement Date without further reference to or approval from the Regulator.
- 1.3 Receipt by DLRL of evidence to its reasonable satisfaction that:
- (a) the Competition and Markets Authority will not refer for a Phase 2 Investigation the proposed implementation of this Agreement; and/or
 - (b) the European Commission will not initiate proceedings under Article 6(1)(c) of Council Regulation (EC) 139/2004 in relation to the proposed the proposed implementation of this Agreement.
- 1.4 Receipt by DLRL of evidence, satisfactory to it in form and substance, that the Handover Procedures have been complied with by the Franchisee.
- 1.5 Receipt by DLRL of evidence, satisfactory to it in form and substance, as to the identity of the persons who Control the Franchisee.
- 1.6 Receipt by DLRL of a duly executed and valid:
- (a) Rolling Stock Lease;
 - (b) Guarantee;
 - (c) Performance Bond; and
 - (d) Deed of Adherence,
- including evidence, satisfactory to it in form and substance, that all counterparties have satisfied any conditions precedent thereof.
- 1.7 Receipt by DLRL of evidence, satisfactory to it in form and substance, that the Franchisee has sufficient working capital in place in order to perform its obligations under this Agreement for not less than the first 13 Fee Periods of the Franchise Term.
- 1.8 Receipt by DLRL of evidence, satisfactory to it in form and substance, that the Franchisee is a party to the Key Contracts to the extent that, in the reasonable opinion of DLRL, such Key Contracts are required by the Franchisee for the provision of the Services.
- 1.9 Receipt by DLRL of evidence that all documents which the Franchisee is required under this Agreement to produce prior to the Franchise Commencement Date have been produced, including without limitation:
- (a) evidence that the Customer Facing System has been established in accordance with paragraph 2.1 of Part 1 of Schedule 3;

- (b) the interim Annual Asset Management Plan referred to in paragraph 1.2 of Part 4 of Schedule 4;
 - (c) the Annual Revenue Protection Plan referred to in paragraph 3.4(a) of Part 2 of Schedule 5;
 - (d) evidence that the risk management system referred to in paragraph 3 of Part 1 of Schedule 7 is in place; and
 - (e) the interim Annual Safety Plan referred to in paragraph 4.2 of Part 1 of Schedule 7.
- 1.10 DLRL being satisfied that no event or matter has occurred or arisen which is or ought to be notified to DLRL under clause 5 (Franchisee's Warranties/Covenants) and which, if it had been known to DLRL before the signature of this Agreement would, in its reasonable opinion, have resulted in it not entering into this Agreement with the Franchisee or entering into this Agreement on materially different terms (including, for the avoidance of doubt, any litigation or potential litigation or a change in the identity of any one person, or two or more persons acting by agreement, who may Control the Franchisee between the date of this Agreement and the Franchise Commencement Date other than as agreed with DLRL).
- 1.11 Where agreements or deeds are required to be entered into or executed and delivered or any steps required to be taken by the Franchisee or the Guarantor to fulfil any condition precedent, DLRL may require, to the extent appropriate and as an additional condition precedent, such evidence (including a legal opinion) of the power and authorisation of the relevant person to enter into, execute or deliver any such agreement or deed or take any such steps and the Franchisee shall supply such additional evidence.

SCHEDULE 17

Handover and Handback

PART 2 – Handover of The Franchise

1. INTERIM PERIOD

1.1 DLRL's General Obligations

DLRL shall take all reasonable steps available to it to procure that, prior to the Franchise Commencement Date, subject to all statutory and common law duties to which it is subject:

- (a) the Predecessor Franchisee will carry on business only in the ordinary course;
- (b) the Franchisee and its respective agents will, upon reasonable notice, be allowed reasonable access to, and to take copies of, the books and records of the Predecessor Franchisee including, without limitation, the statutory books, minute books, leases, licences, contracts, contracts of employment and employee records of the Assumed Employees, details of receivables, intellectual property, supplier lists and customer lists in the possession or control of the Predecessor Franchisee, provided that in DLRL's opinion, the information to which the Successor Franchisee requests access is relevant to the Franchise; and
- (c) such representatives and advisers as the Franchisee reasonably requests may be designated to work with DLRL or the Predecessor Franchisee with regard to the management and operations of the Franchise but shall not interfere with the proper operation of the Franchise.

1.2 Restrictions on DLRL

- (a) Without prejudice to the generality of paragraph 1.1, DLRL shall collaborate fully with the Franchisee in relation to all material matters concerning the running of its business between the date of this Agreement and the Franchise Commencement Date.
- (b) If there occurs an Asset Damage Incident prior to the Franchise Commencement Date, then, to the extent that the relevant Franchise Asset has not been repaired or replaced (as applicable) prior to the Franchise Commencement Date, DLRL shall be required to implement a Variation to deal with the effects of such Asset Damage Incident and any Variation Payment due to the Franchisee shall be determined in accordance with the Variation Procedure.

1.3 Mobilisation

Within 10 Business Days of the date of this Agreement, the Franchisee shall produce and provide to DLRL a detailed mobilisation project plan setting out the activities required to be completed by the Franchisee between the date of this Agreement and the Franchise Commencement Date. Between the date of this Agreement and the Franchise Commencement Date the Franchisee shall keep such plan updated and attend regular weekly meetings with DLRL to update DLRL on progress against the plan.

2. CONTRACTS

2.1 Assignment and Novation

DLRL shall procure that the Predecessor Franchisee shall, with effect from the Franchise Commencement Date:

- (a) assign to the Franchisee under the terms of the Deed of Assignment the benefit (subject to the burden) of all of the Assumed Contracts which are capable of assignment without the consent of a third party; and
- (b) enter into a novation agreement with the Franchisee for each "Key Contract" under the Predecessor Franchise Agreement (to the extent such contracts are capable of novation).

2.2 **Indemnity by Franchisee**

The Franchisee agrees with DLRL that with effect from the Franchise Commencement Date it shall assume, perform and observe all the obligations and liabilities created by or arising under the Assumed Contracts and shall indemnify DLRL and keep DLRL fully indemnified against all Loss incurred by DLRL under or in connection with the Assumed Contracts, save:

- (a) in respect of the Retained Creditors; and
- (b) to the extent caused by breach of any of the Assumed Contracts prior to the Franchise Commencement Date.

2.3 **DLR Contracts**

For the avoidance of doubt, the DLR Contracts shall not be assigned or novated to the Franchisee and DLRL shall remain solely entitled to any rights or benefits under the DLR Contracts (save only as expressly provided to the contrary under this Agreement).

2.4 **Indemnity by DLRL**

DLRL shall indemnify the Franchisee and keep the Franchisee fully indemnified against all Loss incurred by the Franchisee as a result of breach by DLRL of any of the Assumed Contracts to which DLRL is a party which occurs prior to the Franchise Commencement Date.

3. **RETAINED CREDITORS**

3.1 **Retained Creditors**

The Retained Creditors shall remain the liability and responsibility of DLRL subject as provided in paragraph 3.2, paragraph 3.3 and paragraph 5.

3.2 **Administration and Payment of Retained Creditors**

The Franchisee shall be responsible for the administration and timely payment of the Retained Creditors on behalf of DLRL. Subject to paragraph 3.4 the Franchisee shall take all such action and provide all such information as DLRL shall reasonably request in connection with the administration and payment of the Retained Creditors. In particular, but without prejudice to the generality of the foregoing, the Franchisee shall:

- (a) supply DLRL with full details of any Retained Creditors which are due for payment, together with evidence to the reasonable satisfaction of DLRL that such Retained Creditors are properly due for payment, in sufficient time to allow DLRL to comply with paragraph 3.3;
- (b) grant DLRL access to any relevant books, records or other documents in the possession of the Franchisee relating to the Retained Creditors, for the purposes of satisfying DLRL that the Retained Creditors are properly due for payment; and

- (c) take up with Retained Creditors on behalf of DLRL any queries or other matters relevant to the payment of such Retained Creditors, provided that the Franchisee shall not (and shall not be required to) institute or defend legal proceedings in respect of the Retained Creditors other than by agreement in writing between the parties.

3.3 Funding for Retained Creditors

DLRL shall, subject to compliance by the Franchisee with paragraph 3.2, put the Franchisee in funds in time to enable it to pay Retained Creditors properly due for payment.

3.4 Provision of information by DLRL

The Franchisee shall only be obliged to comply with this paragraph 3 to the extent that DLRL has provided to the Franchisee such information about the Retained Creditors as the Franchisee may reasonably require in order to enable it so to comply with this paragraph 3.

4. DEBTORS

4.1 Debtors

Debtors shall remain the property of DLRL.

4.2 Collection of Debtors

The Franchisee shall act as agent for DLRL for the collection of such Debtors as DLRL may from time to time request. When so requested the Franchisee shall use all reasonable endeavours to collect Debtors on behalf of DLRL, but shall not (and shall not be required to) institute or defend any legal proceedings in respect of such Debtors, other than by agreement in writing between the parties.

4.3 Accounting to DLRL

The Franchisee shall hold any sums of money representing the Debtors upon trust for DLRL and shall account to DLRL for any such sums of money, save as otherwise agreed in writing between the parties or as expressly provided to the contrary in this Agreement.

4.4 Statement of Debtors

Within seven days of the end of each Fee Period the Franchisee shall provide DLRL with a statement of any Debtors in respect of the period up to the Franchise Commencement Date collected by the Franchisee or paid to the Franchisee during that Fee Period and shall promptly remit to DLRL the amount so received during that Fee Period in the absence of any other arrangements agreed in writing between the parties.

5. APPORTIONMENTS

5.1 Apportionment of Periodical Charges and Outgoings

- (a) Subject as provided in paragraph 5.1(b), all periodical charges and outgoings of DLRL for which the Franchisee is to take responsibility under this Agreement including gas, water and telephone charges, licence fees and royalties and all liabilities in relation to salaries, wages, accrued holiday pay, national insurance, pensions contribution, PAYE remittances and all other payments to or in respect of the Assumed Employees shall be apportioned on a time basis so that such part of the relevant charges and outgoings as is attributable to the period up to the Franchise Commencement Date shall be borne by DLRL and such part of the

relevant charges and outgoings as is attributable to the period after the Franchise Commencement Date shall be borne by the Franchisee.

- (b) The Franchisee shall account to DLRL for all payments made by DLRL in respect of any Assumed Contracts not wholly completed or discharged at the Franchise Commencement Date by the relevant suppliers to the extent that such payments exceed the value of goods and/or services already supplied prior to the Franchise Commencement Date.

5.2 **Time for Payment**

In the absence of any other arrangements agreed in writing between the parties, the Franchisee shall pay to DLRL or (as applicable) DLRL shall pay to the Franchisee any sums payable under paragraph 5.1 within 28 days of the Franchise Commencement Date.

6. **ASSUMED EMPLOYEES**

6.1 **Application of TUPE**

- (a) DLRL and the Franchisee hereby confirm and agree that with effect on and from the Franchise Commencement Date the contracts of employment of the Assumed Employees shall by virtue of this Agreement and in accordance with TUPE, have effect as if originally made between the Assumed Employees and the Franchisee or any relevant Sub-Contractor.
- (b) The Franchisee agrees with DLRL to comply and shall ensure that any relevant Sub-Contractor shall comply with all of its or their obligations under TUPE in connection with such transfer and the Franchisee shall indemnify DLRL and keep DLRL fully indemnified against all Loss incurred by DLRL arising (directly or indirectly) from the Franchisee's or any relevant Sub-Contractor's failure to comply fully with its or their obligations under TUPE.

6.2 **Indemnity by the Franchisee**

The Franchisee shall and shall ensure that any relevant Sub-Contractor shall perform and observe all obligations (including statutory obligations) under and in connection with the contracts of employment of or any collective agreement relevant to all or any of the Assumed Employees (whether or not transferred to the Franchisee or any relevant Sub-Contractor by operation of TUPE) in respect of the period following the Franchise Commencement Date and the Franchisee shall indemnify DLRL and keep DLRL fully indemnified against all Loss incurred by DLRL:

- (a) arising from the Franchisee or any relevant Sub-Contractor failing to perform and observe such obligations, including without limitation failing to provide terms of employment and employee benefits equivalent to those provided to the Assumed Employees prior to the Franchise Commencement Date; and
- (b) in connection with the Assumed Employees' employment (or termination thereof) arising either (i) out of or in connection with the transfer of the Franchise to the Franchisee; or (ii) from the Franchise Commencement Date until the Franchise Termination Date.

6.3 **Termination and Offer of New Employment**

Without prejudice to paragraph 6.1, if the contract of employment of any of the Assumed Employees is found or alleged not to have effect after the Franchise Commencement Date as if originally made with the Franchisee or any relevant Sub-Contractor (save in circumstances where the Assumed Employee has exercised his right of objection under Regulation 4(8) of TUPE) the Franchisee agrees that:

- (a) in consultation with DLRL it shall and shall ensure that any relevant Sub-Contractor shall within 14 days of being informed of such finding or allegation make to that Assumed Employee an offer in writing to employ that Assumed Employee under a new contract of employment to take effect upon the termination referred to below; and
- (b) any such offer of employment made by the Franchisee or any relevant Sub-Contractor will be on the terms and conditions which, when taken as a whole do not differ in any material way from the terms and conditions of employment of that Assumed Employee immediately before the Franchise Commencement Date (save as to the identity of the employer),

and upon that offer being made (or at any time after the offer should have been made if no offer is made) DLRL shall procure that the Predecessor Franchisee shall terminate the employment of that Assumed Employee and the Franchisee shall indemnify DLRL and keep DLRL fully indemnified against all Loss arising directly or indirectly out of or in connection with such termination of the employment of that Assumed Employee during the period from the Franchise Commencement Date up to such termination.

6.4 **Indemnity by DLRL**

DLRL shall indemnify and keep fully indemnified the Franchisee against all Loss incurred by the Franchisee arising as a result of any claim or demand by an Assumed Employee in connection with the employment of such Assumed Employee which arises from any act, fault or omission of DLRL or the Predecessor Franchisee in relation to such employee prior to the Franchise Commencement Date.

6.5 **Employee Lists**

- (a) DLRL has supplied to the Franchisee the First Employee List but DLRL gives no warranty as to the accuracy or completeness of the First Employee List.
- (b) Within twenty (20) Business Days after the Franchise Commencement Date the Franchisee shall provide the Final Employee List to DLRL accompanied by sufficient evidence to allow DLRL to establish to its reasonable satisfaction that the employees on the Final Employee List have in fact transferred to the Franchisee by operation of TUPE. DLRL shall be given an opportunity to review such Final Employee List and request any further evidence from the Franchisee which it reasonably requires to confirm that the employees on such list have in fact transferred to the Franchisee by operation of TUPE. Once accepted by DLRL, the list shall become the **"Agreed Final Employee List"**.
- (c) If:
 - (i) any employee is included on the Agreed Final Employee List who was not included on the First Employee List, then to the extent that the Franchisee continues to employ a person in the same role there shall, to the extent that Remuneration Costs relating to such role or reasonably equivalent role are not already included in the Fixed Fee as determined in the Financial Model, be a corresponding increase to the Franchise Payment to compensate the Franchisee for any ongoing actual increase in Remuneration Costs relating to such role for the duration of time that the Franchisee continues to employ a person in that same role;
 - (ii) the Franchisee incurs Additional Pension Costs in complying with the requirements of the provisions in Part 1 of the Pensions Act 2008 and Regulations made under that Part which provide for pension scheme membership for eligible jobholders (the **"Automatic Enrolment"**

Legislation") there shall be a corresponding increase to the Franchise Payment to compensate the Franchisee for such Additional Pensions Costs; and

- (iii) there are any differences between the Remuneration Costs for those contained on the First Employee List and those contained on the Agreed Final Employee List on account of any inaccuracies in the Remuneration Costs contained on the First Employee List, then to the extent that such differences amount to an aggregate of greater than 5% of the total Remuneration Costs for those on the First Employee List there shall be a corresponding increase to the Franchise Payment to compensate the Franchisee for any ongoing actual increase in Remuneration Costs in excess of such 5% threshold.
- (d) If the circumstances described in paragraph 6.5(c) arise:
- (i) the Franchisee will submit a proposed adjustment to the Franchise Payment to DLRL and shall produce such evidence as DLRL may reasonably require to evidence the increase in Remuneration Costs. No adjustment to the Franchise Payment shall be made where there is a failure to produce such evidence or where DLRL (acting reasonably) considers such information insufficient;
 - (ii) the Franchisee and any relevant Sub-Contractor shall take all reasonable steps to mitigate any additional costs and any adjustment to the Franchise Payment shall be calculated as if they had done so.
- (e) In calculating any adjustment to be made to the Franchise Payment pursuant to paragraph 6.5(c):
- (i) the Franchisee shall not be entitled to any increase to the Franchise Payment in relation to any costs associated with dismissal by reason of redundancy or capability or any other reorganisation undertaken by the Franchisee in relation to its workforce;
 - (ii) no decrease to the Franchise Payment shall be made pursuant to paragraph 6.5(c) in relation to any differences between the First Employee List and the Agreed Final Employee List;
 - (iii) all differences referred to in paragraph 6.5(c)(iii) must be identified by the Franchisee and submitted with the Final Employee List and the corresponding increase to the Franchise Payment must be agreed with DLRL within three months of the Franchise Commencement Date;
 - (iv) to avoid double counting, no account shall be taken of any change to the Remuneration Costs to the extent that the Franchisee has been or will be compensated as a result of any indexation of the Franchise Payment under this Agreement;
 - (v) to avoid doubt any changes in costs which fall to be dealt with under paragraph 6.5(c) and which arise from a General Change of Law or a Qualifying Change of Law shall be dealt with in accordance with the provisions of paragraph 6.5(c) and shall not be taken into account for the purposes of clause 28 (Change of Law);
 - (vi) in order to prevent duplication, no adjustment shall be made under paragraph 6.5(c) if any indemnity given by DLRL under any other provision of this Agreement would apply; and

- (vii) there shall be no double counting between paragraphs 6.5(c)(i), 6.5(c)(ii) and 6.5(c)(iii).
- (f) Each Party shall provide or procure the provision to the other, on an open book basis, access to any information or data which the other Party reasonably requires for the purpose of calculating or confirming the calculation of any adjustment pursuant to paragraph 6.5(c).
- (g) In relation to all matters described in this paragraph 6.5, the Franchisee shall, and the Franchisee shall procure that the relevant Sub-Contractors shall, co-operate with DLRL and take all reasonable steps to mitigate any costs and expenses and any adverse effect on industrial or employee relations.
- (h) DLRL and the Franchisee shall, and the Franchisee shall procure that each and every Sub-Contractor shall, take all reasonable steps, including co-operation with reasonable requests for information, to ensure that each and every transfer of an employee to the Franchisee in relation to this Agreement takes place smoothly with the least possible disruption to the employees who transfer.

7. **RETAINED EMPLOYEES**

7.1 **TUPE Not to Apply**

DLRL and the Franchisee hereby confirm and agree that the Retained Employees are not engaged in the Franchise and accordingly after the Franchise Commencement Date the Predecessor Franchisee shall remain the employer of all of the Retained Employees.

7.2 **Indemnity by DLRL**

DLRL shall indemnify and keep the Franchisee fully indemnified against all Loss incurred by the Franchisee in relation to the Retained Employees to the extent that DLRL is able to recover any amounts owing to the Franchisee under this paragraph 7.2 from the Predecessor Franchisee.

8. **PENSIONS**

The Franchisee shall enter into the Deed of Adherence in respect of the DLR Pension Scheme on the Franchise Commencement Date.

9. **INTELLECTUAL PROPERTY**

The Franchisee shall comply with the provisions of clause 44 and Schedule 11.

SCHEDULE 17

Handover and Handback

PART 3 – Handback of The Franchise

1. HANDBACK OBLIGATIONS

1.1 Handback Procedures

Without prejudice to the generality of the provisions of this Agreement, the Franchisee will ensure that during the Pre-Handback Period the Handback Information is made available to DLRL and its advisors and any Successor Franchisee and its advisers.

1.2 Franchisee's General Obligations

During the Pre-Handback Period:

- (a) the Franchisee will carry on business only in the ordinary course, save insofar as agreed in writing by DLRL;
- (b) DLRL, the Successor Franchisee and their respective agents will, upon reasonable notice, be allowed reasonable access to, and to take copies of, the books and records of the Franchisee including, without limitation, the statutory books, minute books, leases, licences, contracts, contracts of employment and employee records of the Assumed Employees, details of receivables, intellectual property, supplier lists and customer lists in the possession or control of the Franchisee, provided that in DLRL's opinion, the information to which DLRL or the Successor Franchisee requests access is relevant to the Franchise;
- (c) such representatives and advisers as DLRL reasonably requests may be designated to work with the Franchisee with regard to the management and operations of the Franchise but shall not interfere with the proper operation of the Franchise. The Franchisee shall consult with such representatives and advisers with respect to any action which may materially affect the Franchise. The Franchisee will furnish such representatives and advisers with such information as they may reasonably request for this purpose;
- (d) the Franchisee shall comply with the provisions contained in Part VI of this Agreement; and
- (e) the Franchisee shall comply with the provisions contained in the Rolling Stock Lease.

1.3 Restrictions on the Franchisee

Without prejudice to the generality of paragraph 1.2, the Franchisee shall collaborate fully with DLRL in relation to all material matters concerning the running of its business during the Pre-Handback Period and shall not without prior consultation with DLRL, subject to its obligations under this Agreement:

- (a) make any material change in the nature of the Franchise;
- (b) enter into any contract of a long-term or unusual nature;
- (c) enter into or vary in any material respect any transaction in respect of the Franchise otherwise than in the ordinary course of trading and on arm's length terms;

- (d) employ or dismiss any person other than in the ordinary course of business (as determined by DLRL acting reasonably) (save that the Franchisee shall be permitted to dismiss any employee for gross misconduct);
- (e) change terms and conditions of employment of any Assumed Employee; and
- (f) redeploy or engage any persons apart from the Assumed Employees to be engaged in the Franchise.

1.4 **Handback Mechanics**

On or prior to the Franchise Termination Date the Franchisee shall:

- (a) return the Spares and Moveable Assets to DLRL in accordance with Parts 7 and 8 of Schedule 4;
- (b) pay to DLRL in cash a sum equal to the amount of the Assumed Creditors;
- (c) deliver to DLRL a set of the Handback Information (including comprehensive details of all Capital Replacement undertaken during the Franchise Term including all reports, recommendations and details of actions taken and work done); and
- (d) deliver to DLRL all employee records and personnel files of the Assumed Employees.

2. **HANDBACK OF FRANCHISE ASSETS**

The Franchisee shall return the Franchise Assets to DLRL on the Franchise Termination Date in accordance with the condition required by this Agreement so as to enable the Railway to be operated for the provision of passenger service with minimal disruption.

3. **ROLLING STOCK**

The Franchisee shall return the Vehicles to DLRL in accordance with the Rolling Stock Lease.

4. **CONTRACTS**

4.1 **Assignment and Novation**

The Franchisee shall with effect from the Franchise Termination Date:

- (a) assign to the Successor Franchisee (or DLRL if requested by DLRL) under the terms of the Deed of Assignment the benefit (subject to the burden) of all of the Assumed Contracts which are capable of assignment without the consent of a third party;
- (b) enter into a novation agreement with the Successor Franchisee (or DLRL if requested by DLRL) in relation to each of the Key Contracts.

4.2 **Non-assignable Assumed Contracts**

Without prejudice to the Franchisee's obligations under paragraph 4.1, if any of the Assumed Contracts are not assignable to DLRL or its nominee without the consent of a third party:

- (a) this Agreement shall not constitute an assignment or attempted assignment of that Assumed Contract if such assignment or attempted assignment would constitute a breach thereof;

- (b) the Franchisee shall at DLRL's request use best endeavours with the co-operation of DLRL to obtain such consent;
- (c) unless and until such consent is obtained the Franchisee shall hold that Assumed Contract and any monies, goods or other benefits received thereunder as agent of and trustee for DLRL and shall forthwith upon receipt of the same account for and pay or deliver to DLRL such monies, goods and other benefits;
- (d) unless and until such consent is obtained DLRL shall (if sub-contracting is permissible and lawful under that Assumed Contract) as the Franchisee's sub-contractor perform that Assumed Contract and observe all the obligations of the Franchisee thereunder or shall (if sub-contracting is not permissible and lawful under that Assumed Contract) as the Franchisee's agent perform and observe all the obligations of the Franchisee thereunder; and
- (e) unless and until such consent is obtained the Franchisee shall (so far as permissible and lawful under that Assumed Contract) give all such assistance to DLRL at the Franchisee's cost as DLRL may reasonably require to enable DLRL to enforce its rights under such Assumed Contract.

4.3 **Indemnity by DLRL**

DLRL agrees with the Franchisee that with effect from the Franchise Termination Date it shall assume, perform and observe all the obligations and liabilities created by or arising under the Assumed Contracts and shall indemnify the Franchisee and keep the Franchisee fully indemnified against all Loss incurred by the Franchisee under or in connection with the Assumed Contracts, save:

- (a) in respect of the Retained Creditors;
- (b) to the extent caused by the breach of any of the Assumed Contracts by the Franchisee prior to the Franchise Termination Date; and
- (c) in respect of any Assumed Contracts not assigned pursuant to paragraphs 4.1 or 4.2, to the extent caused by a breach, act or omission of the Franchisee.

4.4 **Indemnity by Franchisee**

The Franchisee shall indemnify and keep DLRL fully indemnified against all Loss incurred by DLRL as a result of breach of:

- (a) any of the Assumed Contracts by the Franchisee prior to the Franchise Termination Date;
- (b) in respect of any Assumed Contracts not assigned pursuant to paragraphs 4.1 or 4.2, to the extent caused by a breach, act or omission of the Franchisee.

4.5 **Excluded Contracts**

DLRL shall be entitled on or before the Franchise Termination Date to designate as an Excluded Contract any of the Assumed Contracts.

4.6 **Breach of Assumed Contracts**

DLRL shall be entitled at any time after the Franchise Termination Date (after prior consultation with the Franchisee) to remedy any breaches of any of the Assumed Contracts by the Franchisee prior to the Franchise Termination Date. The Franchisee shall indemnify DLRL for all Loss incurred by DLRL in remedying any such breach immediately upon demand from DLRL. Although DLRL shall be entitled to remedy such breaches upon

such terms as it in its absolute discretion thinks fit, it nevertheless agrees but without legal commitment to have regard to the interests of the Franchisee and to attempt to remedy all such breaches on reasonable terms.

5. **CREDITORS**

5.1 **Retained Creditors**

The Retained Creditors shall remain the liability and responsibility of the Franchisee subject as provided in paragraphs 5.2 and 5.3.

5.2 **Assumed Creditors**

DLRL shall assume liability and responsibility for the Assumed Creditors against payment by the Franchisee of a sum equal to the amount of the Assumed Creditors on the Franchise Termination Date.

5.3 **Settlement of Retained Creditors**

DLRL shall be entitled at any time after the Franchise Termination Date (after prior consultation with the Franchisee) to settle any of the Retained Creditors on behalf of the Franchisee. The Franchisee shall indemnify DLRL for any such settlement of Retained Creditors immediately upon demand from DLRL. Although DLRL shall be entitled to settle the Retained Creditors upon such terms as it in its absolute discretion thinks fit, it nevertheless agrees but without legal commitment to have regard to the interests of the Franchisee and to attempt to settle on reasonable terms.

6. **DEBTORS**

Debtors shall remain the property of the Franchisee.

7. **APPORTIONMENTS**

7.1 **Apportionment of Periodical Charges and Outgoings**

(a) All periodical charges and outgoings of the Franchisee for which DLRL or the Successor Franchisee is to take responsibility upon termination of this Agreement including all payments to or in respect of the Assumed Employees shall be apportioned on a time basis so that such part of the relevant charges and outgoings as is attributable to the period up to the Franchise Termination Date shall be borne by the Franchisee and such part of the relevant charges and outgoings as is attributable to the period after the Franchise Termination Date shall be borne by DLRL.

(b) DLRL shall account to the Franchisee for all payments made by the Franchisee in respect of any Assumed Contracts not wholly completed or discharged at the Franchise Termination Date by the relevant suppliers to the extent that such payments exceed the value of goods and/or services already supplied prior to the Franchise Termination Date.

7.2 **Time for Payment**

In the absence of any other arrangements agreed in writing between the parties, the Franchisee shall pay to DLRL or (as applicable) DLRL shall pay to the Franchisee any sums payable under paragraph 7.1 within 28 days of the Franchise Termination Date.

8. **ASSUMED EMPLOYEES**

8.1 **Application of TUPE**

- (a) DLRL and the Franchisee hereby confirm and agree that with effect on and from the Franchise Termination Date the contracts of employment of the Assumed Employees shall by virtue of this Agreement and in accordance with TUPE, have effect as if originally made between the Assumed Employees and the Successor Franchisee or any relevant sub-contractor of the Successor Franchisee.
- (b) DLRL agrees with the Franchisee to use all reasonable endeavours to procure that the Successor Franchisee or any relevant sub-contractor of the Successor Franchisee complies with all its or their obligations under TUPE in connection with such transfer and shall indemnify the Franchisee and keep the Franchisee fully indemnified against all Loss incurred by the Franchisee arising from the Successor Franchisee's or any relevant sub-contractor of the Successor Franchisee's failure to comply fully with its or their obligations under TUPE.

8.2 **Indemnity by Franchisee**

- (a) The Franchisee shall and shall ensure that any relevant Sub-Contractor shall perform and observe all obligations (including statutory obligations) under and in connection with the contracts of employment of or any collective agreement relevant to the Assumed Employees in respect of the period up to the Franchise Termination Date and shall indemnify the Successor Franchisee and DLRL and keep the Successor Franchisee and DLRL fully indemnified against all Loss incurred by the Successor Franchisee and/or DLRL arising from the Franchisee or any relevant Sub-Contractor failing to perform and observe such obligations.
- (b) The Franchisee shall indemnify and keep fully indemnified DLRL and the Successor Franchisee against all Loss incurred by the Successor Franchisee and/or DLRL arising before the Franchise Termination Date in relation to any Assumed Employee.

8.3 **Provision of Information**

At any time during the Franchise Term, the Franchisee will and will ensure that any relevant Sub-Contractor will promptly provide DLRL with such information about the workforce engaged in the Franchise as DLRL shall reasonably request. At the start of and during the Pre-Handback Period, the Franchisee shall and shall ensure that any relevant Sub-Contractor shall regularly update such information, and on the Franchise Termination Date the Franchisee shall warrant to DLRL (for itself and for and on behalf of any relevant Sub-Contractor) that all such information (so far as it relates to the Assumed Employees) is accurate and complete.

8.4 **List of Assumed Employees**

The Franchisee shall and shall procure that any relevant Sub-Contractor shall provide DLRL with the list of all employees engaged in the Franchise at the start of the Pre-Handback Period, and this will constitute the list of Assumed Employees. The Franchisee warrants (for itself and for and on behalf of any relevant Sub-Contractor) that this is a complete and accurate list of all employees engaged in the Franchise as at the start of the Pre-Handback Period.

8.5 **Indemnities and Warranties**

Loss incurred by DLRL under indemnities and warranties which it gives to the Successor Franchisee (provided that such warranties and indemnities are in the same form as the warranties and indemnities provided by the Franchisee in this paragraph 8), will be

payable by the Franchisee to DLRL pursuant to the warranties and indemnities in this paragraph 8. However, there will be no double counting where the Franchisee indemnifies the Successor Franchisee directly.

8.6 Indemnity by DLRL

DLRL shall procure that the Successor Franchisee shall and shall ensure that any relevant sub-contractor of the Successor Franchisee shall perform and observe all obligations (including statutory obligations) under and in connection with the contracts of employment of or any collective agreement relevant to all or any of the Assumed Employees (whether or not transferred to the Successor Franchisee or any relevant sub-contractor of the Successor Franchisee by operation of TUPE) in respect of the period following the Franchise Termination Date and DLRL shall indemnify the Franchisee and keep the Franchisee fully indemnified against all Loss incurred by the Franchisee arising from the Successor Franchisee or any relevant sub-contractor of the Successor Franchisee failing to perform and observe such obligations.

9. RETAINED EMPLOYEES

9.1 Regulations Not to Apply

The Franchisee and DLRL hereby confirm and agree that the Retained Employees are not engaged in the Franchise and accordingly after the Franchise Termination Date the Franchisee shall remain the employer of all of the Retained Employees.

9.2 Indemnity by Franchisee

The Franchisee shall and shall ensure that any relevant Sub-Contractor shall perform and observe all obligations (including statutory obligations) under and in connection with the contracts of employment of the Retained Employees and shall indemnify and keep DLRL and the Successor Franchisee fully indemnified against all Loss incurred by DLRL and/or the Successor Franchisee or relevant Sub-Contractor arising from the Franchisee failing to perform and observe such obligations.

10. PENSIONS

The Franchisee will on the Franchise Termination Date execute and deliver to DLRL the Deed of Cessation in respect of the DLR Pension Scheme.

11. INTELLECTUAL PROPERTY

The Franchisee shall comply with the provisions of clauses 38.4, 44 and Schedule 11.

SCHEDULE 17

Handback Information

APPENDIX 1

1. Financial/Planning Records

All records and all associated information needed to support the information required to be provided by this Agreement throughout the Franchise Term, including without limitation in respect of clause 25 and Schedule 10.

2. Operation/Maintenance Records

2.1 All records and all associated information needed to support the information required to be provided by this Agreement throughout the Franchise Term, including without limitation in respect of clause 9, clause 25, Schedule 4 and Schedule 10.

2.2 In addition the Franchisee is required to indicate what current regulations and standards governing the Franchise Assets it is working to.

3. Maintenance Records

3.1 All the documentation required to enable the Successor Franchisee to continue to maintain the Franchise Assets which shall without limitation include:

- (a) current regulations and standards governing the Franchise Assets;
- (b) inspection records (including statutory inspection records);
- (c) history of major modifications, repairs and replacements;
- (d) routine maintenance job catalogue, showing job descriptions, work instructions and frequencies and the current status of the Work Bank;
- (e) safety procedures;
- (f) any special working instructions;
- (g) maintenance staff training records;
- (h) records of alignment and datum checks;
- (i) maintenance records and manuals;
- (j) the Franchisee Spares Inventory; and
- (k) maintenance computer system users manual.

3.2 Where appropriate and with the prior agreement of DLRL (such agreement not to be unreasonably withheld) the documentation can be in the form of computer databases, microfilm or CAD data.

4. Contract Records

4.1 Contract file for all contracts to be assigned or novated to the Successor Franchisee including:

- (a) summary of competitive selection process;

- (b) any contractor issues resolved and outstanding; and
- (c) correspondence with suppliers.

4.2 In addition for Key Contracts, the contract file for all the contracts throughout the Franchise Term including the above information.

5. **Staff Records**

Records detailing all terms and conditions of employment for each individual member of staff employed by the Franchisee for the Franchise, including but not limited to:

- (a) the employee's age and gender, information regarding diversity and equality information;
- (b) pension arrangements;
- (c) the employee's salary, length of service, contractual period of notice, any pay settlement covering future dates which has already been agreed by the Franchisee and any redundancy entitlement;
- (d) records of sickness absence, annual leave, disciplinary records, performance reviews, objectives and actions and personal development plans;
- (e) such other information as DLRL may reasonably require in relation to the Franchisee Employees;
- (f) grievance records;
- (g) claims of harassment/bullying; and
- (h) staff on long term sick leave.

6. **TUPE Information**

6.1 The number of staff who might be Franchisee Employees.

6.2 In relation to each employee who falls within the scope of paragraph 6.1 above:

- (a) the employee's age and gender (so that pension entitlements can be calculated and provided for); and
- (b) the employee's salary, length of service, contractual period of notice, any pay settlement covering future dates which has already been agreed by the Franchisee and any redundancy entitlement.

6.3 Information relating to or connected with the other terms and conditions of the contracts of employment with employees falling within the scope of paragraph 6.1 above including details of:

- (a) terms incorporated from any collective agreement;
- (b) any outstanding or potential liability for past breaches of such contracts;
- (c) any outstanding or potential statutory liability (for example, any claim under non-discrimination legislation); and
- (d) any other outstanding or potential liability which may be required to be met by the Successor Franchisee.

6.4 Such other information as DLRL may reasonably require in relation to Franchisee Employees.

7. **Other Records**

Any other information reasonably required by DLRL.

SCHEDULE 17

Handback Information

APPENDIX 2

None.

SCHEDULE 18

Dispute Avoidance and Resolution Procedure

1. **DISPUTES**

Save where:

- (a) any Dispute is, at any time, referred to adjudication by either Party in accordance with paragraph 4; or
- (b) any Dispute is referred to the Courts of England and Wales (the "**Courts**") by either party in accordance with paragraph 5,

any Dispute which arises (whether before or after termination of this Agreement) shall be referred to the Senior Representatives in accordance with paragraph 2 and, if necessary and the Parties so agree, to mediation in accordance with paragraph 3.

2. **SENIOR REPRESENTATIVES**

- 2.1 Subject to paragraph 1, either Party shall refer a Dispute by notice in writing to a managerial representative (who shall be either a director or chief executive or equivalent) of each Party (together, the "**Senior Representatives**") who shall meet and use reasonable endeavours to negotiate in good faith to resolve the Dispute between them before taking any further action. Where agreement is reached between the Senior Representatives the joint written decision of the Senior Representatives shall be binding upon the Parties when executed in a contractually valid form.
- 2.2 If the Senior Representatives are unable to resolve the Dispute within five business days of the reference to them, either Party may suggest that the Dispute is referred to mediation in accordance with paragraph 3.

3. **MEDIATION**

- 3.1 Subject to paragraph 1, if the Senior Representatives are unable to resolve the Dispute within the period of five business days referred to in paragraph 2.2, either Party may suggest by written notice to the other that the Dispute is referred to mediation. The notice suggesting mediation shall describe generally the nature of the Dispute. If the other Party agrees to seek to resolve the Dispute by way of mediation then, subject to any contrary agreement in writing in relation to the mediation, the procedure set out in this paragraph 3 shall apply.
- 3.2 Each Party will nominate at least one authorised representative (an "**Authorised Representative**") who shall attend and participate in the mediation with authority to negotiate a settlement on behalf of the Party so represented.
- 3.3 The Parties shall appoint by agreement a neutral third person to act as a mediator (the "**Mediator**") to assist them in resolving the Dispute. If the Parties are unable to agree on the identity of the Mediator within fourteen days after notice initiating mediation, either Party may request the Centre for Effective Dispute Resolution ("**CEDR**") to appoint a Mediator.
- 3.4 The Parties will agree the terms of appointment of the Mediator within seven days of his appointment pursuant to paragraph 3.3. Such appointment shall be subject to the Parties entering into a formal written agreement with the Mediator regulating all the terms and conditions of the Mediator's appointment including payment of fees.
- 3.5 If the appointed Mediator is or becomes unable or unwilling to act, either Party may within five business days of the Mediator being or becoming unable or unwilling to act, initiate

the process at paragraph 3.3 to appoint a replacement Mediator and paragraph 3.4 to settle the terms of the appointment of the replacement Mediator.

- 3.6 The Parties shall, with the assistance of the Mediator, seek to agree the mediation procedure. In default of such agreement, the Mediator shall act in accordance with CEDR rules. The Parties shall within seven days of the appointment of the Mediator, either meet or hold a telephone or video conference with the Mediator in order to agree a programme for the exchange of any relevant information and the structure to be adopted for the mediation.
- 3.7 The mediation may be terminated at any time should any Party so wish by written notice to the Mediator and to the other Party to that effect.
- 3.8 If any agreement is reached with the assistance of the Mediator which resolves the Dispute, such agreement shall be set out in a written agreement (the "**Settlement Agreement**") and validly executed by both Parties to become legally binding. Once the Settlement Agreement is legally binding, it may be enforced by either Party taking action in the Courts.
- 3.9 Neither Party shall seek to retain the Mediator as a consultant or expert or call the Mediator as a witness in any other proceedings whatsoever concerning any aspect of the Dispute.
- 3.10 All rights of the Parties in respect of the Dispute during the course of discussions pursuant to paragraph 2 between the Senior Representatives of each of the Parties, and in the course of any mediation pursuant to this paragraph 3, are and shall remain fully reserved and the entire discussions pursuant to paragraph 2 and the entire mediation pursuant to this paragraph 3 including all documents produced or to which reference is made, discussions and oral presentations shall be strictly confidential to the Parties and shall be conducted on the same basis as "without prejudice" negotiations, so as to be privileged inadmissible, not subject to disclosure or discovery in any subsequent adjudication, or other legal proceedings whatsoever and shall not constitute any waiver or privilege whether between the Parties or between either of them and a third party. Nothing in this paragraph 3.10 shall make any document privileged, inadmissible or not subject to disclosure or discovery save for its production in the mediation or for reference to it in the mediation which would have been subject to disclosure or discovery in any adjudication or other legal proceedings before such production or reference.

4. **ADJUDICATION**

- 4.1 Notwithstanding paragraphs 2 or 3, either Party may at any time give the other notice of intention to refer a Dispute to adjudication (a "**Dispute Notice**") in accordance with this paragraph 4.
- 4.2 When giving its Dispute Notice to refer the Dispute to adjudication, the referring Party will nominate an adjudicator for approval by the non-referring Party. If such approval is not obtained within four days, either Party shall have the right to apply to the Technology and Construction Solicitors Association ("**TeCSA**") (or, in the event that TeCSA ceases to exist, by another adjudicator nominating body (as that term is defined in the Scheme for Construction Contracts (England and Wales) Regulations 1998) within the four day period), directing it to nominate an independent adjudicator within three days.
- 4.3 Once appointed pursuant to paragraph 4.2, such adjudicator shall be referred to as the "**Adjudicator**" for the remainder of this Schedule and the Dispute shall be deemed to have been referred to the Adjudicator for the purposes of this paragraph 4.

- 4.4 Within 7 days of the service of the Dispute Notice the Party serving the Dispute Notice shall serve upon the non referring Party a referral notice (the "**Referral Notice**") which complies with the requirements of paragraph 4.7 below.
- 4.5 Provided that the Adjudicator has been appointed by the date the Referral Notice is served in accordance with paragraph 4.4, the Adjudicator shall be served with the Referral Notice at the same time as the Referral Notice is served upon the non Referring Party. If he has not been appointed the Referral Notice shall be served upon the Adjudicator forthwith upon his identification.
- 4.6 The Dispute will be deemed referred to the Adjudicator upon the date on which he receives the Referral Notice and the 28 day time limit referred to in paragraph 4.9 shall commence by reference to that date which the Adjudicator shall communicate and confirm to the parties.
- 4.7 The Referral Notice shall:
- 4.7.1 be addressed to the non-referring party;
 - 4.7.2 refer to this paragraph 4.7;
 - 4.7.3 set out the nature, background and extent of the Dispute;
 - 4.7.4 include copies of documents the referring Party wishes to rely upon in support of its case; and
 - 4.7.5 set out the relief which the referring Party seeks.
- 4.8 Any communication between the Party and the Adjudicator shall be communicated contemporaneously also to the other Party.
- 4.9 In any event, the Adjudicator shall provide to both Parties his written decision on the Dispute within 28 days of referral (or such other period as the Parties may agree after the reference, or 42 days from the date of reference if the Party which referred the Dispute so agrees). Unless the Parties otherwise agree, the Adjudicator shall give reasons for his decision. Unless and until revised, cancelled or varied by the Courts in accordance with paragraph 5.2, the Adjudicator's decision shall be binding on both Parties who shall forthwith give effect to the decision.
- 4.10 The Adjudicator's costs of any reference shall be borne as the Adjudicator shall specify or, in default, equally by the Parties. Each Party shall bear its own costs arising out of the reference, including legal costs and the costs and expenses of any witnesses.
- 4.11 The Adjudicator shall be deemed not to be an arbitrator, and the provisions of the Arbitration Act 1996 and the law relating to arbitration shall not apply to the Adjudicator or his determination or the procedure by which he reached his determination.
- 4.12 The Adjudicator shall act impartially and may take the initiative in ascertaining the facts and the law.
- 4.13 All information, data or documentation disclosed or delivered by a Party to the Adjudicator in consequence of or in connection with his appointment as Adjudicator shall be treated as confidential. The Adjudicator shall not, save as permitted by clause 42 (Confidentiality), disclose to any person or company any such information, data or documentation and all such information, data or documentation shall remain the property of the Party disclosing or delivering the same and all copies shall be returned to such Party on completion of the Adjudicator's work.

4.14 The Adjudicator is not liable for anything done or omitted in the discharge or purported discharge of his functions as Adjudicator unless the act or omission is in bad faith. Any employee or agent of the Adjudicator is similarly protected from liability.

4.15 The Adjudicator shall be permitted to correct his decision so as to remove a clerical or typographical error arising by accident or omission.

5. **REFERENCE TO COURT**

5.1 If one of the Parties is dissatisfied with the decision after the Adjudicator notifies his decision then either Party may within 20 days of receipt of the Adjudicator's decision, notify the other Party of its intention to refer the Dispute to the Courts for final determination.

5.2 For the avoidance of doubt, if a Party fails to so notify the other Party pursuant to paragraph 5.1 above, it will be taken to have waived its right to refer the matter to the Courts and the decision of the Adjudicator will be final and binding. Otherwise, the Courts shall have the power to open up, review and revise any opinion, certificate, instruction, determination or decision of whatever nature given or made under this Agreement, to vary or cancel the decision of the Adjudicator and, where appropriate, to order financial compensation to be paid by one Party to the other.

6. **CONTINUING OBLIGATIONS AND RIGHTS**

6.1 Unless this Agreement has already been repudiated or terminated, the Parties shall continue to comply with, observe and perform all of their obligations under this Agreement regardless of the nature of the Dispute and notwithstanding the referral of the Dispute for resolution under this Schedule and shall give effect forthwith to every decision of the Adjudicator and the Courts delivered under this Schedule. The provisions of this Schedule shall continue to apply to any Dispute notwithstanding the repudiation or termination of this Agreement.

6.2 No Party shall be prevented from, or delayed in, seeking any order for specific performance or for interim or final injunctive relief or for other equitable relief as a result of the provisions of this Schedule nor shall this Schedule apply in respect of any circumstances where such remedies are sought.

SCHEDULE 19

Responsible Procurement

"Agreed SLNT Plan" means the Initial SLNT Plan once it has been approved in accordance with paragraph 10.2;

"Approved Equality and Diversity Training Plan" means the diversity training plan set out as agreed and attached to this Schedule as Appendix 3;

"Approved Strategic Equality and Diversity Plan" means the strategic equality and diversity plan as negotiated and agreed and attached to this Schedule as Appendix 1;

"Approved Supplier Diversity Plan" means the supplier diversity plan set out as agreed and attached to this Schedule as Appendix 2;

"BAME" means a black, Asian and minority ethnic owned business which is 51% or more owned by members of one or more black, Asian or minority ethnic groups;

"Diversity Infraction" means any breach by the Franchisee of its obligations specified in paragraphs 1 to 6 of this Schedule and/or any failure by a direct subcontractor to adopt and implement a strategic equality and diversity plan, an equality and diversity training plan and/or a supplier diversity plan as described in paragraphs 1 to 6 of this Schedule;

"Greater London Authority" means the Greater London Authority, a body corporate established under the Greater London Authority Act 1999;

"Independent Report" means an independent report by an individual or body:

- (a) whose organisation, systems and procedures conform to:
 - (i) ISO Guide 65:1996 (EN 45011:1998); and
 - (ii) general requirements for bodies operating product certification systems; and
- (b) who is accredited to audit against forest management standards by a national or international body whose organisation, systems and procedures conform to ISO Guide 61 General Requirements for Assessment and Accreditation of Certification Bodies;

"Initial SLNT Plan" means the initial strategic labour needs and training plan attached to this Schedule as Appendix 4;

"Legal Timber" means Timber in respect of which the organisation that felled the trees and/or provided the Timber from which the wood supplied under this Agreement derived:

- (a) had legal rights to use the forest;
- (b) holds a register of all local and national laws and codes of practice relevant to forest operations; and
- (c) complied with all relevant local and national laws and codes of practice including environmental, labour and health and safety laws and paid all relevant royalties and taxes;

"Local Community" means those areas of London affected by the Railway from time to time;

"London Borough" means the administrative area of Greater London (plus the City of London), containing 33 boroughs;

"London Living Wage" means the basic hourly wage determined by the Greater London Authority for employees working full time in connection with the Franchise within one of the London Boroughs;

"Minimum Records" means all information relating to the Franchisee's performance of and compliance with paragraphs 1 to 6 and the adoption and implementation of an equality and diversity plan, a strategic equality and diversity plan, an equality and diversity training plan and a supplier diversity plan by each direct and, where applicable, indirect subcontractor of the Franchisee;

"Periodic SLNT Monitoring Report" means the report to be provided by the Franchisee in the form attached as Appendix 5 to this Schedule;

"Recycled Timber" and **"Reclaimed Timber"** means recovered wood that has been reclaimed or re-used and that has been in previous use and is no longer used for the purpose for which the trees from which it derives were originally felled. The terms 'recycled' and 'reclaimed' are interchangeable and include, but are not limited to the following categories: pre-consumer recycled wood and wood fibre or industrial by-products but excluding sawmill co-products (sawmill co-products are deemed to fall within the category of Virgin Timber), post-consumer recycled wood and wood fibre and drift wood. Recycled or Reclaimed Timber must be capable of being evidenced as such to DLRL's satisfaction in order to satisfy this definition;

"SLNT Coordinator" means the Franchisee's nominated person to act as the single point of contact for matters regarding strategic labour needs and training which, for the avoidance of doubt, is not required to be a dedicated resource;

"SME" means:

- (a) a "Small Enterprise" being a business which has both the following:
 - (i) 0-49 full time equivalent employees; and
 - (ii) either:
 - (A) turnover per annum of no more than £5.6 million net (or £6.72 million gross) in the last financial year; or
 - (B) balance sheet total of no more than £2.8 million net (£3.36 million gross); and/or
- (b) a "Medium Enterprise" being a business which has both the following:
 - (i) 50-249 full time equivalent employees; and
 - (ii) either:
 - (A) turnover per annum of no more than £22.8 million net (or £27.36 million gross) in the last financial year; or
 - (B) balance sheet total of no more than £11.4 million net (or £13.68 million gross);

"Sustainable Timber" means Timber, which in order to meet DLRL's criteria for sustainable timber, must be:

- (a) Recycled Timber; or
- (b) Sustainably Sourced Timber; or

- (c) a combination of (a) and (b);

"Sustainably Sourced Timber" means Timber sourced from organisational, production and process methods that minimise harm to ecosystems, sustain forest productivity and ensure that both forest ecosystem health and vitality, and forest biodiversity is maintained. In order to satisfy this definition, Timber must be accredited to meet the Forest Stewardship Council (FSC) or equivalent. Where it is not practicable to use Forest Stewardship Council (FSC) standard accredited timber, DLRL will accept timber accredited through other schemes approved by the Central Point of Expertise on Timber (CPET), as listed below:

- (a) Canadian Standards Association (CSA);
- (b) Programme for the Endorsement of Forest Certification (PEFC);
- (c) Sustainable Forestry Initiative (SFI), or
- (d) such other source as the Franchisee may demonstrate to DLRL's satisfaction is equivalent;

"Timber" means wood from trees that have been felled for that purpose, but excludes any item where the manufacturing processes applied to it has obscured the wood element (by way of example only, paper would not be treated as timber). Where the term Timber is used as a generic term it includes both Virgin Timber and Recycled Timber;

"Virgin Timber" means timber supplied or used in performance of this Agreement that is not Recycled Timber;

"WEE Equipment" means any equipment which falls within the scope of the WEEE Regulations; and

"WEEE Regulations" means Waste Electrical and Electronic Equipment Regulations 2006 (as amended by the Waste Electrical and Electronic Equipment (Amendment) Regulations 2007).

1. **EQUALITY AND SUPPLIER DIVERSITY**

1.1 Without limiting any other provision of this Agreement, the Franchisee shall (and shall procure that its Sub-Contractors shall), in relation to the Franchise:

- (a) not unlawfully discriminate; and
- (b) procure that the Franchisee's Employees do not unlawfully discriminate,

within the meaning and scope of the Equality Act 2010 (the **"Equality Act"**) and any other relevant enactments in force from time to time relating to discrimination in employment.

2. **THE GENERAL EQUALITY DUTY**

2.1 The Franchisee acknowledges that under section 149 of the Equality Act DLRL is under a duty to have due regard for the need to, amongst other things:

- (a) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by or under the Equality Act;
- (b) advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it; and
- (c) foster good relations between people who share a relevant protected characteristic and persons who do not.

2.2 The Franchisee acknowledges that TfL is under a duty by virtue of a direction under section 155 of the Greater London Authority Act 1999 in respect of section 404(2) of that Act to have due regard to the need to:

- (a) promote equality of opportunity for all persons irrespective of their race, sex, disability, age, sexual orientation or religion;
- (b) eliminate unlawful discrimination; and
- (c) promote good relations between persons of different racial groups, religious beliefs and sexual orientation,

and in providing the Services, the Franchisee shall assist and co-operate with TfL where possible to enable TfL to satisfy its duty.

2.3 As at the Franchise Commencement Date, the nine (9) protected characteristics as set out in the Equality Act are: (i) age; (ii) disability; (iii) gender reassignment; (iv) marriage and civil partnership; (v) pregnancy and maternity; (vi) race; (vii) religion and belief; (viii) sex; and (ix) sexual orientation.

2.4 In the performance of this Agreement, the Franchisee shall, and shall procure that its Sub-Contractors shall, assist and co-operate with DLRL and TfL to the greatest extent possible in satisfying this duty.

3. **APPROVED PLANS**

3.1 The Franchisee shall ensure that DORIS at all times includes up-to-date versions of the Approved Strategic Equality and Diversity Plan, the Approved Equality and Diversity Training Plan and the Approved Supplier Diversity Plan.

4. **STRATEGIC EQUALITY AND DIVERSITY PLAN**

4.1 The Franchisee shall comply with the Approved Strategic Equality and Diversity Plan and shall procure that each of its first tier Sub-Contractors:

- (a) adopts and implements; and
- (b) in respect of all Sub-Contractors other than first tier Sub-Contractors ("**Indirect Sub-Contractors**"), procures that those Indirect Sub-Contractors adopt and implement,

an equality and diversity policy in respect of their respective employees engaged in relation to the performance of this Agreement which is at least as extensive in scope as the Approved Strategic Equality and Diversity Plan.

5. **EQUALITY AND DIVERSITY TRAINING PLAN**

5.1 During the Franchise Term, the Franchisee shall comply with the Approved Equality and Diversity Training Plan in relation to all of its personnel and shall procure that each of its first tier Sub-Contractors:

- (a) adopts and implements; and
- (b) in respect of its Indirect Sub-Contractors, procures that those Indirect Sub-Contractors adopt and implement,

a diversity training plan in respect of their respective employees engaged in relation to the performance of this Agreement which is at least as extensive in scope as the Approved Equality and Diversity Training Plan.

6. **SUPPLIER DIVERSITY**

6.1 During the Franchise Term, the Franchisee shall at all times comply with the Approved Supplier Diversity Plan. The Franchisee shall procure that each of its first tier Sub-Contractors:

- (a) adopts and implements; and
- (b) in respect of its Indirect Sub-Contractors, procures that each such Indirect Sub-Contractor adopt and implement,

a supplier diversity plan in relation to the performance of this Agreement which is as least as extensive as the Approved Supplier Diversity Plan.

7. **MONITORING AND REPORTING**

7.1 Subject to paragraph 7.2, the Franchisee shall provide to DLRL on the Franchise Commencement Date and subsequently every six (6) months thereafter (or at such lesser or greater intervals as determined by DLRL acting reasonably and notified to the Franchisee) the following information:

(a) the proportion of Franchisee employees, agents and consultants and, to the extent reasonably possible, the employees of its Sub-Contractors and Indirect Sub-Contractors engaged pursuant to the terms of the relevant sub-contracts in the performance of this Agreement, who are:

- (i) female;
- (ii) of non-white British origin or who classify themselves as being non-white British;
- (iii) from the Local Community; and/or
- (iv) disabled; and

(b) the proportion of its Sub-Contractors and Indirect Sub-Contractors that are SMEs and/or BAMEs.

7.2 The Franchisee shall ensure at all times that it, its Sub-Contractors and its Indirect Sub-Contractors comply with the requirements of the Data Protection Act 1998 (as may be amended) in the collection and reporting of the information to DLRL pursuant to paragraph 7.1.

8. **DIVERSITY INFRACTIONS**

8.1 If the Franchisee or any of its Sub-Contractors commits a Diversity Infraction, DLRL shall be entitled (but shall not be obliged) to:

(a) without prejudice to any other right or remedy it might have under this Agreement and where a Diversity Infraction is committed by the Franchisee, serve written notice upon the Franchisee identifying in reasonable detail the nature of the Diversity Infraction and the Franchisee shall cease committing and remedy such Diversity Infraction within thirty (30) calendar days of receipt of such notice (or such longer period as may be specified by DLRL in the notice); or

(b) where the Diversity Infraction is committed by a Sub-Contractor of the Franchisee, serve written notice upon the Franchisee identifying in reasonable detail the nature of the Diversity Infraction, and the Franchisee shall procure that the relevant Sub-Contractor ceases committing and remedies the Diversity Infraction within thirty

(30) calendar days of receipt by the Franchisee of such notice (or such longer period as may be specified by DLRL in the notice).

- 8.2 If the Franchisee fails to procure the remedy of any Diversity Infraction referred to in paragraph 8.1(b), DLRL may (in its sole discretion) serve a further written notice upon the Franchisee and within thirty (30) calendar days of receipt of such further notice (or such longer period as may be specified by DLRL in the notice), the Franchisee shall terminate the engagement of its Sub-Contractor under the relevant sub-contract and procure performance of the affected works or services by another Sub-Contractor and DLRL may, in its sole discretion, require that the Franchisee provides evidence to substantiate such Sub-Contractor's compliance with the obligations specified in paragraphs 1 to 6 of this Schedule.

9. **EQUALITY AND DIVERSITY AUDIT**

- 9.1 DLRL (or such Third Party as may be nominated by DLRL) may undertake an audit of any and/or all information relating to the Franchisee's compliance with paragraphs 1 to 6 of this Schedule in accordance with clause 22.2 (Inspection of records) of this Agreement.

- 9.2 The Franchisee shall, and shall procure that each of its Sub-Contractors shall and, where applicable subject to the provisions of paragraphs 1 to 6, its Indirect Sub-Contractors shall, maintain and retain the Minimum Records for a minimum of six (6) years with respect to all matters relating to the performance of paragraphs 1 to 6. The Franchisee shall procure that each sub-contract between it and its Sub-Contractors and, where applicable, subject to the provisions of paragraphs 1 to 6, each sub-contract between its Sub-Contractor and any Indirect Sub-Contractor of the Franchisee and each sub-contract between the Franchisee's Indirect Sub-Contractors shall contain rights of audit in favour of and enforceable by DLRL substantially equivalent to those granted by the Franchisee pursuant to paragraph 9.1.

- 9.3 The Franchisee shall promptly provide, and shall procure that its Sub-Contractors shall and, where applicable subject to the provisions of paragraphs 1 to 6, its Indirect Sub-Contractors shall, promptly provide all reasonable co-operation to DLRL or its nominated third party in relation to any audit including, to the extent reasonably possible in each particular circumstance:

- (a) granting or procuring the grant of access to any premises used in the Franchisee's performance of this Agreement or in the relevant Sub-Contractor's or Indirect Sub-Contractor's performance of its sub-contract, whether on the Franchisee's own premises or otherwise;
- (b) granting or procuring the grant of access to any equipment (including all computer hardware and software and databases) used (whether exclusively or non-exclusively) in the performance of the Franchisee's or relevant Sub-Contractor's or Indirect Sub-Contractors obligations specified in paragraphs 1 to 6, wherever situated and whether the Franchisee owns the equipment or otherwise; and
- (c) complying with DLRL's (or its nominated third party's) reasonable requests for access to the Franchisee's senior personnel (including Key Staff) engaged in the performance of this Agreement or the relevant Sub-Contractor's or Indirect Sub-Contractor's performance of its sub-contract.

10. **SLNT PLAN**

- 10.1 Upon receiving comments from DLRL in relation to the Initial SLNT Plan, the Franchisee shall within twenty (20) Business Days:

- (a) develop an updated strategic labour needs and training plan based on the Initial SLNT Plan and taking into account DLRL's comments and requirements; and

- (b) submit a revised copy of the Initial SLNT Plan to DLRL for approval.
- 10.2 If the Initial SLNT Plan developed in accordance with paragraph 10.1 is:
 - (a) approved, the Franchisee shall adopt such plan immediately as the Agreed SLNT Plan;
 - (b) not approved, the Franchisee shall amend the Initial SLNT Plan and re-submit it to DLRL for approval within twenty (20) Business Days of being informed by DLRL that such plan is not approved.
- 10.3 If DLRL does not approve the Initial SLNT Plan following its resubmission, the matters preventing such approval shall be resolved in accordance with the Dispute Resolution Procedure set out in Schedule 18 (Dispute Avoidance and Resolution Procedure) of this Agreement.
- 10.4 Without limiting any other provision of this Agreement, the Franchisee shall:
 - (a) comply with provisions of the Agreed SLNT Plan; and
 - (b) at no additional cost to DLRL and subject to the provisions of paragraph 10.5 below, review and amend the Agreed SLNT Plan as a minimum, every twelve (12) months following the Franchise Commencement Date or at such other times as may be requested by DLRL, to reflect:
 - (i) Good Industry Practice;
 - (ii) any changes to the Franchise; and
 - (iii) any amendments proposed by DLRL.
- 10.5 Any changes or amendments to the Agreed SLNT Plan shall not be implemented until approved in writing by DLRL.
- 11. **SLNT CO-ORDINATOR**
- 11.1 Within twenty (20) Business Days of the Franchise Commencement Date, the Franchisee shall nominate a member of its personnel with the necessary skills and authority to:
 - (a) be responsible for the implementation and on-going development and maintenance of the Agreed SLNT Plan; and
 - (b) act as the single point of contact between DLRL personnel on all matters concerning the Agreed SLNT Plan,

(the "**SLNT Co-ordinator**").
- 11.2 The Parties shall add the SLNT Co-ordinator to the list of Key Staff set out clause 14.3 (Key Staff) of this Agreement.
- 12. **COMMUNITY RELATIONS**
- 12.1 The Franchisee acknowledges and accepts that members of the Tfl Group work closely with strategic labour needs and training third party organisations.
- 12.2 Accordingly, the Franchisee shall:

- (a) at the time of placing an advertisement for an employment vacancy, notify the DLRL Manager (and/or any Third Parties nominated by DLRL) of such advertisement, providing details of the:
 - (i) employment vacancy;
 - (ii) date of the advertisement; and
 - (iii) publication in which the advertisement is scheduled to appear or appeared (as applicable); and
- (b) attend a minimum of two (2) events each year, to publicise employment, apprenticeship and training opportunities arising from the provision of the Services.

13. **MONITORING AND REPORTING**

- 13.1 The Franchisee shall provide DLRL with a Periodic SLNT Monitoring Report (in accordance with Schedule 10 (Provision of Information)) detailing the Franchisee's performance against the Agreed SLNT Plan.
- 13.2 The Franchisee shall ensure at all times that it complies with clause 22 (Provision of Information and Meetings) of this Agreement in the collection and reporting of information to DLRL pursuant to paragraph 13.1 above.

14. **SLNT INFRACTIONS**

- 14.1 If the Franchisee fails to:
 - (a) ensure that each output for the monitoring period is delivered in accordance with the Agreed SLNT Plan; and/or
 - (b) review the Agreed SLNT Plan in accordance with paragraph 10.4 of this Schedule,then the Franchisee shall explain the reasons for such failure in the Franchise Performance Meeting.

15. **SLNT AUDIT**

- 15.1 DLRL may from time to time undertake any audit or check of any and all information regarding the Franchisee's compliance the provisions of this Schedule in accordance with clause 22.2 (Inspection of records).
- 15.2 The Franchisee shall maintain and retain records relating to the Agreed SLNT Plan and its compliance with the provisions of this Schedule for a minimum of six (6) years.

16. **ETHICAL SOURCING**

- 16.1 DLRL is committed to ensuring that workers employed in its supply chains throughout the world are treated fairly, humanely and equitably. In the course of complying with this Agreement, the Franchisee shall comply with and shall procure that its Sub-Contractors (as applicable) comply with those principles of the Ethical Trading Initiative (ETI) Base Code as are detailed here <http://www.ethicaltrade.org/resources/key-eti-resources/eti-base-code>, or an equivalent code of conduct (the "**Ethical Sourcing Principles**") in relation to the provision of the Services.
- 16.2 The Franchisee shall conduct risk analysis of (i) human rights issues, and (ii) labour conditions, of the supply chains used in the fulfilment of this Agreement, and shall agree with DLRL a process for managing high-risk supply chains. This may include where appropriate the carrying out of social audits and the agreement of corrective action plans.

- 16.3 During the course of this Agreement, if DLRL has reasonable cause to believe that the Franchisee is not complying with any of the Ethical Sourcing Principles, DLRL shall notify the Franchisee and the Parties shall agree an action plan with appropriate timeframes for compliance by the Franchisee (the "**Action Plan**"), such Action Plan to be agreed by the Parties by no later than 20 (twenty) Business Days from the date of DLRL notifying the Franchisee that remedial action is required or such other period as the Parties may otherwise agree in writing. The costs of the creation and implementation of the Action Plan shall be borne by the Franchisee.
- 16.4 During the course of this Agreement, DLRL has the right to request the Franchisee to carry out one or more audits in accordance with clause 22.2 (Inspection of records) to verify whether the Franchisee is complying with the Ethical Sourcing Principles (or any associated Action Plan).

17. **TIMBER STANDARDS**

17.1 **Franchisee's Obligations and DLRL's Rights**

- (a) The Franchisee shall ensure that all Timber supplied or used in the performance of this Agreement shall be Sustainable Timber. If it is not practicable for the Franchisee to meet this condition the Franchisee must inform DLRL in writing prior to the supply of any Timber that is not Sustainable Timber, and stating the reason for the inability to comply with this condition. DLRL reserves the right, in its absolute discretion, to approve the use of Timber that is not Sustainable Timber. Where DLRL exercises its right to reject any Timber, the provisions of paragraph 17.1(d) below shall apply.
- (b) Without prejudice to paragraphs 17.1(a) and 17.3(b), all Virgin Timber procured by the Franchisee for supply or use in performance of this Agreement shall be Legal Timber.
- (c) The Franchisee shall ensure that Virgin Timber it procures for supply or use in performance of this Agreement shall not have derived from any species of tree that is protected under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) unless the supplier can prove, by producing official documentation, that it has complied with the CITES requirements that permit trading in the particular species of tree so listed under that Convention.
- (d) DLRL reserves the right to reject at any time any Timber that does not comply with the conditions of this Agreement. Where DLRL exercises its right to reject any Timber, the Franchisee shall supply contractually compliant alternative Timber, at no additional cost to DLRL and without causing delay to the performance of this Agreement.
- (e) The Franchisee shall maintain records of all Timber supplied and used in the performance of this Agreement. Such information shall be made available to DLRL promptly if requested at any time.

17.2 **DLRL's Reporting Requirements**

- (a) Unless DLRL has given its written approval in accordance with paragraph 17.1(a) above that Timber that is not Sustainable Timber may be used, then, if requested, the Franchisee shall promptly provide evidence that the Timber is Sustainable Timber.
- (b) Upon a request by DLRL referred to in paragraph 17.1(a) above, in the event that the Franchisee does not promptly provide such evidence, or the evidence provided does not satisfy DLRL's requirements, then (and without prejudice to paragraph 17.1(a)), DLRL reserves the right to retain 2.5% of any monies payable to the

Franchisee under this Agreement until such date as DLRL is in receipt of such evidence and DLRL is satisfied that the evidence establishes that the Timber is Sustainable Timber.

- (c) The Franchisee shall report annually on its use of Sustainable Timber in the performance of this Agreement.
- (d) The Franchisee shall report on the amount of Timber that has been supplied to DLRL in accordance with paragraph 17.1(a) above which is not Sustainable Timber.

17.3 **Verification**

- (a) Evidence of Sustainable Timber

DLRL reserves the right to determine whether the evidence supplied by the Franchisee is sufficient to satisfy it that the conditions of this Agreement have been fully complied with. In the event that DLRL is not so satisfied, the Franchisee shall, on written request by DLRL, commission and meet the costs of an Independent Report to:

- (i) verify the source of the Timber; and
- (ii) assess whether the forests of origin were managed in accordance with the specified local laws and regulations.

- (b) Evidence of Legal Timber

- (i) The Franchisee shall, before delivering any Virgin Timber under this Agreement, obtain documentary evidence to DLRL's satisfaction that the Timber is both Legal Timber and Sustainable Timber. If requested in writing by DLRL, the Franchisee shall submit such documentary evidence to DLRL either prior to delivery or at such other times as DLRL may require. For the avoidance of doubt, the Franchisee shall identify, as part of the evidence submitted, a chain of custody from the source of the Timber through to delivery of the final product.

- (ii) DLRL reserves the right at any time during the Franchise Term and for a period of six years from final delivery of any Timber under this Agreement to require the Franchisee to produce the evidence required for DLRL's inspection within 14 days of DLRL's written request.

18. **LONDON LIVING WAGE**

18.1 Without prejudice to any other provision of this Agreement, the Franchisee shall:

- (a) ensure that none of its direct and/or contracted employees who work wholly or mainly on:
 - (i) DLRL premises; and/or
 - (ii) property occupied by DLRL (including where DLRL is a tenant and is provided building-related services through a lease); and/or
 - (iii) land which DLRL is responsible for maintaining or on which it is required to work under this Agreement,

is paid an hourly wage (or equivalent of an hourly wage) less than the London Living Wage as adjusted annually;

- (b) provide to DLRL such information concerning the London Living Wage as DLRL or its nominees may reasonably require from time to time;
- (c) disseminate on behalf of DLRL to its employees engaged in complying with its obligations under this Agreement such perception questionnaires as DLRL may reasonably require from time to time and promptly collate and return to DLRL responses to such questionnaires; and
- (d) co-operate and provide all reasonable assistance in monitoring the effect of the London Living Wage.

18.2 DLRL reserves the right to audit the provision of the London Living Wage to the Franchisee's own staff and to its Sub-Contractors' staff.

18.3 Any breach by the Franchisee of the provisions of this paragraph 18 shall be treated as a material breach capable of remedy in accordance with clause 32.3.4.

19. **WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT REGULATIONS 2006**

When procuring any WEE Equipment for use in accordance with the Services whether by direct purchase by the Franchisee, purchase on behalf of DLRL, lease or otherwise the Franchisee will ensure that, in accordance with the WEEE Regulations, the producer of the WEE Equipment (whether that be the Franchisee or a third party) shall assume responsibility for financing the costs of the collection, treatment, recovery and environmentally sound disposal of such WEE Equipment.

20. **FLEET OPERATOR RECOGNITION SCHEME ACCREDITATION**

20.1 For the purposes of this paragraph:

"Approved Driver Training" means the Safe Urban Driving course as accredited by the Joint Approvals Unit for Periodic Training details of which can be found at: www.fors-online.com;

"Bronze Accreditation" means the minimum level of accreditation within the FORS Standard, the requirements of which are more particularly described at: www.forsonline.org.uk;

"Car-derived vans" means a vehicle based on a car, but with an interior that has been altered for the purpose of carrying larger amounts of goods and/or equipment;

"Class VI Mirror" means a mirror fitted to a Freight Vehicle that allows the driver to see what is immediately in front of the vehicle and that complies with Directive 2003/97/EC;

"Close Proximity Sensor" means a device consisting of a sensor system that detects objects in a vehicle's blind spot and alerts the driver via in-cab visual and/or audio stimuli and which alerts other road users to the planned movement of the vehicle when the vehicle's indicators are engaged;

"Collision Investigation" means the investigation of a collision in order to ascertain its cause and to ascertain what procedures may be implemented to prevent recurrence of the collision;

"Collision Report" means a report detailing the results of the Collision Investigation and those procedures, which have been put in place in order to prevent recurrence of the collisions;

"Driver" means any employee of the Franchisee and its Sub-Contractors (including an agency driver), who operates Freight Vehicles on behalf of the Franchisee;

"DVLA" means the Driver and Vehicle Licensing Agency;

"FORS" means the Fleet Operator Recognition Scheme, which is an accredited scheme for businesses operating van and lorry fleets. It is free to join and offers impartial, independent advice and guidance to motivate companies to improve their compliance with relevant laws and their environmental, social and economic performance;

"FORS Standard" means the standard setting out the accreditation requirements for the Fleet Operator Recognition Scheme, a copy of which can be found at: www.fors-online.org.uk

"Freight" means any commodity moved by a vehicle, including but not limited to, raw and processed materials, goods, waste, servicing and construction equipment, money and valuables, post and parcels;

"Freight Vehicle" means a Lorry, a Van or a Car-derived Van;

"Fresnel Lens" means a clear thin plastic lens that is press fitted to a lorry window on the passenger side and allows the driver to see that which is in the vehicle's blind spot;

"Gold Accreditation" means the highest level of accreditation within the FORS Standard, the requirements of which are more particularly described at: www.fors-online.org.uk;

"Initial Collision Report" means a report detailing the circumstances of the collision including time, location, weather conditions, possible cause(s) of the collision, damage and/or injury caused, the identity of the driver, model of vehicle, type of Freight being carried at the time (if relevant) and the licence plate number;

"Lorry" means a vehicle with an MAM exceeding 3,500 kilograms;

"MAM" means the maximum authorised mass of a vehicle or trailer including the maximum load that can be carried safely while used on the road;

"Side Guards" means guards that are fitted between the front and rear axles of a Lorry and that comply with EC Directive 89/297/EEC and the Road Vehicles (Construction and Use) Regulations 1986;

"Silver Accreditation" means the intermediate level of accreditation within the FORS Standard, the requirements of which are more particularly described at www.fors-online.org.uk; and

"Van" means a vehicle with a MAM not exceeding 3,500 kilograms including a van, a car-derived van or other vehicle designed for carrying Freight (excludes passenger cars, motorcycles, mopeds and bicycles).

20.2 Where the Franchisee operates Freight Vehicles, it shall within 90 days of the Franchise Commencement Date:

- (a) (unless already registered) register for FORS or a scheme, which in the reasonable opinion of DLRL, is an acceptable substitute to FORS (the **"Alternative Scheme"**); and
- (b) (unless already accredited) have attained the standard of Bronze Accreditation (or higher) or the equivalent within the Alternative Scheme.

20.3 The Franchisee shall maintain the standard of Bronze Accreditation (or equivalent standard within the Alternative Scheme) by way of an annual independent assessment in accordance with the FORS Standard or take such steps as may be required to maintain the equivalent standard within the Alternative Scheme. Alternatively, where the

Franchisee has attained Silver or Gold Accreditation, the maintenance requirements shall be undertaken in accordance with the periods set out in the FORS Standard.

20.4 The Franchisee shall ensure that those of its Sub-Contractors who operate Freight Vehicles shall comply with this paragraph as if they applied directly to the Sub-Contractor.

21. **SAFETY EQUIPMENT ON VEHICLES**

21.1 The Franchisee shall ensure that any Van which it uses to provide the Services shall bear prominent signage on the rear of the vehicle to warn cyclists of the dangers of passing the vehicle on the inside.

21.2 The Franchisee shall ensure that any Lorry which it uses to provide the Services, shall:

- (a) have Side Guards fitted, unless the Franchisee can demonstrate to the reasonable satisfaction of DLRL that the vehicle will not perform the function for which it was built if Side Guards are fitted;
- (b) have a close proximity warning system fitted comprising:
 - (i) a front-mounted, rear-facing CCTV camera with in-cab live feed from the said camera; or
 - (ii) a Fresnel Lens, provided that the Fresnel Lens provides a reliable alternative to the CCTV camera and the Franchisee has obtained DLRL's approval to use the Fresnel Lens, such approval may be withheld by DLRL in its unfettered discretion; and
 - (iii) a Close Proximity Sensor;
- (c) have a Class VI Mirror; and
- (d) bear prominent signage on the rear of the vehicle to warn cyclists of the dangers of passing the vehicle on the inside.

22. **DRIVER LICENCE CHECKS**

22.1 The Franchisee shall ensure that each of its Drivers has a driving licence check with the DVLA before that Driver commences delivery of the Services and that the driving licence check with the DVLA is repeated in accordance with either the following risk scale, or the Franchisee's risk scale, provided that the Franchisee's risk scale has been approved in writing by DLRL within the last 12 months:

- (a) 0 – 3 points on the driving licence: annual checks;
- (b) 4 – 8 points on the driving licence: six monthly checks;
- (c) 9 – 11 points on the driving licence: Quarterly checks; or
- (d) 12 or more points on the driving licence: monthly checks.

23. **DRIVER TRAINING**

23.1 The Franchisee shall ensure that each of its Drivers who has not undertaken:

- (a) Approved Driver Training (or training, which in the reasonable opinion of DLRL, is an acceptable substitute) in the last three years, undertakes Approved Driver Training or the said substitute training within 60 days of the Franchise Commencement Date; and

- (b) a FORS e-learning safety module in the last 12 months, undertakes a FORS e-learning safety module (or e-learning, which in the reasonable opinion of DLRL, is an acceptable substitute).

24. **COLLISION REPORTING**

- 24.1 Within 15 days of the Franchise Commencement Date, the Franchisee shall provide to DLRL a Collision Report. The Franchisee shall provide to DLRL an updated Collision Report on a Quarterly basis and within five Business Days of a written request from DLRL.

25. **FORS REPORTS**

- 25.1 Within 30 days of its achieving Bronze Accreditation or equivalent within the Alternative Scheme, the Franchisee shall make a written report to DLRL at fors@tfl.gov.uk detailing its compliance with the safety clauses (the "**Safety, Licensing and Training Report**"). The Franchisee shall provide updates of the Safety, Licensing and Training Report to DLRL at fors@tfl.gov.uk on each three month anniversary of its submission of the initial Safety, Licensing and Training Report.

26. **OBLIGATIONS OF THE FRANCHISEE REGARDING SUBCONTRACTORS**

- 26.1 The Franchisee shall ensure that each of its Sub-Contractors that operate Car-derived vans, Vans and Lorries shall comply with the paragraphs 20 to 25 above as if those Sub-Contractors were a party to this Contract.

APPENDIX 1

Approved Strategic Equality and Diversity Plan

Equality and Supplier Diversity Plan

Equality and Diversity	Current Position / Baseline	Action / Task	When	Person Responsible	Resource Implications	Measure of Success
Sign off Strategic Equality & Diversity Plan for DLR	<ul style="list-style-type: none"> • Drafted along with plans to underpin this including: • Equality and Diversity Training Plan • Supplier Diversity Plan 	<ul style="list-style-type: none"> • Incorporate DLRL feedback to inform final submission • Review to ensure best fit at contract award • Review with subcontractors • Implement agreed plan 	<ul style="list-style-type: none"> • Prior to contract signature 	<ul style="list-style-type: none"> • HR and Commercial Managers 	<ul style="list-style-type: none"> • DLRL • SLNT Coordinator 	<ul style="list-style-type: none"> • Plan in place as baseline
A DLR Equality & Diversity Steering Group	<ul style="list-style-type: none"> • Proposed in the draft plan 	<ul style="list-style-type: none"> • Agree representatives • Include DLRL contract representatives on steering group • Invite TfL representatives to speak at steering group to share best practice 	<ul style="list-style-type: none"> • During contract mobilisation and on-going 	<ul style="list-style-type: none"> • MD 	<ul style="list-style-type: none"> • Equality & Diversity Steering Group 	<ul style="list-style-type: none"> • Steering group in place • Policies and plans signed off, communicated, progressed, reported on and revised in required timescales • Evidenced from minutes outlining recommended actions and timescales
Sign off Equality & Diversity Policy for DLR	<ul style="list-style-type: none"> • Drafted along with draft policies to underpin this including: • Recruitment • Bullying and harassment • Engaging SMEs 	<ul style="list-style-type: none"> • Easily accessible policy which is explained at induction • Policy to reflect Equality & Diversity Steering Group outputs and legislation/precedent case developments 	<ul style="list-style-type: none"> • During contract mobilisation and review every 3 years 	<ul style="list-style-type: none"> • MD 	<ul style="list-style-type: none"> • Equality & Diversity Steering Group • DLRL • SLNT Coordinator 	<ul style="list-style-type: none"> • A comprehensive Equality & Diversity Policy, which covers all aspects of the protected characteristics covered under the Equality Act 2010 (race, sexual orientation, gender, age, gender re- assignment, disability, religion/ belief). Underpinned with relevant policy and process to enable this

Equality and Diversity	Current Position / Baseline	Action / Task	When	Person Responsible	Resource Implications	Measure of Success
Develop action plan to deliver Strategic Equality and Diversity Plan	<ul style="list-style-type: none"> • Drafted along with plans to underpin this including • Equality and Diversity Training Plan • Supplier Diversity Plan 	<ul style="list-style-type: none"> • Review to ensure best fit at contract award • Review with subcontractors • Implement agreed plan 	<ul style="list-style-type: none"> • During contract mobilisation and on-going 	<ul style="list-style-type: none"> • HR and Commercial Managers 	<ul style="list-style-type: none"> • Equality & Diversity Steering Group • DLRL • SLNT Coordinator 	<ul style="list-style-type: none"> • Plan in place and implemented
All plans communicated to staff and suppliers	<ul style="list-style-type: none"> • Training Plan drafted • Communications plan to be developed following assessment of existing communications 	<ul style="list-style-type: none"> • Review communications plans to ensure this supports Training and on-going E&D initiatives • Provide annual plan • Ensure communications plans are accessible to all employees and suppliers 	<ul style="list-style-type: none"> • During contract mobilisation • During contract 	<ul style="list-style-type: none"> • Comms Team • HR Manager • Commercial Manager 	<ul style="list-style-type: none"> • Budget and relevant resource to deliver communications 	<ul style="list-style-type: none"> • Strategic E&D Plan supported by relevant internal and external communications plans • Reviewed and updated annually
Employment Charter in place	<ul style="list-style-type: none"> • Ability to leverage and replicate Keolis/Amey experience 	<ul style="list-style-type: none"> • Develop Employment Charter to ensure this reflects the Franchisee's commitment to support target groups • Engage existing supply chain • Review with Jobcentre Plus and selected support groups • Review with DLRL • Sign Charter and publicise 	<ul style="list-style-type: none"> • As soon as possible after contract commencement • In place on or before first anniversary of contract commencement 	<ul style="list-style-type: none"> • SLNT Coordinator 	<ul style="list-style-type: none"> • SLNT Coordinator • Commercial Team • Recruitment Providers, including DWP work programme • Suppliers 	<ul style="list-style-type: none"> • An agreed programme to ensure local people have maximum access to apply and benefit from employment and training with DLR

Equality and Diversity	Current Position / Baseline	Action / Task	When	Person Responsible	Resource Implications	Measure of Success
Community groups, networks and partners are aware of DLR vacancies and supply chain opportunities and have an involved role in enabling applications	<ul style="list-style-type: none"> • DLR and DORIS sites identified as communication points • Stakeholder lists are in process of being assessed including intent to build relationships with key contacts such as EfD, EfA, Opportunity Now, Stonewall, Job Centre Plus, UKRC etc 	<ul style="list-style-type: none"> • Develop engagement strategy • Build early relationships • Communicate plans and agree timescales for liaison • Make regular contact and establish method for providing information and receiving feedback 	<ul style="list-style-type: none"> • Within 6 months of contract • During contract mobilisation • Within 6 months of contract start 	<ul style="list-style-type: none"> • SLNT Coordinator 	<ul style="list-style-type: none"> • Communications Team • Recruitment Team 	<ul style="list-style-type: none"> • An increased diverse pool of applicants from target groups • Evidenced case studies in newsletters, performance reports etc
A supply chain who have an Equality and Diversity agenda aligned to the Franchisee's within their business activities	<ul style="list-style-type: none"> • Draft Supplier Diversity Plan • Need more information about current suppliers to assess baseline and options to focus on • Stakeholder assessment in progress to identify relevant groups and contacts to work with 	<ul style="list-style-type: none"> • Analyse DLR workforce and supply chain composition data to drive outreach priorities for the New Franchise • Roll out the Supplier Diversity Accreditation programme across the existing supply chain 	<ul style="list-style-type: none"> • Year 1 of the contract, then on-going 	<ul style="list-style-type: none"> • Commercial Manager 	<ul style="list-style-type: none"> • Communications team • HR Business Partner • SLNT Coordinator 	<ul style="list-style-type: none"> • All target groups to have the opportunity to become part of the Franchisee's supply chain or are provided for within the suppliers that the Franchisee engage with

Equality and Diversity	Current Position / Baseline	Action / Task	When	Person Responsible	Resource Implications	Measure of Success
<p>Outreach programmes in place which will help advance equality of opportunity for all groups, including Females, Non White British and Disabled people</p>	<ul style="list-style-type: none"> • Ability to leverage and replicate both Amey's and Keolis' experience and existing relationships and know how to create new ones to provide this • Need more information about transferring DLR population to assess baseline and options to focus on • Stakeholder assessment in progress to identify additional relevant groups and contacts to work with 	<ul style="list-style-type: none"> • Establish relevant contacts including: <ul style="list-style-type: none"> • DWP (W2W providers) • Jobcentre Plus • Local colleges and schools • London Transport Museum • Relevant stakeholder groups • Sector Skills Council • London Probation Trust • Establish relationship with UKRC • Set up STEMNET programme • Advertise with relevant groups and contacts • Replicate Amey Two Ticks • Use Poppy Factory 	<ul style="list-style-type: none"> • Set up partnerships in year 1; commence placements in year 2 of the contract 	<ul style="list-style-type: none"> • SLNT Coordinator 	<ul style="list-style-type: none"> • Commercial Manager • Recruitment Providers • Suppliers • UKRC • Remploy • Recruitment providers • Commercial Manager and suppliers • Local schools and colleges 	<ul style="list-style-type: none"> • Enhanced DLR reputation as local employer providing relevant schemes that meet the Franchisee's E&D targets for gender and minority diversity. Greater opportunities for disabled people through the Franchisee's SLNT objectives which will provide opportunities and training to: <ul style="list-style-type: none"> • Reduce worklessness • Address education and training for young people and adults in the workplace • Help reduce offending • Attract more applicants for the Franchisee's vacancies, including into engineering apprenticeships from target
<p>Service communications team to consult and liaise on contract activities with community groups/members of public through community forums</p>	<ul style="list-style-type: none"> • Ability to leverage and replicate both Amey's and Keolis' experience and existing relationships and know how to create new ones to provide this 	<ul style="list-style-type: none"> • Expand communications to incorporate other minority groups, community associations and representative bodies including residents' associations and forums, and other mediums as appropriate • Collect data and monitor and evaluate effectiveness of existing engagement strategies and communication systems; assess number and nature of complaints • Develop proposals to provide better services to all of the Franchisee's customers and communities 	<ul style="list-style-type: none"> • Start during contract mobilisation, then on-going 	<ul style="list-style-type: none"> • Service Delivery Director 	<ul style="list-style-type: none"> • Communications team and Community Coordinator 	<ul style="list-style-type: none"> • Survey analysis demonstrates improved engagement methods and community relations when carrying out scheme and maintenance works • Works carried out to satisfaction of stakeholders' representative groups and members of the community • Overall positive reputation for engagement and problem solving within the Franchisee's local community groups

Equality and Diversity	Current Position / Baseline	Action / Task	When	Person Responsible	Resource Implications	Measure of Success
Monitor the overall effectiveness of the Franchisee's Strategic E&D Plan	<ul style="list-style-type: none"> Existing E&D data/reports Employee engagement surveys, customer satisfaction surveys, people manager sessions feedback 	<ul style="list-style-type: none"> Continue to review baseline data and test assumptions with stakeholders to inform the Franchisee's future plans 	<ul style="list-style-type: none"> Early audit during mobilisation to set a Baseline then on-going and formal 6-monthly and annual review 	<ul style="list-style-type: none"> SLNT Coordinator 	<ul style="list-style-type: none"> HR Business Partner Commercial Manager Data Analyst E&D Steering Group 	<ul style="list-style-type: none"> Achievement of defined E&D KPIs
Monitor and report on DLR contract workforce composition		<ul style="list-style-type: none"> Baseline monitoring of TUPE workforce composition Develop additional reports for monitoring grievance and discipline, harassment and bullying, promotions and maternity return rates 	<ul style="list-style-type: none"> During contract mobilisation and on-going Then on-going and forward to monthly and annual review 	<ul style="list-style-type: none"> SLNT Coordinator 	<ul style="list-style-type: none"> HR Business Partner Data Analyst E&D Steering Group 	<ul style="list-style-type: none"> 6-monthly reporting undertaken on agreed areas together with hiring and exit data on current workforce and supply chain Reports shared with DLRL and discussed with the DLR senior management team Reports used to inform steering committee to help develop future plans
An overall downward trend of the number and nature of customer complaints, employee grievances and potential employment tribunal claims over the period of the contract	<ul style="list-style-type: none"> Need more information about current suppliers to assess baseline and options to focus on Option for behavioural awareness programme outlined in Draft E&D Training Plan 	<ul style="list-style-type: none"> Assess historical information about the number and nature of customer complaints, employee grievances and potential employment tribunal claims and how they were managed Consider options such as behavioural awareness programme to support training and development programme Include actions to upskill people managers, to ensure they work productively in a diverse workforce/delivering services to diverse communities 	<ul style="list-style-type: none"> During first year of contract to report on and establish baseline. Then on-going 	<ul style="list-style-type: none"> HR Business Partner Commercial Manager 	<ul style="list-style-type: none"> Data Analyst E&D Steering Group SMT 	<ul style="list-style-type: none"> Where required, plans created and deployed; evidenced decrease in grievances and instances of bullying, harassment and discrimination Enhanced people management behaviours in maintaining and promoting a fair and inclusive workplace

Equality and Diversity Key Deliverable KPIs

Key Deliverables	First six months after FCD	2015/16, 2016/17	2017/18	2018/19 until 2021
6-monthly/annual presentation of E&D monitoring reports relating to employment and service delivery	100%	100%	100%	100%
Prior to Franchise Commencement Date the Franchisee and DLRL shall confirm the annual workforce monitoring data	25%	50%	75%	80%
Production of annual E&D review and updates	50%	100%	100%	100%
All staff to be trained in equality and diversity	100%	100%	100%	100%
Number of positive action initiative in employment eg: 1. Educational establishments 2. Placements/taster days offered to target groups 3. Community engagement events	1: 1 2: 0 3: 0	1: 1 2: 1 3: 1	1: 1 2: 3 3: 1	1: 1 2: 3 3: 1
Prior to Franchise Commencement Date the Franchisee and DLRL shall confirm the target number of cases of harassment and bullying on E&D grounds	Industry average	Industry average	Industry average	Industry average
Number of tribunal cases on E&D grounds	Industry average	10% below industry ave	10% below industry ave	10% below industry ave
Prior to the Franchise Commencement Date the Franchisee shall finalise with DLRL the number of contracts that it shall let to local companies	0	1	2	3
Number of adverts in BAME/Women/Disabled and other press relating to E&D target groups	At least one per target group	At least one per target group	At least one per target group	At least one per target group
Membership of E&D networks such as EfD, EfA, Opportunity Now, Stonewall Equality Champions	At least one per target group	At least one per target group	At least one per target group	At least one per target

Key Deliverables	First six months after FCD	2015/16, 2016/17	2017/18	2018/19 until 2021
				group

The Parties will work together to confirm and/or agree amendments to the targets set out in the table above prior to the first anniversary of the Franchise Commencement Date. Following agreement the Franchisee shall be required to achieve the agreed targets.

APPENDIX 2

Approved Supplier Diversity Plan

Supplier Diversity Plan

Equality and Diversity Objective	Current Position / Baseline	Action / Task	When	Person Responsible	Resource Implications	Measure of Success
Sign off Strategic Supplier Diversity Plan for DLR		<ul style="list-style-type: none"> • Incorporate DLRL feedback to inform final submission • Review to ensure best fit at contract award • Review with subcontractors • Implement agreed plan 	<ul style="list-style-type: none"> • Prior to contract signature 	<ul style="list-style-type: none"> • HR and Commercial Managers 	<ul style="list-style-type: none"> • DLRL • SLNT Coordinator 	<ul style="list-style-type: none"> • Plan in place as baseline
Diverse-owned supplier businesses have equal access to procurement and tendering opportunities	<ul style="list-style-type: none"> • Amey Supplier Diversity Guide to procuring goods and services which can be replicated and developed to meet the needs of the DLR contract 	<ul style="list-style-type: none"> • Consult internal and external stakeholders to provide a DLR-focused Supplier Diversity Guide to procuring goods and services, and provide support and advice on the Franchisee's tendering and selection processes 	<ul style="list-style-type: none"> • During mobilisation and on-going regarding procurement 	<ul style="list-style-type: none"> • Commercial Manager 	<ul style="list-style-type: none"> • Commercial Team 	<ul style="list-style-type: none"> • Suppliers making their own E&D commitments to utilise local SME suppliers in line with Franchise commitment
Supplier diversity embedded into the Franchisee's culture and business operations, with no unnecessary complications or barriers for minority groups	<ul style="list-style-type: none"> • The Franchisee has identified the need to undertake further work to ensure its processes meet the standards to which the Franchisee aspires; address the requirements of supplier diversity; and enable suppliers to demonstrate E&D compliance 	<ul style="list-style-type: none"> • Monitor existing suppliers by way of ownership, location and size, and audit to ascertain compliance with equality principles in the execution of their business functions • Review current procurement systems for barriers to access and implement innovative outreach initiatives • Support and deliver supplier diversity accreditation programme across DLR supply chain 	<ul style="list-style-type: none"> • Currently in progress where the Franchisee has data 	<ul style="list-style-type: none"> • Commercial Team 	<ul style="list-style-type: none"> • E&D Manager 	<ul style="list-style-type: none"> • Full data received from all current suppliers by 6 months into contract • On-going monitoring of suppliers • 95% of suppliers achieve accreditation

Equality and Diversity Objective	Current Position / Baseline	Action / Task	When	Person Responsible	Resource Implications	Measure of Success
Suppliers understand the Franchisee's position and view of the E&D agenda, and fully buy in to the role they need to play to support this	<ul style="list-style-type: none"> Regular supply chain engagement via supplier forums 	<ul style="list-style-type: none"> Hold 'meet the buyer' forum Roll out diversity accreditation programme to existing and new suppliers Hold regular supplier forums (every 2 months) and a core supplier forum (every 6 months) 	<ul style="list-style-type: none"> During contract mobilisation Within 6 months of contract start then every 6 months 	<ul style="list-style-type: none"> Commercial Team 	<ul style="list-style-type: none"> Communications Team HR Business Partner 	<ul style="list-style-type: none"> Suppliers' E&D commitments form part of sub contract agreements Suppliers make their own E&D commitments and comply with all legislation
Allow suppliers to self-nominate to be part of the Franchisee's supply chain	<ul style="list-style-type: none"> Amey currently uses the central Government-backed portal Contracts Finder 	<ul style="list-style-type: none"> This will be extended to include the TfL-supported CompeteFor Signpost large bidders to third party organisations 	<ul style="list-style-type: none"> During mobilisation and on-going 	<ul style="list-style-type: none"> Commercial Manager 	<ul style="list-style-type: none"> Commercial Team 	<ul style="list-style-type: none"> Monitoring information demonstrates increased proportion of bids received from diverse suppliers, in accordance with set KPI Franchisee to propose hard number commitments for agreement with DLRL prior to Franchise Commencement Date.
Accurate information of suppliers' diversity, compliance and delivery activities held in a centralised system	<ul style="list-style-type: none"> To be assessed during mobilisation 	<ul style="list-style-type: none"> Based on contract requirements, set targets to engage with local suppliers with under-represented equality profiles – identify and review needs Develop online supplier portal 	<ul style="list-style-type: none"> Before contract start and six monthly thereafter 	<ul style="list-style-type: none"> Account Director 	<ul style="list-style-type: none"> Commercial Team 	<ul style="list-style-type: none"> Prior to the Franchise Commencement Date the Franchisee shall agree with DLRL the number of contracts that it shall let to local companies by the end of year 1

Equality and Diversity Objective	Current Position / Baseline	Action / Task	When	Person Responsible	Resource Implications	Measure of Success
DLRL suppliers supported in achieving E&D compliance and standards via promotions, guidance and E&D training similar to the Franchisee's training programme	<ul style="list-style-type: none"> Gaps identified in suppliers training their workforce. Commenced training on the Equality Act 2010 for the Franchisee's existing supply chain 	<ul style="list-style-type: none"> Engage contractors to reinforce E&D obligations and ascertain support needs. Provide the appropriate support, promotions, guidance and training to enable E&D to become a part of their everyday business functions Review policies and activities of employment agencies' suppliers 	<ul style="list-style-type: none"> Within year 1 and on-going 	<ul style="list-style-type: none"> E&D Manager 	<ul style="list-style-type: none"> Group Commercial Team 	<ul style="list-style-type: none"> Supply chain monitoring and providing E&D data, supported by E&D plans
Treat all suppliers in a fair and equitable way	<ul style="list-style-type: none"> To be assessed during mobilisation 	<ul style="list-style-type: none"> Implement Construction Supply Chain Payment Charter Implement 360o supplier review process and satisfaction surveys 	<ul style="list-style-type: none"> By the end of year 1 	<ul style="list-style-type: none"> Group Commercial Manager 	<ul style="list-style-type: none"> Group Commercial Team 	<ul style="list-style-type: none"> Results of supplier satisfaction surveys
<p>Raise the Franchisee's brand as a leader in the field of supplier diversity</p> <p>Remove barriers to enable access to DLRL supply chain for represented minority owned businesses</p>	<ul style="list-style-type: none"> To be assessed during mobilisation 	<ul style="list-style-type: none"> Hold quarterly supply chain event to drive best practice and innovation with existing supply chain; access to event to be made available to diversely-owned SMEs to help them develop 	<ul style="list-style-type: none"> Start within 6 months of contract Fully established by second year 	<ul style="list-style-type: none"> Commercial Manager 	<ul style="list-style-type: none"> Commercial Team E&D Steering Group 	<ul style="list-style-type: none"> Number of innovative ideas generated and implemented annually Enter Mayor's Responsible Procurement Awards under the SD category

APPENDIX 3

Approved Equality and Diversity Training Plan

Equality & Diversity Training Plan

Equality and Diversity Objective	Current Position / Baseline	Action / Task	When	Person Responsible	Resource Implications	Measure of Success
Sign off Strategic Equality & Diversity Training Plan for DLR	•	<ul style="list-style-type: none"> • Incorporate DLRL feedback to inform final submission • Review to ensure best fit at contract award • Review with subcontractors 	<ul style="list-style-type: none"> • Prior to contract signature 	<ul style="list-style-type: none"> • HR and Commercial Managers 	<ul style="list-style-type: none"> • DLRL • SLNT Coordinator 	<ul style="list-style-type: none"> • Plan in place as baseline • Implement agreed plan
E&D recognised as an integral part of the Franchisee's culture, and as a mainstream business issue	<ul style="list-style-type: none"> • Draft Equality & Diversity Training Plan 	<ul style="list-style-type: none"> • Keolis/Amey Group learning and development plans include: • E&D element in induction workshop • Line management provided with additional development • Behavioural workshop to be finalised pending outcome from assessment of transferring staff • Procurement process will include training materials to cascade during local people manager sessions 	<ul style="list-style-type: none"> • During contract mobilisation then on-going 	<ul style="list-style-type: none"> • HR Business Partner 	<ul style="list-style-type: none"> • Talent and Training team 	<ul style="list-style-type: none"> • All DLR employees provided with relevant training at induction and throughout employment • Future option to seek accreditation at level 4 by the Institute of Leadership and Management (ILM)
Induction training in place includes E&D content	<ul style="list-style-type: none"> • Ability to replicate both Amey's and Keolis' existing content to create DLR-specific content 	<ul style="list-style-type: none"> • Deliver to all transferees as part of mobilisation, then ensure all new starters on the DLR framework (including temps and contractors) receive DLR induction 	<ul style="list-style-type: none"> • All during mobilisation, thereafter within one month of new employees joining the contract 	<ul style="list-style-type: none"> • HR Business Partner 	<ul style="list-style-type: none"> • Training facilities • TBA 	<ul style="list-style-type: none"> • All DLR transferees attend induction training during mobilisation and new joiners within a month of joining thereafter

Equality and Diversity Objective	Current Position / Baseline	Action / Task	When	Person Responsible	Resource Implications	Measure of Success
Line managers and Recruitment decision makers provided with E&D training	<ul style="list-style-type: none"> E&D training needs for identified roles identified across DLR contract team and training 	<ul style="list-style-type: none"> Managers to identify individual training needs through Performance and Development Reviews, based on needs analysis review Develop E&D training programme 	<ul style="list-style-type: none"> During contract mobilisation then on-going 	<ul style="list-style-type: none"> HR Business Partner 	<ul style="list-style-type: none"> Group Talent Management Team 	<ul style="list-style-type: none"> All Franchisee senior management team members attend induction training
Exemplary workforce behaviours	<ul style="list-style-type: none"> Need more information about transferring population to assess baseline and options to focus on 	<ul style="list-style-type: none"> Managers to identify individual training needs through performance and development reviews, based on needs analysis review Integrate this into annual E&D training programme 	<ul style="list-style-type: none"> During contract mobilisation then on-going 	<ul style="list-style-type: none"> HR Business Partner 	<ul style="list-style-type: none"> Line management Group Talent Cost of development and delivery 	<ul style="list-style-type: none"> Evidenced focus on issues as they arise such as with customers or to address bullying and harassment situation

APPENDIX 4

Initial SLNT Plan

The Franchisee will set up initiatives to support unemployed people in the Docklands area and, as such, will work with local community organisations including Young Offender Institutions, youth groups and housing associations.

The Franchisee will establish an Employment Charter, which will incorporate the SLNT and Equality and Diversity Plan.

The Franchisee will support local events aimed at reducing poverty, inequality and exclusion by participating in community, education and recruitment activities.

The Franchisee will use Jobcentre Plus to advertise vacancies locally.

Apprentices

The Franchisee will set aside at least 21 opportunities for apprentices. The Apprenticeship Scheme will actively target young people classified as NEET (Not in Employment, Education or Training).

The Franchisee will offer training, development and experience to young people with the potential to become engineering, project and technical managers

The Franchisee will also assess an option to enable its apprentices to join the Duke of Edinburgh (DofE)'s Business Scheme Gold Award.

Qualifications and training programmes

Training will be tailored by the Franchisee for each individual to give them a rounded set of skills, a competency qualification such as a National Vocational Qualification (S/NVQ), and a strong understanding of how businesses work.

The Franchisee will set aside at least one apprenticeship opportunity each year to provide adult apprenticeship roles.

Trainees (placement positions and taster positions)

The Franchisee will provide at least three practical placements per year for pupils. The Franchisee will provide work experience, tailored placements and job shadowing opportunities to encourage female, Black, Asian and Minority Ethnic (BAME), and disabled applicants to apply for jobs and apprenticeships.

The Franchisee will visit colleges, schools and attend seminars to promote the DLR and career options.

Current workforce (workforce skills)

The Franchisee will provide a corporate induction and on-the-job training for all new joiners.

All employees will have an annual performance and development review, with training plans agreed as a result.

The Franchisee will provide an average of five days' training per year per employee.

The Franchisee will work with trade unions to provide NVQ level 1 (or equivalent) numeracy and literacy skills for all operatives.

The Franchisee will encourage all staff to achieve formal external accreditations and will provide opportunity for all staff to work towards a NVQ L2 qualification, or equivalent, by 2020.

The Franchisee will report employability KPIs to the Strategic Partnership Board quarterly.

The Franchisee will provide job-specific technical and HSEQ training.

Management training will include Inclusion, Equality & Diversity; Financial Management, Commercial Awareness, and Business Skills training.

Academy events and online training will be provided by the Franchisee to include ILM accredited E&D training.

Schools engagement activity

The Franchisee will work with local schools to promote DLR as an employer of choice for a career in rail. The Franchisee will engage with five schools in the Docklands area to provide on-going careers support (CV training, interview training, meet our team events) delivering more than 10 days a year to this activity. The Franchisee will actively encourage its supply chain to take part in these events.

Each Franchisee Employee will be provided the opportunity to use a 'community day (each employee will be paid by the Franchisee to undertake a day's work in the community) to complete projects with the schools that are supported by the Franchisee.

Selection of suppliers

The Franchisee will cascade its SLNT and E&D commitments through its supply chain and include SLNT and E&D commitments as part of its supplier selection process.

The Franchisee will require all of its suppliers and subcontractors to evidence their commitment to providing employment and training opportunities to local residents and this will be evaluated during the procurement stage.

SLNT activity breakdown

SLNT activity area	Priority output	Year 1	Year 2	Year 3	Year 4	Totals	Cross check	
							SLNT value	SLNT totals
Apprenticeships								
- Apprentices Job Start (FTE)	Y	2	2	3	3	5	1	10
- Workless Apprentice Job Start (FTE)	Y	1	2	1	1	3	1	4
- Apprentice Start (existing staff)	Y	1	2	1	2	4	1	6
Worklessness								
- Workless Job Starts (FTE)	Y	2	2	2	2	8	1	8
- Workless Graduate Job Start (FTE)	Y	2	2	2	2	8	1	8
Educational/career support								
- Placement Positions (days)		3x10	3x10	3x10	3x10	18x10	20	9
- School Engagement (days)		5	5	5	5	4x5	20	1
Job creation								
- Job Start (non-workless) (FTE)		1	1	1	1	4	1	4

SCHEDULE 19

APPENDIX 5

Periodic SLNT Monitoring Report Template

Organisation	
TfL Contract / Project	
Date	
SLNT Reporting Period	

SLNT Category	TfL Priority	Numbers				Additional Detail / Information
		Annual Target	Annual Forecast	Outputs this Period	Outputs To Date	
Worklessness						
- Apprentices (FTE)	Y					
- Job Starts (FTE)	Y					
- Placement Positions (Nos)	Y					
New Entrants						
- Apprentices (FTE)	Y					
- Job Starts (FTE)						
- Graduates (FTE)						
Trainee's						
- Placement Positions (Nos)						
- Taster Positions (Nos)						
Current Workforce						
- Adult Apprentices (FTE)	Y					
- Workforce Skills (Days)						
Educational Activities (Days)						

Additional Information
Highlights
Issues / Concerns / Risks

SCHEDULE 20

Data Room Documents

Documents contained on electronic disks titled "DLRL Franchise Agreement Schedule 20" and initialled by the parties for identification.

SCHEDULE 21

Financial Model and Record of Assumptions

Documents contained on electronic disk titled "DLRL Franchise Agreement Schedule 21" and initialled by the parties for identification.

SCHEDULE 22

Rolling Stock Lease

ashurst

Rolling Stock Lease

Docklands Light Railway Limited

and

[Franchisee]

2014

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THIS DEED is made on

day of

2014

BETWEEN:

- (1) **DOCKLANDS LIGHT RAILWAY LIMITED** (No. 2052677) with its registered office at 42-50 Victoria Street, London, SW1H 0TL ("**DLRL**"); and
- (2) ● (Company number: ●) with its registered office at ● (the "**Franchisee**").

RECITALS

- (A) DLRL is the owner and operator of the Railway.
- (B) DLRL has awarded the franchise to operate the Railway to the Franchisee in accordance with a Franchise Agreement dated on or around the date hereof (the "**Franchise Agreement**").
- (C) DLRL has agreed to lease the Vehicles to the Franchisee for the provision of the Franchise in accordance with the terms of this Lease and the Franchise Agreement.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless otherwise stated, words and expressions used in this Lease shall have the meanings attributable thereto in the Franchise Agreement and in Schedule 1.

1.2 Interpretation

In this Lease (including the recitals, Schedules and Appendices), except where the context otherwise requires:

- (a) references to a "part" or "parts", a "clause" or "clauses", a "sub-clause" or "sub-clauses", a "Schedule" or "Schedules" and an "Appendix" or "Appendices" are to a part or parts, a clause or clauses, a sub-clause or sub-clauses, a Schedule or Schedules or an Appendix or Appendices to this Lease;
- (b) the headings to clauses, sub-clauses, paragraphs, Schedules and Appendices are for convenience only and shall not affect the interpretation of this Lease;
- (c) reference to a statutory provision shall include a reference to:
 - (i) the statutory provision as modified or re-enacted or consolidated from time to time whether before or after the date of this Lease; and
 - (ii) any subordinate legislation made under the statutory provision whether before or after the date of this Lease;
- (d) reference to a "person" or "persons" includes bodies corporate, unincorporated associations and partnerships and that person's or those persons' legal personal representatives, successors and permitted assigns;
- (e) reference to this Lease or any other agreement or document includes this Lease or, as the case may be, such other agreement or document as the same may from time to time be amended, supplemented or replaced;

- (f) a reference to an agreement or other document "in the agreed form" is to that agreement or document in the form which has been accepted by DLRL and initialled on its behalf and on behalf of the Franchisee for the purposes of identification;
- (g) words importing the singular number only shall include the plural number and vice versa;
- (h) words importing one gender shall include any other gender;
- (i) any obligation on the Franchisee to do or not to do any thing shall be deemed to include an obligation to procure or not to permit or suffer such things to be done by the Franchisee's agents, servants and contractors or sub-contractors of any tier;
- (j) the words "include" and "including" are to be construed without limitation;
- (k) references to any period of seven days or less shall exclude any days which are not Business Days falling within any such period;
- (l) references to materials, information, data or other records shall be to materials, information, data or other records whether stored in electronic, written or other form;
- (m) times of the day are expressed in "0000" format on the basis of a 24 hour clock;
- (n) references to this Lease include the recitals, Schedules and Appendices hereto; and
- (o) references to due diligence by the Franchisee and/or the Franchisee Parties shall include due diligence on behalf of the Franchisee by the Franchisee Parties and the Shareholders.

2. **LEASING OF THE VEHICLES**

2.1 **Entry into Effect**

The provisions of this Lease shall take effect and be binding upon the parties immediately upon signature of this Lease.

2.2 **Leasing**

DLRL will grant and the Franchisee will accept a lease of the Vehicles on and from the Franchise Commencement Date on and subject to the terms and conditions contained herein.

2.3 **Term**

The leasing of each Vehicle shall commence on the Franchise Commencement Date and continue until expiry or termination of the Franchise Agreement.

2.4 **Quiet Enjoyment**

Subject to the provisions of the Franchise Agreement and for as long as no event of illegality/unenforceability of this Lease has occurred, DLRL will not interfere with the quiet use, possession and enjoyment by the Franchisee of the Vehicles during the Franchise Term so long as no Franchisee Default is outstanding.

2.5 **Sub-Lessee Acknowledgement**

The Franchisee shall enter into the Sub-Lessee Acknowledgement(s) as required by DLRL.

3. **DELIVERY**

3.1 **Risk**

As between DLRL and the Franchisee, after delivery pursuant to clause 3.2 of this Lease, the Franchisee will bear all risk of loss, theft, damage or destruction to the Vehicles from any cause whatsoever, save as expressly provided in the Franchise Agreement to the contrary.

3.2 **Delivery**

Without limitation to any other provision of the Franchise Agreement:

- (a) the Vehicles listed at Schedule 2 to this Lease will be deemed to have been delivered by DLRL to and accepted by the Franchisee on an "as-is, where-is and with all faults" basis on the Franchise Commencement Date for all purposes of this Lease; and
- (b) any Additional Vehicles provided pursuant to clause 10 will be deemed to be delivered on an "as-is, where-is and with all faults" following the acceptance of any such Additional Vehicle,

and the Franchisee shall not be entitled to reject or to refuse to accept delivery of any Vehicle under this Lease for any reason.

3.3 **Pre-Delivery Inspection**

Without limitation to any other provision of this Lease or the Franchise Agreement, the Franchisee shall be deemed:

- (a) before executing this Lease to have, and warrants that it has in respect of the Vehicles set out at schedule 2 to this Lease:
 - (i) inspected and examined to its satisfaction the Vehicles as at the date of this Lease;
 - (ii) satisfied itself as to the suitability of the materials and design of the Vehicles for the purposes of conducting the Franchise; and
 - (iii) obtained for itself all necessary information as to the risks, contingencies and all other circumstances which may affect the use and performance of the Vehicles from the Franchise Commencement Date until the end of the Franchise Term; and
- (b) in respect of each Additional Vehicle, at the time it is delivered in accordance with clause 3.2 to have and warrant that it will have:
 - (i) inspected and examined to its satisfaction such Vehicle as at the date of delivery;
 - (ii) satisfied itself as to the suitability of the materials and design of such Vehicle for the purposes of conducting the Franchise; and
 - (iii) obtained for itself all necessary information as to the risks, contingencies and all other circumstances which may affect the use and performance of such Vehicle from the date of delivery until the end of the Franchise Term.

4. **RENTAL**

The Franchisee shall pay rental to DLRL at the rate of £1 in aggregate per Fee Period on and from the Franchise Commencement Date.

5. **LOCATION, USE AND MAINTENANCE OF THE VEHICLES**

5.1 **Location and Use**

- (b) The Franchisee shall not remove, or permit or acquiesce in the removal of any Vehicles from the Railway without the consent of DLRL.
- (c) The Franchisee may only use the Vehicles for the purposes of carrying out its obligations under the Franchise Agreement. The Franchisee shall, as soon as reasonably practicable upon request by DLRL, provide written confirmation of the current location of each Vehicle.

5.2 **Operation and Maintenance**

(a) **Operation**

The Franchisee shall use, operate and store each Vehicle in compliance with the Franchise Agreement and:

- (i) all Applicable Requirements, subject to any derogation therefrom given to the Franchisee by any relevant authority applicable to the Vehicles;
- (ii) any recommendations of the Supplier from time to time; and
- (iii) Good Industry Practice from time to time,

and shall, at its own expense, add to or install upon each Vehicle any equipment required to be so added by any Applicable Requirement.

(b) **Maintenance**

- (i) The Franchisee shall comply with its obligations in relation to maintenance of the Vehicles which are set out in this Lease and in the Franchise Agreement.
- (ii) The Franchisee undertakes to act promptly and diligently in accordance with any directions given by DLRL with respect to the maintenance of the Vehicles to the extent that, in the reasonable opinion of DLRL, the Franchisee does not, or is likely not to, comply with any part of this Lease or the Franchise Agreement.
- (iii) Subject to any express provision to the contrary in the Franchise Agreement and this Lease, the Franchisee shall undertake all works with respect to the maintenance, repair, modification, upgrade or replacement of any Vehicles including, without limitation keeping the Vehicles in good repair, condition and working order, properly serviced and maintained in accordance with:
 - (A) all Applicable Requirements, subject to any derogation therefrom given to the Franchisee by any relevant authority applicable to any Vehicle;
 - (B) any recommendations of the Supplier from time to time; and
 - (C) Good Industry Practice from time to time,

and subject to clause 9 of the Franchise Agreement, the Franchisee shall be liable for all costs and outgoings in respect thereof.

- (iv) Subject to any express provision to the contrary in the Franchise Agreement and this Lease, the Franchisee shall fit to each Vehicle all such replacement parts as shall from time to time be required to replace any parts which may become missing, damaged or time expired in a manner which complies with all Supplier and other mandatory modifications affecting each Vehicle. All replacement parts and additions affixed to any Vehicle shall upon such replacement or affixation (as between DLRL and the Franchisee) become the property of DLRL free of any Security Interests (other than Permitted Security Interests).

(c) **Operational Undertakings**

The Franchisee will (at its own cost):

- (i) keep, maintain and update the Technical Records;
- (ii) not do or omit to do or knowingly permit to be done or omitted to be done anything which might reasonably jeopardise DLRL's or, where relevant, a Financier's, title to the Vehicles;
- (iii) not do or omit to do or knowingly permit to be done or omitted to be done anything which may reasonably be expected to expose the Vehicles to penalty, forfeiture, impounding, detention, appropriation, damage or destruction and without prejudice to the foregoing, if any such situation arises, give DLRL prompt notice thereof and use best endeavours immediately to remedy such situation;
- (iv) promptly (or within any applicable grace period) pay and discharge or cause to be paid and discharged when due and payable all debts, damages, claims, fees and liabilities relating to the Vehicles which under the terms of the Franchise Agreement are properly for the Franchisee's account;
- (v) not deliver, transfer or relinquish possession of any Vehicle other than to a person approved by DLRL for testing or similar purposes or for service, repair, maintenance or overhaul work, or alterations, modifications or additions to the extent required or permitted by this Lease and the Franchise Agreement;
- (vi) obtain and maintain in full force all certificates, licences, permits and authorisations required for the use, maintenance and operation of the Vehicles for the time being and for the compliance by the Franchisee with its obligations under this Lease and the Franchise Agreement;
- (vii) not make any modification to the Vehicles (except as required to comply with the maintenance obligations set out in this Lease and the Franchise Agreement) without the prior written consent of DLRL and then subject to any conditions which DLRL considers appropriate; and
- (viii) not remove, replace or modify any Part (except as required to comply with the maintenance obligations set out in this Lease and the Franchise Agreement) without the prior written consent of DLRL and then subject to any conditions which DLRL considers appropriate.

(d) **Safe use**

The Franchisee shall take all steps to ensure that the operation, use, storage, maintenance, repair and/or alteration of each Vehicle is not contrary to any Applicable Requirements, including ROGS and the Franchisee shall at all times comply with all Applicable Requirements in force for the time being applicable to the Vehicles and to an operator of rolling stock.

(e) **Improvements**

Subject to clause 28 of the Franchise Agreement, the Franchisee shall make, at no cost or expense to DLRL and with no ability to recover from DLRL, all improvements or additions to each Vehicle which are required by any Applicable Requirements. The Franchisee may, at its own cost and expense, make other improvements or additions to each Vehicle provided that the Franchisee shall first obtain the consent of DLRL (such consent not to be unreasonably withheld or delayed).

(f) **Inspection**

Without imposing any obligation on DLRL, the Franchisee shall allow DLRL, DLRL's authorised representative or any Financier, upon reasonable prior notice and at DLRL's cost, to inspect any Vehicle including without limitation:

- (i) to determine that the Vehicles are being maintained and used in accordance with this Lease and the Franchise Agreement; and
- (ii) to conduct any audit pursuant to the terms of the Franchise Agreement or to afford to any potential Successor Franchisee an opportunity to inspect the Vehicles,

provided that:

- (A) if any inspection carried out pursuant to this clause 5.2(f) reveals that any Vehicle is not in the condition in which it is required to be maintained pursuant to this Lease and the Franchise Agreement, the reasonable costs and expenses of DLRL, DLRL's authorised representative or any Financier of all further inspections which are required to confirm compliance with this Lease and the Franchise Agreement shall be reimbursed by the Franchisee on demand; and
- (B) following the occurrence and during the continuation of a Franchisee Default, DLRL, DLRL's authorised representative or any Financier shall be entitled to inspect any Vehicle as often as it considers, acting reasonably, necessary and the reasonable costs and expenses of each inspection referred to in this paragraph (ii) shall be discharged or reimbursed by the Franchisee on demand.

(g) **Owner Plates**

The Franchisee shall, subject to any Applicable Requirements, affix or cause to be affixed, and shall not remove or cover up (or permit to be removed or covered up), a fireproof plate (having dimensions of not less than 10 cm x 7 cm) in an agreed position bearing such text as notified to it by DLRL. As soon as practicable (and in any event within 30 days) after being notified of any required change to the text of the plate referred to above, the Franchisee shall affix or cause to be affixed replacement fireproof plates of the same dimensions and in the same places bearing the text notified to it by DLRL. If such change to the text occurs after its

affixation, DLRL shall provide the replacement fireproof plates, provided that the Franchisee shall pay the costs of implementing such change.

5.3 **No Sub-Leasing**

The Franchisee shall be prohibited from sub-leasing or granting any licence in relation to the Vehicles.

5.4 **Inspection of Operating and Safety Procedures**

(a) If DLRL (or its agent) or any Financier shall inspect any Vehicle pursuant to clause 5.2(f) and DLRL (or its agent) or any Financier, acting reasonably, notifies the Franchisee that such inspection reveals:

(i) any remedial work; or

(ii) any change in practices, management or other safety critical aspects of operations,

necessary in any case for the safe operation of such Vehicle, then the Franchisee shall, subject always to clause 5.4(b), within 10 Business Days of receipt of such notice either (i) (at its cost) remove the Vehicle from operation and place it in storage or (ii) notify DLRL that it does not agree with the determination and that it wishes to submit the matter to the determination of a Competent Authority in accordance with the provisions of clause 5.4(d). In such circumstances and subject always to clause 5.4(b), the Franchisee shall be entitled to continue operating the relevant Vehicle for a period of up to 20 Business Days pending the determination of the Competent Authority pursuant to clause 5.4(d).

(b) Where the Franchisee or the Competent Authority agrees with DLRL's (or its agent) or any Financier's determination pursuant to clause 5.4(a), the Franchisee shall, at its cost, carry out such remedial work or implement the necessary change in operating practices as shall be necessary to enable the Vehicle to be operated and maintained in accordance with the requirements of clause 5.2(b). Subject to Good Industry Practice, such work or implementation shall be carried out as soon as reasonably practicable having regard to the nature of the matter and the risks to safety of persons.

(c) Save where the provisions of clause 5.4(d) apply, until such time as the remedial work has been completed or the necessary change in operating practices has been implemented, the relevant Vehicle shall remain in storage and shall not be operated by the Franchisee.

(d) Any difference or dispute arising under, out of or in connection with this clause 5.4 shall be referred to the Competent Authority whose decision shall be final.

6. **PROTECTION OF INTERESTS**

6.1 **No Security Interest**

The Franchisee shall not, and shall procure that its sub-contractors shall not, hold itself or themselves out as owner of the Vehicles nor pledge the credit of DLRL or any Financier for the repair, maintenance, service, modification to, or change or alteration to, the Vehicles for any purpose whatsoever and shall not, and shall not purport to, sell, charge, pledge, mortgage, otherwise dispose of nor prejudice the rights of DLRL or any Financier in and to the Vehicles or any interest therein or in the insurances thereon, nor permit nor cause any Security Interest to arise or subsist over the Vehicles (other than Permitted Security Interests).

6.2 **Franchisee assistance**

The Franchisee shall, promptly following receipt of a written request from DLRL, provide such assistance as DLRL shall (acting reasonably) require in order to establish, protect, maintain and/or preserve the rights of DLRL or any Financier as legal and beneficial owner of the Vehicles.

7. **WARRANTIES AND EXCLUSION OF LIABILITY**

7.1 **Acknowledgement**

It is expressly agreed and acknowledged by the Franchisee that:

- (a) no term, condition, warranty or representation of any kind whatsoever (express or implied) is or has been given by or on behalf of DLRL or any Financier in respect of the Vehicles. All terms, conditions, warranties and representations (express or implied and whether statutory, collateral hereto or otherwise) relating to the Vehicles, their specification, age, quality, design, operation, condition, description, merchantability or as to their fitness for any purpose or use are hereby expressly excluded; and
- (b) the Franchisee is leasing the Vehicles "as is, where is, and with all faults".

Nothing in this clause shall be construed to exclude DLRL's liability for fraudulent misrepresentation.

7.2 **Waiver**

Except to the extent expressly provided for under this Lease and without prejudice to the provisions of clause 7.1 above, the Franchisee waives, as between itself and DLRL, all claims against DLRL howsoever and whenever arising in respect of or out of the operation, condition or performance of the Vehicles.

7.3 **No Replacement**

Subject to the express provisions of the Franchise Agreement, DLRL shall be under no obligation to provide to the Franchisee or to any other person any replacement for any of the Vehicles, or any part thereof, during any period (whether before or after Delivery) when such Vehicle or Vehicles is unavailable for use for any reason whatsoever nor otherwise to compensate the Franchisee in respect of such unavailability for use.

7.4 **No Agency**

The Franchisee acknowledges that no person (including the Supplier and any Financier) not actually in the employ of DLRL, or who is not a properly and duly authorised agent of DLRL, is or is deemed to be the agent or entitled to act on behalf of or make any representation or warranty binding on DLRL.

7.5 **Exclusion of Liability**

Subject to the express provisions of the Franchise Agreement, DLRL shall not be liable (in contract, tort or otherwise) for any claim, damage, liability or loss (consequential or otherwise) or expense of any kind arising directly or indirectly in connection with the Vehicles nor from any delay in delivery of, or failure to deliver, the Vehicles, any defect or deficiency in, or inadequacy or unsuitability of, the Vehicles or its installation, use, performance, servicing or repair or from any action or omission of DLRL, its servants or agents (other than any action or omission of DLRL which is a breach by DLRL of its express and specific obligations to the Franchisee under this Lease or the Franchise Agreement).

8. **THIRD PARTY WARRANTIES**

8.1 **Conduct of Claims**

- (a) So long as no Franchisee Default is outstanding (other than a Franchisee Default which has been caused by an act, omission or default for which the Franchisee wishes to make a claim under this clause) and subject to clause 8.1(c), DLRL authorises the Franchisee to pursue any claim under any Third Party Warranty unless DLRL is itself pursuing such claim. The Franchisee will notify DLRL promptly upon it becoming aware of any entitlement to make a claim under any Third Party Warranty and DLRL will, as soon as practicable, notify the Franchisee whether or not it will pursue such claim itself. If either party pursues such claim, it will do so diligently and at its own cost. In any event, the Franchisee agrees to preserve and protect DLRL's rights under each such Third Party Warranty and undertakes that it will not take any action which it knows, or should reasonably know, will impair such rights.
- (b) Each of DLRL and the Franchisee undertakes to act strictly in compliance with any restrictions or requirements which it knows, or should reasonably know, are preconditions for the continued existence, enforcement, validity and maintenance of any such Third Party Warranty.
- (c) The Franchisee may, to the extent permitted by Applicable Requirements, pursue any claim which it is authorised by DLRL to pursue in the name of DLRL subject to the following:
 - (i) DLRL shall have first been indemnified and secured to its satisfaction against any Losses arising, or which may arise, out of the pursuance by the Franchisee of such Third Party Warranty claim in DLRL's name; and
 - (ii) to the extent that the pursuit of such Third Party Warranty claim involves judicial, administrative or other similar proceedings, the Franchisee shall have procured an opinion of counsel reasonably acceptable to both DLRL and the Franchisee to the effect that there is a reasonable prospect of such claim being successful.
- (d) DLRL shall, at the request of the Franchisee, consult in good faith with the Franchisee with a view to assigning to the Franchisee the benefit of any such Third Party Warranty if the Franchisee can demonstrate to DLRL's reasonable satisfaction that such an assignment will be likely to produce a greater level of proceeds from the claim under such Third Party Warranty than would have been achieved without such assignment and will not be detrimental to any interests of DLRL. Costs in relation to any such assignment (including, without limitation, legal costs reasonably incurred by DLRL and any applicable stamp duties or other similar Taxes) shall be borne by the Franchisee.

8.2 **Proceeds**

All proceeds of any claim under any Third Party Warranty shall, unless otherwise agreed, be paid directly to DLRL. If, however, such claim relates to:

- (a) a defect affecting the Vehicle which the Franchisee has rectified at its own cost in accordance with the terms of the Franchise Agreement to the reasonable satisfaction of DLRL; and/or
- (b) compensation which is payable for loss of use or deficiency of performance of such Vehicle during the Franchise Term which has not otherwise been compensated or relieved by DLRL,

then the proceeds (including any proceeds which relate to the cost incurred by the Franchisee in pursuing such claim) will be paid to the Franchisee by DLRL as soon as reasonably practicable after receipt of the same by DLRL, unless at such time a Franchisee Default is outstanding (other than a Franchise Default which has been caused by an act, omission or default for which the Franchisee has made a claim under this clause 8), in which event DLRL shall have no obligation to pay such proceeds to the Franchisee unless and until any relevant Franchisee Default is remedied.

8.3 **Warranty Replacement Parts**

Unless otherwise agreed, the Franchisee will procure that all Parts provided in replacement of a defective Part pursuant to the terms of any Third Party Warranty claim comply with the specification for such defective Part and the Franchise Agreement and are installed promptly and properly as required. Title to any Part replaced under a Third Party Warranty shall upon installation immediately (as between DLRL and the Franchisee) vest in DLRL.

9. **PARTS AND SPARES**

9.1 **Spares**

The Franchisee undertakes to comply with its obligations set out in Part 7 of Schedule 4 of the Franchise Agreement in respect of the Spares.

9.2 **Replacement of Parts**

Subject to clause 9 and Part 7 of Schedule 4 of the Franchise Agreement:

- (a) the Franchisee shall at its own cost promptly replace or cause to be replaced all Parts which may from time to time become worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use for any reason whatsoever; and
- (b) the Franchisee may, at its own cost and expense, remove or permit to be removed from any Vehicle in the ordinary course of maintenance, service, repair, overhaul or testing, any Parts whether or not worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use provided however that the Franchisee, will at its own cost and expense, replace, or cause to be replaced, those Parts as promptly as possible.

9.3 **Condition of Replacement Parts**

All replacement Parts shall be free and clear of all Security Interests (other than any Permitted Security Interest) and shall be in as good operating condition as, and shall have a value and utility at least equal to, the Parts replaced (such value or utility to be based on the assumption that the replaced Parts are in the condition and repair required to be maintained under this Lease and the Franchise Agreement).

9.4 **Title to Replacement Parts**

Immediately upon any replacement Part becoming incorporated or installed in or attached to any Vehicle, without further act:

- (a) title to that replacement Part shall upon installation or attachment immediately (as between DLRL and the Franchisee) vest in DLRL; and
- (b) that replacement Part shall be deemed to form part of the relevant Vehicle for the purposes of this Lease to the same extent as the Part originally incorporated or installed in or attached to the Vehicle.

10. **ADDITIONAL VEHICLES**

DLRL may, at any time and in its absolute discretion (subject to Part 2 of Schedule 15 of the Franchise Agreement), require Additional Vehicles to be included under this Lease. Any such request by DLRL shall be a Variation under the Franchise Agreement.

11. **INSURANCE**

Each of DLRL and the Franchisee undertakes to comply with its obligations set out in clause 29 of the Franchise Agreement in respect of the Vehicles.

12. **TERMINATION**

12.1 **Termination**

This Lease shall terminate on the date of expiry or termination of the Franchise Agreement.

12.2 **Payments on Termination**

On termination of this Lease the provisions of the Franchise Agreement shall apply.

13. **RE-DELIVERY OF THE VEHICLES**

13.1 **Re-delivery of the Vehicles**

- (a) Following expiry by effluxion of time or termination of the leasing of any of the Vehicles under this Lease the Franchisee shall comply with the provisions of the Franchise Agreement.
- (b) The Franchisee shall ensure that when each Vehicle is so re-delivered each of them shall have installed thereon all the equipment installed thereon at Delivery or replacements therefor and additions thereto made in accordance with the provisions of this Lease (unless such equipment had to be removed from the Vehicle by operation of law, or cannot be installed on such Vehicle by reason of an Event of Loss affecting such Vehicle, in which case, the Franchisee shall redeliver such part to DLRL unattached). When a Vehicle (other than a Vehicle the subject of an Event of Loss) is so re-delivered, the Franchisee shall comply with its

obligations as to maintenance and re-delivery contained in the Franchise Agreement.

- (c) The Franchisee shall, upon redelivery of the Vehicles and any parts pursuant to this clause 13.1 or otherwise and at the Franchisee's cost and expense:
 - (i) assign to DLRL the benefit of any warranties that the Franchisee may have relating to the Vehicles and such parts;
 - (ii) grant to DLRL a licence to use, free of charge, any intellectual property rights of the Franchisee required to operate the Vehicles in its then condition and the right to use any item which may be installed on the Vehicles at redelivery or which is otherwise redelivered in which the Franchisee has any intellectual property right; and
 - (iii) provide to DLRL all maintenance records and other maintenance documentation relating to the Vehicles.

14. **INDEMNITY**

The Franchisee shall indemnify DLRL against all or any claims (whether successful, compromised or settled) actions, liabilities, proceedings or judgments brought against DLRL and against all Losses which DLRL may suffer or incur (including, but not limited to, Losses in disputing any claim, action, liability demand or proceedings or establishing its right to be indemnified or in any way connected to this indemnity) and which arise out of any default by the Franchisee under this Lease.

15. **TAX**

15.1 **Not Used**

15.2 **Documentary Taxes**

The Franchisee shall pay all stamp and other documentary or registration Taxes to which this Lease or the performance of any of the Franchisee's obligations under this Lease may at any time be subject and shall indemnify DLRL against any Loss which DLRL may suffer or incur as a result of any delay in paying or failure to pay any such Taxes.

15.3 **Value Added Tax**

Save where otherwise stated or where the context otherwise requires:

- (a) any references to amounts payable in this Lease are expressed exclusive of any Value Added Tax which may be properly chargeable thereon. Each party shall pay to the other party any Value Added Tax properly chargeable in respect of any supply made to it under this Lease provided that it shall first have received from the other party a valid Value Added Tax invoice in respect of that supply which complies with part III of the Value Added Tax Regulations 1995; and
- (b) where any cost, expense or disbursement is to be indemnified or to be deducted in any computation, the amount to be indemnified or deducted shall be taken for that purpose to include any Value Added Tax which may be properly chargeable on such cost, expense or disbursement to the extent that the recipient is not entitled to any credit or repayment from the relevant tax authority in respect of the Value Added Tax on the same.

16. **GENERAL**

16.1 **Cumulative Remedies**

No right or remedy conferred upon DLRL by this Lease and/or the Franchise Agreement shall be exclusive of any right or remedy provided by law, and all rights and remedies conferred upon DLRL by this Lease or the Franchise Agreement shall be cumulative with, and in addition to, all rights and remedies given under the other and DLRL's rights under general law and, in particular, shall be without prejudice to DLRL's rights to claim damages.

16.2 **Waiver**

The exercise of any power or remedy or the enforcement of any right shall not be construed as a waiver of the right to exercise any other power or remedy or to enforce any other right. Any forbearance or indulgence granted by DLRL shall not constitute a waiver of the right or remedy of DLRL in respect of which such forbearance or indulgence is granted and DLRL shall be entitled to exercise such right or remedy at any time thereafter.

16.3 **Notices**

Any notice or other communication to be given under this Lease shall comply with the notice provisions set out in the Franchise Agreement and clause 45 of the Franchise Agreement shall apply, mutatis mutandis, to this Lease as if set out in full in this Lease.

16.4 **Governing Law and Jurisdiction**

- (a) This Lease, and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this Lease or its formation (including any non-contractual disputes or claims), shall be governed by and construed in accordance with English law.
- (b) Subject to clause 46.10 of the Franchise Agreement, each party to this Agreement irrevocably agrees that the courts of England shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and/or to settle any disputes, which may arise out of or in any way relate to this Agreement or its formation and, for these purposes, subject to clause 46.10 of the Franchise Agreement, each party irrevocably submits to the jurisdiction of the courts of England.

16.5 **Assignment**

- (a) The Franchisee shall not, without the prior written consent of DLRL, assign, transfer or declare a trust of any benefit arising under or out of this Lease.
- (b) DLRL may transfer (by way of assignment or novation) its rights and/or obligations under this Lease to any entity to which it transfers (by way of assignment or novation) its rights and/or obligations under the Franchise Agreement in accordance with the terms of the Franchise Agreement.
- (c) DLRL shall be entitled to vary, terminate and/or enter into a new lease for the Pittville Vehicles, provided that any material additional obligations on the Franchisee shall be a Variation under the Franchise Agreement.

16.6 **General Undertakings**

The Franchisee undertakes to DLRL as follows:

(a) **Information**

To supply to DLRL promptly after receipt of the same, copies of those notices or documents received in connection with this Lease which are relevant to DLRL or any Financier as owner and/or lessor of the Vehicles.

(b) **Notification of Security Interest**

To notify DLRL promptly upon becoming aware of any Security Interest (other than a Permitted Security Interest) having become, or being alleged to have become, attached to any Vehicle or of any confiscation, seizure, taking in execution, requisition, impounding or forfeiture of any Vehicle.

(c) **Authorisations**

To promptly obtain, maintain and comply with the terms of:

- (i) any authorisation required by the Franchisee under any law or regulation to enable it to perform its obligations under, or for the validity of, this Lease; and
- (ii) any authorisation required by the Franchisee under any law or regulation to enable it to perform its obligations under this Lease.

16.7 **Preservation of Indemnities**

Without prejudice to any right to damages or other claim which any party may, at any time, have against another party under this Lease, it is hereby agreed and declared that the indemnities in favour of DLRL by the Franchisee contained in this Lease shall continue in full force and effect notwithstanding the sale or other dispositions of any of the Vehicles, an Event of Loss or any breach of the terms hereof or thereof by DLRL (including fundamental breach), the repudiation by DLRL or the Franchisee of this Lease or the Franchise Agreement, the expiry or termination of this Lease or the termination of the hire or sale of the Vehicles (or any part respectively thereof) or any other circumstance whatsoever.

16.8 **Validity**

If any provision of this Lease is or becomes void or unenforceable in any jurisdiction, such voiding or unenforceability shall not affect the validity or enforceability of (i) such provision in any other jurisdiction, or (ii) any other provision hereof in such or any other jurisdiction.

16.9 **Set Off**

The Franchisee shall not be entitled to retain or set off from any amount due to DLRL by it, but DLRL may retain or set off any amount owed to it by the Franchisee under this Lease or the Franchise Agreement which has fallen due and payable against any amount due to the Franchisee under this Lease or the Franchise Agreement.

16.10 **Failure to Comply**

If the Franchisee fails to comply with any provision of this Lease, DLRL may on giving notice to the Franchisee, without being in any way obliged to do so or responsible for so doing, effect compliance on behalf of the Franchisee and the Franchisee shall indemnify DLRL on demand against all costs and expenses incurred by DLRL in effecting such compliance.

16.11 **Counterparts**

This Lease may be executed in several counterparts and any single counterpart or set of counterparts, signed in either case by both of the parties, shall be deemed to be an original, and all taken together shall constitute one and the same instrument.

16.12 **Further Assurance**

The Franchisee agrees from time to time, and at the Franchisee's expense, to do and perform such other and further acts and execute and deliver any and all such other instruments as may be required by law or reasonably requested by DLRL to establish, maintain and protect the rights and remedies of DLRL and to carry out and effect the intent and purpose of this Lease and the Franchise Agreement.

16.13 Entire Agreement

This Lease, in conjunction with the Franchise Agreement, constitutes the entire agreement between the Parties in relation to the leasing of the Vehicles by DLRL to the Franchisee, and supersedes all previous proposals, agreements and other written and oral communications in relation thereto.

16.14 Variation

This Lease shall not be varied except by agreement in writing between the parties hereto.

16.15 Confidentiality

Clause 42 of the Franchise Agreement shall apply, *mutatis mutandis*, to this Lease as if set out in full in this Lease.

16.16 Illegality/Unenforceability

Notwithstanding anything in this Lease to the contrary, if the effect of the introduction of, change in, or change in the interpretation or application of, any law, regulation, directive or request from any governmental or other regulatory authority (whether or not having the force of law), in each case being after the date hereof, is that:

- (a) the leasing of any of the Vehicles hereunder is terminated; or
- (b) any material obligation of DLRL or the Franchisee under this Lease ceases to be legal, valid and binding on or enforceable against DLRL or, as the case may be, the Franchisee,

then in any such case (subject always to clause 12 above) the parties hereto shall forthwith negotiate with each other in good faith with a view to making arrangements whereby the leasing of the Vehicles can continue or such material obligation can be performed in such circumstances as shall be legal, valid, binding and enforceable and so as to achieve substantially the same result as would have been achieved had the leasing of the Vehicles continued or had such material obligation not been rendered illegal, invalid, non binding or unenforceable.

IN WITNESS whereof this deed has been executed and delivered on the date first above written.

SCHEDULE 1

Definitions

"Additional Vehicles" means any additional vehicles designated as such by DLRL pursuant to clause 10;

"Delivery" means, in respect of each Vehicle, the delivery of such Vehicle by DLRL to the Franchisee in accordance with clause 3.2;

"Event of Loss" means any of the following events in relation to any Vehicle:

- (a) its destruction, damage beyond repair or being rendered permanently unfit for normal use for any reason whatsoever; or
- (b) its requisition for title, confiscation, detention, forfeiture or any compulsory acquisition or seizure or requisition for hire by or under the order of any government, state and/or agency of any state (whether civil, military or de facto) for a period of ninety (90) consecutive days; or
- (c) its hi-jacking, theft or disappearance, resulting in loss of possession by the Franchisee for a period of sixty (60) consecutive days;

"Financier" means Pittville Leasing Limited and any other provider of finance to DLRL from time to time in respect of the Vehicles;

"Part" means all parts, consumables, appliances, instruments, appurtenances, accessories, furnishings and other equipment or components of whatever nature, which are from time to time incorporated or installed in or attached to the Vehicles;

"Permitted Security Interest" means, with respect to the Vehicles, any Security Interest created by DLRL;

"Pittville" means Pittville Leasing Limited, a company incorporated under the laws of England and Wales with registered number 02927049 and whose registered office is at The Quadrangle, The Promenade, Cheltenham, Gloucester GL50 1PX;

"Pittville Lease" means the lease dated 27 April 2005 entered into between DLRL and Pittville pursuant to which Pittville agreed to lease the Pittville Vehicles to DLRL;

"Pittville Vehicles" means the vehicles leased to DLRL pursuant to the Pittville Lease;

"Relief" means any loss, relief, allowance, exemption, set-off, deduction, right to repayment or credit or other relief of a similar nature granted by or available in relation to Taxes pursuant to any legislation or otherwise;

"Security Interest" means any mortgage, pledge, lien, charge, retention of title, assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security;

"Spare" means each of the spares and sub-assemblies of any Vehicle (whether or not incorporated or installed in or attached to a Vehicle) together with any replacement spares and sub-assemblies;

"Sub-Lessee Acknowledgement" means an acknowledgement by the Franchisee in favour of the Financier substantially in the form set out in Schedule 3;

"Supplier" means Bombardier Transportation UK Limited, a company incorporated under the laws of England and Wales with registered number 02235994 and whose registered office is at Suite 3, Woburn House, Vernon Gate, Derby DE1 1UL;

"Tax" includes all present and future taxes, charges, imposts, duties, levies, deductions, withholdings or fees in the nature of tax, or any amount payable on account of or as security for any of the foregoing, payable at the instance of or imposed by any statutory, governmental, international, state, federal, provincial, local or municipal authority, agency, body or department whatsoever or any central bank, monetary agency or European Community institution, in each case whether in the United Kingdom or elsewhere, together with any penalties, additions, fines, surcharges or interest relating thereto, and **"Taxes"** and **"Taxation"** and cognate expressions shall be construed accordingly;

"Technical Records" means all documents, data and records relating to the Vehicles and all additions and revisions to them from time to time and all entries on any database relating to such Vehicles;

"Third Party Warranty" means any warranty, representation, condition or guarantee (including, without limitation, any guarantee or performance or service life policy), express or implied, relating to the design, manufacture, condition, performance, merchantability or fitness for any use or purpose of the Vehicles or any Parts given or made by its manufacturer or any relevant seller, supplier, sub-contractor, maintenance performer or repairer (other than DLRL);

"Value Added Tax" means value added tax as provided for in the VATA and legislation supplemental thereto or in any primary or secondary legislation promulgated by the European Community or any official body or agency thereof and any tax similar or equivalent to value added tax imposed by any country other than the United Kingdom and any similar or turnover Tax replacing or introduced in addition to any of the same;

"VATA" means the Value Added Tax Act 1994; and

"Vehicles" means:

- (a) each of the vehicles listed in Schedule 2; and
- (b) any Additional Vehicles,

including any and all Spares and Parts incorporated or installed in or attached to such vehicles and the Technical Records relating to such vehicles and including all modifications thereto.

SCHEDULE 2

Vehicles

	VID	Current Financier	Supplier
LRV	22	DLRL	Bombardier
LRV	23	DLRL	Bombardier
LRV	24	DLRL	Bombardier
LRV	25	DLRL	Bombardier
LRV	26	DLRL	Bombardier
LRV	27	DLRL	Bombardier
LRV	28	DLRL	Bombardier
LRV	29	DLRL	Bombardier
LRV	30	DLRL	Bombardier
LRV	31	DLRL	Bombardier
LRV	32	DLRL	Bombardier
LRV	33	DLRL	Bombardier
LRV	34	DLRL	Bombardier
LRV	35	DLRL	Bombardier
LRV	36	DLRL	Bombardier
LRV	37	DLRL	Bombardier
LRV	38	DLRL	Bombardier
LRV	39	DLRL	Bombardier
LRV	40	DLRL	Bombardier
LRV	41	DLRL	Bombardier
LRV	42	DLRL	Bombardier
LRV	43	DLRL	Bombardier
LRV	44	DLRL	Bombardier
LRV	45	DLRL	Bombardier
LRV	46	DLRL	Bombardier
LRV	47	DLRL	Bombardier

	VID	Current Financier	Supplier
LRV	48	DLRL	Bombardier
LRV	49	DLRL	Bombardier
LRV	50	DLRL	Bombardier
LRV	51	DLRL	Bombardier
LRV	52	DLRL	Bombardier
LRV	53	DLRL	Bombardier
LRV	54	DLRL	Bombardier
LRV	55	DLRL	Bombardier
LRV	56	DLRL	Bombardier
LRV	57	DLRL	Bombardier
LRV	58	DLRL	Bombardier
LRV	59	DLRL	Bombardier
LRV	60	DLRL	Bombardier
LRV	61	DLRL	Bombardier
LRV	62	DLRL	Bombardier
LRV	63	DLRL	Bombardier
LRV	64	DLRL	Bombardier
LRV	65	DLRL	Bombardier
LRV	66	DLRL	Bombardier
LRV	67	DLRL	Bombardier
LRV	68	DLRL	Bombardier
LRV	69	DLRL	Bombardier
LRV	70	DLRL	Bombardier
LRV	71	DLRL	Bombardier
LRV	72	DLRL	Bombardier
LRV	73	DLRL	Bombardier
LRV	74	DLRL	Bombardier
LRV	75	DLRL	Bombardier

	VID	Current Financier	Supplier
LRV	76	DLRL	Bombardier
LRV	77	DLRL	Bombardier
LRV	78	DLRL	Bombardier
LRV	79	DLRL	Bombardier
LRV	80	DLRL	Bombardier
LRV	81	DLRL	Bombardier
LRV	82	DLRL	Bombardier
LRV	83	DLRL	Bombardier
LRV	84	DLRL	Bombardier
LRV	85	DLRL	Bombardier
LRV	86	DLRL	Bombardier
LRV	87	DLRL	Bombardier
LRV	88	DLRL	Bombardier
LRV	89	DLRL	Bombardier
LRV	90	DLRL	Bombardier
LRV	91	DLRL	Bombardier
LRV	92	DLRL	Bombardier
LRV	93	DLRL	Bombardier
LRV	94	DLRL	Bombardier
LRV	95	DLRL	Bombardier
LRV	96	DLRL	Bombardier
LRV	97	DLRL	Bombardier
LRV	98	DLRL	Bombardier
LRV	99	DLRL	Bombardier
LRV	1	DLRL	Bombardier
LRV	2	DLRL	Bombardier
LRV	3	DLRL	Bombardier
LRV	4	DLRL	Bombardier

	VID	Current Financier	Supplier
LRV	5	DLRL	Bombardier
LRV	6	DLRL	Bombardier
LRV	7	DLRL	Bombardier
LRV	8	DLRL	Bombardier
LRV	9	DLRL	Bombardier
LRV	10	DLRL	Bombardier
LRV	11	DLRL	Bombardier
LRV	12	DLRL	Bombardier
LRV	13	DLRL	Bombardier
LRV	14	DLRL	Bombardier
LRV	15	DLRL	Bombardier
LRV	16	DLRL	Bombardier
LRV	101	Pittville	Bombardier
LRV	102	Pittville	Bombardier
LRV	103	Pittville	Bombardier
LRV	104	Pittville	Bombardier
LRV	105	Pittville	Bombardier
LRV	106	Pittville	Bombardier
LRV	107	Pittville	Bombardier
LRV	108	Pittville	Bombardier
LRV	109	Pittville	Bombardier
LRV	110	Pittville	Bombardier
LRV	111	Pittville	Bombardier
LRV	112	Pittville	Bombardier
LRV	113	Pittville	Bombardier
LRV	114	Pittville	Bombardier
LRV	115	Pittville	Bombardier
LRV	116	Pittville	Bombardier

	VID	Current Financier	Supplier
LRV	117	Pittville	Bombardier
LRV	118	Pittville	Bombardier
LRV	119	Pittville	Bombardier
LRV	120	Pittville	Bombardier
LRV	121	Pittville	Bombardier
LRV	122	Pittville	Bombardier
LRV	123	Pittville	Bombardier
LRV	124	Pittville	Bombardier
LRV	125	DLRL	Bombardier
LRV	126	DLRL	Bombardier
LRV	127	DLRL	Bombardier
LRV	128	DLRL	Bombardier
LRV	129	DLRL	Bombardier
LRV	130	DLRL	Bombardier
LRV	131	DLRL	Bombardier
LRV	132	DLRL	Bombardier
LRV	133	DLRL	Bombardier
LRV	134	DLRL	Bombardier
LRV	135	DLRL	Bombardier
LRV	136	DLRL	Bombardier
LRV	137	DLRL	Bombardier
LRV	138	DLRL	Bombardier
LRV	139	DLRL	Bombardier
LRV	140	DLRL	Bombardier
LRV	141	DLRL	Bombardier
LRV	142	DLRL	Bombardier
LRV	143	DLRL	Bombardier
LRV	144	DLRL	Bombardier

	VID	Current Financier	Supplier
LRV	145	DLRL	Bombardier
LRV	146	DLRL	Bombardier
LRV	147	DLRL	Bombardier
LRV	148	DLRL	Bombardier
LRV	149	DLRL	Bombardier
LRV	150	DLRL	Bombardier
LRV	151	DLRL	Bombardier
LRV	152	DLRL	Bombardier
LRV	153	DLRL	Bombardier
LRV	154	DLRL	Bombardier
LRV	155	DLRL	Bombardier

SCHEDULE 3

Form of Franchisee Acknowledgment

To: Pittville

From: ● (Franchisee)

[Date]

Dear Sirs

1. We refer to:
 - (a) the Lease Agreement dated 27 April 2005 between Pittville Leasing Limited (the "**Lessor**") and Docklands Light Railway Limited (the "**Lessee**") as amended and novated from time to time (the "**Lease**") in relation to twenty-four (24) vehicles (the "**Equipment**"); and
 - (b) the rolling stock lease dated ● entered into between ourselves and the Lessee in relation to the Equipment (the "**Sub-Lease**").
2. In consideration of £1, receipt and sufficiency of which is hereby acknowledged, we agree the following:
 - (a) that the Sub-Lease is subject and subordinate to the Lease and that our rights under the Sub-Lease are subject to the Lessor's rights under the Lease;
 - (b) that upon notification from the Lessor of the occurrence of a default under the Lease and that the Lessor has terminated the Lessee's rights to possession of the Equipment under the Lease as a result thereof, the Sub-Lease will terminate immediately and we will promptly redeliver the Equipment to the Lessor or its authorised agent; and
 - (c) we will give sufficient access to the Equipment to the Lessor to enable the Lessor to exercise its rights under the Lease.

This acknowledgement shall be governed by, and construed in accordance with, English law and is given by us for the benefit of the Lessor and for any of its successors and permitted assigns.

Yours faithfully

For and on behalf of

[Franchisee]

SCHEDULE 23

Commercially Sensitive Information

	Commercially Sensitive Contractual Provision	Period of Confidentiality
1.	Clause 1.1 - reference to "[●] ⁷⁶ " in definition of "Asset Management System".	Duration of the Agreement
2.	Clause 9.5 - references to "[●] ⁷⁷ ".	Duration of the Agreement
3.	Clause 14.3.3(c) (to the extent that individuals are referred to by name).	Until such time as terms of employment have been agreed with the relevant individuals.
4.	Paragraphs 5.3, 5.38, 5.39, 5.43 and 5.44, and Figure 5, in each case of Part 2 (<i>Asset Management Strategy</i>) of Schedule 4 (<i>Asset Management</i>).	Duration of the Agreement
5.	The Principal Asset Strategies Principles Table in Part 3 (<i>Principal Asset Strategy Principles</i>) of Schedule 4 (<i>Asset Management</i>).	Duration of the Agreement
6.	Paragraphs 3.2(a)(iii), 3.4, 4.2(a), 5.5, 6.2, 9.3, 10.2, 10.3, 10.4, 14.3(a), 14.3(c), 14.11, 15.3(c), 15.3(d), 15.3(f), 15.3(j), and 15.3(l), and Table A at paragraph 13.4, in each case of Part 10 (<i>Asset Management System</i>) of Schedule 4 (<i>Asset Management</i>).	Duration of the Agreement
7.	Paragraphs 4.2, 4.3, 4.4, 4.5, 10.3, 10.4 and 10.5 in each case of Part 1 (<i>List of Committed Obligations</i>) of Schedule 12 (<i>Committed Obligations</i>) in their entirety.	Duration of the Agreement
8.	All references to "[●] ⁷⁸ " in paragraph 4.6 and 4.7 of Part 1 (<i>List of Committed Obligations</i>) of Schedule 12 (<i>Committed Obligations</i>).	Duration of the Agreement
9.	The Summary Descriptions set out in the second column of the table at paragraph 2.7 of Part 3 (<i>Late/Non Completion of Committed Obligations</i>) of Schedule 12 (<i>Committed Obligations</i>), in respect of items 4.2-4.3 and 4.4-4.5 only.	Duration of the Agreement
10.	Each of the Committed Obligation Payment Adjustments set out in the fourth column of the table at paragraph 2.7 of Part 3 (<i>Late/Non Completion of Committed Obligations</i>) of Schedule 12 (<i>Committed Obligations</i>).	Duration of the Agreement

⁷⁶ Redacted

⁷⁷ Redacted

⁷⁸ Redacted

	Commercially Sensitive Contractual Provision	Period of Confidentiality
11.	The words "[●] ⁷⁹ " in the definition of "Inter-company Loan Facility" at paragraph 4.1 (<i>Financial Ratio</i>) of Part 1 (<i>Franchise Payments</i>) of Schedule 14 (<i>Finance</i>).	Duration of the Agreement
12.	Table in Paragraph 2.1(b) of Part 1 (<i>Pre Priced Variations</i>) of Schedule 15 (<i>Variation Procedure</i>).	Duration of the Agreement
13.	Table in Paragraph 2.1(c) of Part 1 (<i>Pre Priced Variations</i>) of Schedule 15 (<i>Variation Procedure</i>).	Duration of the Agreement
14.	Table in Paragraph 2.2(a) of Part 1 (<i>Pre Priced Variations</i>) of Schedule 15 (<i>Variation Procedure</i>).	Duration of the Agreement
15.	"On-Cost Multiplier A" - Paragraph 1.1(b) of Appendix 1 (<i>Calculation of Change in Cost</i>) of Part 2 (<i>General Variation</i>) of Schedule 15 (<i>Variation Procedure</i>) (to the extent the amount of the multiplier is referred to).	Duration of the Agreement
16.	"On-Cost Multiplier B" - Paragraph 1.1(c) of Appendix 1 (<i>Calculation of Change in Cost</i>) of Part 2 (<i>General Variation</i>) of Schedule 15 (<i>Variation Procedure</i>) (to the extent the amount of the multiplier is referred to).	Duration of the Agreement
17.	Paragraph 3(b) of Appendix 1 (<i>Calculation of Change in Cost</i>) of Part 2 (<i>General Variation</i>) of Schedule 15 (<i>Variation Procedure</i>) (to the extent the margin percentage is referred to).	Duration of the Agreement
	General	
18.	Information obtained from the Franchisee relating to (i) the Franchisee's corporate structure and shareholdings, to the extent not in the public domain and (ii) funding.	Duration of this Agreement
	Financial Information	
19.	Financial models and any model assumptions (including all supporting documents produced on behalf of the Franchisee containing project specific information), budgets, estimates and/or quotations for undertaking services and forecasts relating to the Franchise.	Duration of this Agreement
20.	Price breakdowns, including any financial models and supporting documents relating to the Franchise to the extent this reveals information about the Franchisee's, any Sub-Contractor's or any of their sub-contractors' or Affiliates' costs, rates, build ups, forecasts and/or profit levels.	Duration of this Agreement
21.	Information obtained from the Franchisee relating to Franchise risks and pricing of the same to the extent this reveals information about the Franchisee's, any Sub-Contractor's or any of their sub-contractors' or Affiliates'	Duration of this Agreement

	Commercially Sensitive Contractual Provision	Period of Confidentiality
	costs, rates, build ups, forecasts and/or profit levels.	
22.	Contract accounts, turnover accounts and the Franchisee's, any Sub-Contractor's or any of their sub-contractors' or Affiliates' financial records or information made available pursuant to the Agreement other than the contents of the Fee Certificate.	Duration of this Agreement
Bid Documentation		
23.	The Franchisee's responses to the Franchise's Pre-Qualification Questionnaire, Invitation to Tender, Best and Final Offer and Bid Confirmation, financial models including all variants, submission, responses, proposals, correspondence, clarifications, papers etc. to the extent that such information falls within an exemption in the FOI Legislation.	Duration of this Agreement
Associated Contractual Documentation		
24.	The letter of support from the Franchisee's parent companies addressed to the Franchisee.	Duration of this Agreement
Intellectual Property		
25.	Franchisee IPR and Third Party IPR.	Duration of this Agreement
Personal Information		
26.	Personal information relating to any of the Franchisee's employees or employees of any Sub-Contractor to the extent it contains information exempt as personal data under section 40 of FOIA but without prejudice to the rights of access under the Data Protection Act 1998.	Duration of this Agreement

SCHEDULE 24

TfL Policies

1. Code of Conduct, including the provisions set out in and those relating to safety, security, and any other on site regulations specified by TfL for personnel working at any premises of TfL or accessing TfL's computer systems;
2. Code of Connection; and
3. Drugs and Alcohol Policy.

SCHEDULE 25

Estate Plans

Documents contained on electronic disk titled "DLRL Franchise Agreement Schedule 25" and initialled by the parties for identification.

SCHEDULE 26

DLRL Projects

Project	Brief Description	Estimated Completion Date	Asset
Bostwick Gates - West Silvertown	Installation of Bostwick Gates at the platform access point to both platforms at West Silvertown for the purposes of crowd control.	Feb-14	Structures
Stratford Ramp	Install a ramp and provide step free access from platform 4/4a to platforms 3 and 5 at Stratford and to reduce the interchange route. Required to meet original planning conditions.	Jun-14	Structures / M&E
Tower Gateway Station Concourse Improvements	This is to enhance the look and feel of TOG as this is a key gateway to the Railway. This will include signage and a new door.	Mar-14	Structures
Twin Tracking Phase One - Pudding Mill Lane to Waterworks River Phase Two - the remaining sections between Bow Church and Stratford	<p>Phase One will be delivered by DLRL under a variation to its existing Crossrail commitment for a new station at Pudding Mill Lane by April 2014.</p> <p>Phase Two is likely to be delivered between 2018 and 2020. Both phases of the double tracking project are included in the TfL business plan. DLRL expects to submit a Transport and Works Act Order application for Phase Two in 2016.</p> <p>The completion of both phases will provide a full double track railway between Stratford and Canary Wharf.</p>	<p>Phase One - Jul-14</p> <p>Phase Two - Jul-20</p>	Structures / Track / Signalling / Telecomms / M&E / HV
Pudding Mill Lane Station	Pudding Mill Lane station is being moved to facilitate the new Crossrail lines through Stratford station. A new station at Pudding Mill Lane is currently under construction and due for opening around April 2014. The New Franchisee will be required to stop all services on this route at the Pudding Mill Lane station and will be responsible for maintaining the new station and the equipment on it. Station design plans are included in the Franchise Reports in the Data Room.	Apr-14	Structures

Project	Brief Description	Estimated Completion Date	Asset
Improved Cycle Parking	To develop and deliver improved cycle facilities across the Railway. The objective is to deliver a high quality, consistent standard of cycle parking at all DLR stations. The New Franchisee will be required to maintain these.	Mar-14	Structures / M&E
East India Urban Realm Improvements	The objective of the project is to provide an improved environment for passengers using the station from neighbouring developments. This includes landscaping, planting, de-cluttering and lift.	Sep-14	Structures / M&E
Canary Wharf Concourse Lighting Improvements	This will improve the lighting levels on the concourse and stairs, refresh the signage, deep clean the concourse surfaces and introduce electronic wayfinding and information pods.	Oct-14	Structures / M&E
Beckton Concourse Improvements	The aim of this project is to improve station aesthetics and provide a more welcoming environment for customers, including improvements to signage and paving.	Aug-14	Structures / M&E
Shadwell Eastern Entrance	The aim of the project is to formalise the eastern entrance/exit, which will help increase flow capacity through the station and alleviate pinch points at the western entrance.	Aug-14	Structures / M&E
Fibre Resilience	Improve the resilience of the fibre cable network from vermin and animal attacks. Reducing the risk of cable severance and the suspension of train services on the affected section of the railway along with reducing the impact of severe performance across the remainder of the network.	Mar-14	Signalling / Telecomms
SCADA inc Fire Alarms	Provision of duplicate SCADA functional control from both PCC and BCC. The upgrade will also provide remote isolator control, and will allow rationalisation of traction power and fire alarm reporting within the existing PCC.	May-14	Telecomms
Beckton Depot Shed Extension	This project is to extend the train shed at Beckton DLR depot to improve maintenance efficiency, accommodate three-car trains and reduce delays in the depot.	Mar-15	Structures / Track / Signalling / Telecomms / M&E /

Project	Brief Description	Estimated Completion Date	Asset
			HV
Limehouse Escalator	The installation of one escalator from the westbound platform	Nov-14	Structures / M&E
Royal Victoria Canopies	The replacement of the 30 metre canopy on the eastbound platform and the replacement of the 30 metre canopy on westbound platform. The westbound platform will also benefit from an extension to the canopy, providing cover for the full 90 metre length.	Aug-15	Structures / Telecomms / M&E

SCHEDULE 27
First Employee List