
OLR Grant Agreement
relating to the Wales and Borders
Franchise

THE WELSH MINISTERS (1)

TRANSPORT FOR WALES RAIL LTD (2)

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THIS AGREEMENT is dated

5 February

2021

BETWEEN:

- (1) **THE WELSH MINISTERS**, whose principal place of business is at Crown Buildings, Cathays Park, Cardiff, United Kingdom CF10 3NQ (the “**Authority**”); and
- (2) **TRANSPORT FOR WALES RAIL LTD** (Company Number: **12619906**), whose registered office is at 3 Llys Cadwyn, Pontypridd, Wales CF37 4TH (“**TfWRL**”).

WHEREAS:

- (A) Keolis Amey Wales Cymru Limited (Company Number: 11391059) (“**KA**”) has been providing certain services for the carriage of passengers by railway and operating certain stations and light maintenance depots pursuant to the Previous ODP Grant Agreement.
- (B) The Authority has a duty under section 30 of the Act in respect of the Wales-only services and the Welsh component of a Welsh service and as agent of the Secretary of State in respect of the English services to secure the continuity of the provision of passenger rail services in circumstances where the Previous ODP Grant Agreement terminates and no further franchise agreement has been entered into in respect of the passenger rail services formerly provided under the Previous ODP Grant Agreement (the “**Section 30 Duty**”).
- (C) The Previous ODP Grant Agreement is to terminate on 7 February 2021 and no further franchise agreement has been entered into in respect of the passenger services formerly provided under the Previous ODP Grant Agreement. In consequence the Authority's Section 30 Duty has become effective.
- (D) Transport for Wales is a wholly owned subsidiary of the Authority and TfWRL is a wholly owned subsidiary of Transport for Wales. TfWRL has been established for the purposes of undertaking, on behalf of the Authority, the Section 30 Duty in respect of the rail services formerly provided by KA under the Previous ODP Grant Agreement. TfWRL will operate the Rail Services in respect of which the Section 30 Duty applies.
- (E) The Authority and TfWRL have agreed that whilst this Agreement does not constitute a franchise agreement (within the meaning of the Act) in order to ensure (so far as possible) that the Rail Services are operated and managed in a manner consistent with how railway passenger services are provided by franchisees under franchise agreements it is appropriate for TfWRL to provide the Rail Services in accordance with the terms of this Agreement.
- (F) Payments made by the Authority to TfWRL in respect of the Rail Services are made in accordance with the Authority's powers under section 10 of the Railways Act 2005.

Section 10(4) of that act grants the Authority the power wholly or primarily for Welsh purposes, to provide, or to agree to provide, financial assistance to persons otherwise than under franchise agreements for the purpose of securing the provision, improvement or development of railway services or railway assets, or for any other purpose relating to a railway or railway services.

1 INTERPRETATION

1.1 In this Agreement, except to the extent the context otherwise requires:

- (a) words and expressions defined in Part I of the Act have the same meanings when used therein provided that, except to the extent expressly stated, **“railway”** shall not have the wider meaning attributed to it by section 81(2) of the Act;
- (b) words and expressions defined in the Interpretation Act 1978 have the same meanings when used in this Agreement;
- (c) references to **“Parties”** shall mean the Authority and TfWRL (and references to a **“Party”** shall mean the Authority or TfWRL as the context requires);
- (d) the words **“include”**, **“including”** and **“in particular”** are to be construed without limitation;
- (e) references to any **“person”** include its successors, transferees or assignees;
- (f) the words **“subsidiary”**, **“subsidiary undertaking”** and **“parent undertaking”** each have the same meaning in this Agreement as in section 1162 of the Companies Act 2006;
- (g) references in any of the agreements comprising this Agreement to Recitals, clauses, Schedules, Parts of Schedules, paragraphs of Schedules and Appendices to Schedules are to Recitals, clauses, Schedules, Parts of Schedules, paragraphs of Schedules and Appendices to Schedules of that agreement, unless expressly specified to the contrary, and the Schedules and Appendices form part of the agreement in which they appear;
- (h) references in any Schedule in any of the agreements comprising this Agreement to a Part, paragraph or Appendix are references to a Part, paragraph or Appendix of that Schedule (or the relevant Part of a Schedule), unless expressly specified to the contrary;
- (i) headings and references to headings shall be disregarded in construing this Agreement;

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- (j) references to any enactment include any subordinate legislation made from time to time under such enactment and are to be construed as references to that enactment as for the time being amended or modified or to any enactment for the time being replacing or amending it and references to any subordinate legislation are to be construed as references to that legislation as for the time being amended or modified or to any legislation for the time being replacing or amending it;
- (k) references to an agreement or any other document shall be construed as referring to that agreement or document as from time to time supplemented, varied, replaced, amended, assigned or novated;
- (l) references to any particular provisions of any agreement or any other document shall be construed to include any other provisions of, or incorporated in, that agreement or other document which the Authority reasonably considers have an equivalent effect or are intended to fulfil the same function;
- (m) amendments to or variations of contracts or arrangements include assignments, novations or other transfers of rights and/or obligations (in whole or in part) under such contracts or arrangements;
- (n) words importing the masculine gender include the feminine and vice-versa, and words in the singular include the plural and vice-versa;
- (o) wherever provision is made for the giving or issuing of any notice, endorsement, consent, approval, waiver, certificate or determination by any person, unless otherwise specified, such notice, endorsement, consent, approval, waiver, certificate or determination shall be in writing and the words “**notify**”, “**endorse**”, “**consent**”, “**approve**”, “**waive**”, “**certify**” or “**determine**” and other cognate expressions shall be construed accordingly;
- (p) references to materials, information, data and other records shall be to materials, information, data and other records whether stored in electronic, written or other form;
- (q) references to TfWRL bidding for Train Slots or a Timetable shall mean the final action incumbent on TfWRL under the Network Code to confirm to Network Rail its interests in the Train Slots to which that confirmation relates, and “**bid**” shall be construed accordingly;
- (r) references to the period of validity of any Fare are references to its period of validity excluding any rights of any purchaser thereof to extend such period under the Passenger’s Charter, any equivalent document, or the terms and conditions attaching to such Fare (including any applicable conditions of carriage) in the

event of the cancellation or delay of any of the railway passenger services for which such Fare is valid;

- (s) references to “**railway passenger services**” are to be construed subject to section 40 of the Railways Act 2005;
- (t) references to the “**provision of railway passenger services**” include the organisation of the relevant train movements and making the necessary arrangements with Network Rail or any other relevant Facility Owner;
- (u) references in lower case letters to terms defined in clause 3 (Definitions) shall be construed, where relevant, as being references to the terms defined as such in a franchise agreement or relevant agreement made under section 30 of the Act or section 6 of the Railways Act 2005 with any other Train Operator;
- (v) references to sums of money being expended by TfWRL shall be to such sums exclusive of Value Added Tax;
- (w) NOT USED;
- (x) NOT USED;
- (y) wherever provision is made for TfWRL to “**procure**” or “**ensure**” the delivery of an obligation under this Agreement, unless otherwise specified, that provision shall be construed as a primary obligation on TfWRL to deliver that obligation;
- (z) references to “**profit**” shall be construed as meaning profit before corporation tax, determined in accordance with GAAP; and
- (aa) references to “**process**” or “**processing**” or “**processed**” are to be construed in accordance with the meanings set out in the Data Protection Requirements for the purposes of Schedule 1.5 (*Information about Passengers*), paragraph 2.1 of Schedule 14.4 (*Designation of Rail Services Assets*) and Appendix 3 to Schedule 8.9 (*Intermodal Concessionary Smart Card CRM Services – Data Protection*).

1.2 Where there is a requirement on TfWRL to “**fully and effectively co-operate**” with one (1) or more other parties with regard to an objective, that requirement relates to the quality of co-operation to be provided by TfWRL taking into account and subject to the response of the other parties concerned. It does not indicate an obligation on TfWRL beyond co-operation, relating to the funding of detailed design and development of an infrastructure project, actual delivery or subsequent operation (including in each case performance cost and revenue effects). It does indicate that TfWRL shall participate actively in relation to the relevant objective including through the application of management time and internal resources, correspondence and attendance at meetings, in each case as TfWRL

reasonably considers in all of the circumstances to be an appropriate use of its resources and effective to achieve the relevant objective.

2 **AGREED DOCUMENTS**

2.1 References to documents “**in the agreed terms**” are references to documents initialled by or on behalf of the Authority and TfWRL.

2.2 As at the date of this Agreement, the documents “**in the agreed terms**” are as follows:

Initial Budget	TfWRL Initial Budget;
POSAMP	Previous ODP's Station Asset Management Plan
TSR	Train Service Requirement (including TSR1A, TSR1B, TSR1C, TSR2 and TSR 2A).

3 **DEFINITIONS**

3.1 In this Agreement, except to the extent the context otherwise requires, the following words and expressions have the following meanings:

"16 to 25 Railcard"	means a Discount Card issued under the Discount Fare Scheme referred to in paragraph 3 of Schedule 2.5 (Transport, Travel and Other Schemes);
"2010 Nominal Ticket Sales"	has the meaning given to it in paragraph 3 of Schedule 5.4 (Regulation of Fares Basket Values);
"2010 Ticket Revenue"	has the meaning given to it in paragraph 4 of Schedule 5.4 (Regulation of Fares Basket Values);
"Access Agreement"	has the meaning given to the term "access agreement" in Section 83(1) of the Act;
"ACoRP"	means the Association of Community Rail Partnerships whose principle place of business is The Old Water Tower, Huddersfield Railway Station, St Georges Square, Huddersfield, HD1 1JF or any successor body whose purpose is to support Community Rail Partnerships;
"Act"	means the Railways Act 1993 (as modified, amended or replaced by the Transport Act 2000 and/or the Railways Act 2005 and/or the Welsh Ministers (Transfer of

Functions) (Railways) Order 2018) and any regulations or orders made thereunder;

- "Active Travel and Cycling Policy and Strategy"** means the active travel and cycling policy and strategy developed by TfWRL and agreed in accordance with paragraph 6.4 of Part 4 of Schedule 13.3 (Sustainability and Ethical Procurement);
- "Actual Consist Data"** means information as to the type of individual vehicles of rolling stock in the Train Fleet which are actually used to form a train on any particular Passenger Service and the manner in which they are configured, which may or may not be the same as the Scheduled Consist Data for the same service;
- "Actual Passenger Demand"** has the meaning given to it in paragraph 1.1 of Schedule 1.5 (Information about Passengers);
- "Actual Train Mileage"** means the actual train mileage operated during each Reporting Period by each train used in the provision of the Passenger Services (excluding, any actual train mileage operated as a result of positioning or other movements of rolling stock vehicles outside the Timetable);
- "Actuary"** has the meaning given to it in the Pension Trust;
- "Advance Purchase Train-specific Fares"** has the meaning given to it under the Ticketing and Settlement Agreement;
- "Affiliate"** means, in respect of any person, any person by which that person is controlled or which is controlled by that person, or any person which is controlled by any other Affiliate of that person and for the purpose of this definition Network Rail or NR shall not be construed as being an affiliate of the Authority;
- "Agency Agreement Number 3"** means the agency agreement between the Secretary of State and the Authority dated 31 May 2018 as amended from time to time;
- "Agreed Form Deed of Novation"** has the meaning given to it in paragraph 1.3 of Schedule 10.1 (Protected Rolling Stock Termination);

"Agreement"	means clauses 1 to 20 and Schedules 1 to 18 including any Appendices as varied from time to time;
"Alternative NRPS"	has the meaning given to it in paragraph 2.6 of Schedule 7.2 (National Rail Passenger Surveys, Customer Report and CCI Scheme);
"Ancillary Service"	means any service specified in paragraph 7 of Part 1 (Rail Services) of Schedule 1.1 (Rail Services and Service Development);
"Annual Audited Accounts"	means the accounts of TfWRL which: <ul style="list-style-type: none">(a) comply with paragraph 9.5(b) of Schedule 11.2 (Management Information); and(b) are delivered to the Authority by TfWRL in accordance with paragraph 9.4(c) of Schedule 11.2 (Management Information) and certified by TfWRL's auditors as true and fair;
"Annual Benchmark"	means a Benchmark used for the purposes of annual calculations as set out in Schedule 7.2 (National Rail Passenger Surveys, Customer Report and CCI Scheme) Schedule 7.3 (Service Quality Regime) and Schedule 7.4 (Ticketless Travel Regime);
"Annual Business Plan"	means the plan to be provided by TfWRL to the Authority in accordance with paragraph 10.2 of Schedule 11.2 (Management Information);
"Annual Financial Statements"	means the final draft financial statements of TfWRL which: <ul style="list-style-type: none">(a) comply with paragraph 9.5(b) of Schedule 11.2; (Management Information); and(b) are delivered to the Authority by TfWRL in accordance with paragraph 9.4(b) of Schedule 11.2 (Management Information);
"Annual Management Accounts"	means the management accounts of TfWRL which:

(a) comply with paragraph 9.5(a) of Schedule 11.2 (Management Information); and

(b) are delivered to the Authority by TfWRL in accordance with paragraph 9.4(a) of Schedule 11.2 (Management Information);

“Annual Rail Services Management Accounts” means the Annual Management Accounts in respect of Rail Services;

“Annual Season Ticket” means a Season Ticket Fare which is valid in Standard Class Accommodation from (and including) the day on which it first comes into effect until (but excluding) the day which falls twelve (12) months after such day;

“Applicable Crowded Train” means a Crowded Service that is scheduled to operate during a Crowded Period;

“Apprentice” means a formal arrangement for a person aged sixteen (16) or over to earn a wage and work alongside experienced staff to gain job-specific skills through a recognised and approved apprenticeship scheme including but not limited to the Apprenticeship Matching Service;

“Apprentice Rate” means the national minimum wage rate as applicable to Apprentices;

“Apprenticeship Matching Service” means the apprenticeship matching service organised by Careers Wales;

“Approved CCI Scheme” means a CCI Scheme approved by the Authority in accordance with paragraph 18.4 of Schedule 7.2 (National Rail Passenger Surveys, Customer Report and CCI Scheme);

“Arts Council of Wales” means the Arts Council of Wales, registered charity number 1034245;

“Authority’s Representative” means a person appointed from time to time by the Authority to fulfil certain duties, including to manage this Agreement on behalf of the Authority and to monitor TfWRL’s performance of its obligations under this Agreement;

"Average Weekly Earnings"	means the United Kingdom average weekly earnings measure excluding bonuses as published from time to time by the Office for National Statistics or, if such measure shall cease to be published or if, in the reasonable opinion of the Authority, there is a material change in the basis of such measure, such other alternative index as the Authority may, after consultation with TfWRL, determine to be appropriate in the circumstances;
"BAME"	means black, Asian and minority ethnic;
"Bank"	means a person which has a permission under Part 4A of the Financial Services and Markets Act 2000 to carry on the regulated activity of accepting deposits thereunder and which is reasonably acceptable to the Authority;
"Bank Holiday"	means any day other than a Saturday or Sunday on which banks in the City of London or Cardiff are not open for business;
"BCP"	see Business Continuity Plan;
"Benchmark"	means any of the Annual Ticketless Travel Benchmarks, Service Quality Standards, NRPS Benchmark, CSS Benchmark or MSS Benchmark, Short Formation Benchmark, and PTL Benchmark (as the context may require);
"Better Jobs Closer to Home"	means the "Better Jobs Closer to Home" pilot project, designed to create employment and training hubs in areas of high economic deprivation, referred to in Taking Wales Forward;
"Board"	means the British Railways Board;
"Borders Business Unit"	means the English Services management and reporting unit created by TfWRL for the purposes of the management and reporting responsibilities set out in paragraph 4 of Part 2 of Schedule 6.1 (Rail Services Specific Obligations);
"Brand"	has the meaning given to it in paragraph 10.1 of Schedule 1.4 (Passenger Facing Obligations);

“Brand Guidelines”	has the meaning given to it in paragraph 10.1 of Schedule 1.4 (Passenger Facing Obligations);
“Brand Licence”	means any licence between the Authority (or any company wholly owned by the Authority) and TfWRL in respect of any registered or unregistered trade marks;
“Breach Notice”	has the meaning given to it in clause 8 of this Agreement;
“British Transport Police”	means the British Transport Police Authority and the British Transport Police Force created pursuant to Section 18 and Section 20 of the Railways and Transport Safety Act 2003 (or any successor or successors to its statutory policing functions);
“Budget”	has the meaning set out in paragraph 1.1 of Schedule 8.1 (Rail Services Payment);
“Buildings Research Establishment Environmental Assessment Method” or “BREEAM”	means the internationally recognised environmental assessment method and rating system for buildings developed by Building Research Establishment Limited or any other standard which is generally recognised as having replaced it;
“Business Action Plan”	means an action plan produced by TfWRL in relation to the delivery of any aspect of the Rail Services (including in respect of any outcome anticipated by its Business Plan, in accordance with paragraph 10.2 of Schedule 11.2 (Management Information));
“Business Continuity Plan” or “BCP”	means a business continuity and disaster recovery plan (including a Force Majeure Events recovery plan) required to be produced, maintained and implemented by TfWRL in accordance with the requirements of paragraph 4 of Schedule 10.3 (Force Majeure and Business Continuity);
“Business Plan”	means the Initial Business Plan or any Annual Business Plan, as the context requires, to be delivered in accordance with paragraphs 10.1 and 10.2(c) of Schedule 11.2 (Management Information);

“Business Wales”	means the Welsh Government’s service, which supports the sustainable growth of SMEs across Wales by offering access to information, guidance and business support;
“Cadw”	means the Welsh Government’s historic environment service working for an accessible and well-protected historic environment for Wales;
“Cancellation”	means a Passenger Service: (a) which is included in the Enforcement Plan of the Day and which is cancelled for reasons attributed to TfWRL pursuant to its Track Access Agreement; or (b) which is included in the Enforcement Plan of the Day and which operates less than fifty percent (50%) of its scheduled mileage (as prescribed in the Enforcement Plan of the Day) for reasons attributed to TfWRL pursuant to its Track Access Agreement;
“Cancellations Figures”	means the number of: (a) Cancellations and Partial Cancellations; and (b) Network Rail Cancellations and Network Rail Partial Cancellations, in each case, relating to the Passenger Services operated in each Reporting Period;
“Cancelled Stop”	means in relation to a Train scheduled in the Timetable to stop to set down passengers at a Station, the Train failing to stop at such Station, as recorded by Network Rail and/or the Infrastructure Manager;
“Capacity Mitigation Proposal”	has the meaning given to it in paragraph 15.1 of Part 2 (Service Development) of Schedule 1.1 (Rail Services and Service Development);
“Carbon Reduction Targets”	means the carbon reduction targets to be met by TfWRL as set out at Part 2 Appendix 2 of Schedule 13.3 (Sustainability and Ethical Procurement);

“Careers Wales”	means Career Choices Dewis Gyrfa Ltd, registered company number 07442837, a wholly owned subsidiary of the Welsh Government;
“Cascaded Rolling Stock”	has the meaning given to it in paragraph 3.1 of Schedule 2.2 (Security of Access Agreements, Rolling Stock Leases, Station and Depot Leases);
“CaSL” or “Cancellation and Significant Lateness”	means the cancellation and significant lateness measure as produced and/or published by Network Rail;
“CaSL Figures”	means the moving annual average percentage published by Network Rail in respect of CaSL, rounded to one (1) decimal place;
“CCI Amount”	means the sum of [REDACTED] per Service Year within a CCI Period (reduced pro-rata in respect of any Service Year within a CCI Period of less than three hundred and sixty five (365) days) save that for each Service Year after the first Service Year, the amount shall be subject to adjustment as follows: CCI Amount x RPI;
“CCI Period”	means each Service Year commencing from Service Year 2 (or such other period as the Parties may agree);
“CCI Scheme”	has the meaning given in paragraph 18.1 of Schedule 7.2 (National Rail Passenger Surveys, Customer Report and CCI Scheme);
“CCI Scheme Cost”	means in respect of any CCI Scheme, the total cost to TfWRL of developing and implementing that CCI Scheme;
“CCI Scheme Margin”	means five percent (5%) of the applicable CCI Scheme Costs;
“CCI Scheme Revenue”	means in respect of any CCI Scheme, the revenue earned by TfWRL from that CCI Scheme;
“CCI Scheme Shortfall”	means, in relation to a CCI Scheme, the amount (if any) by which the CCI Scheme Revenue is less than the aggregate of the CCI Scheme Costs and the CCI Scheme Margin;

“CEEQUAL”

means an evidence-based sustainability assessment, rating and awards scheme for civil engineering, infrastructure, landscaping and works in public spaces;

“Central Government Body”

means a body listed in one of the following sub-categories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics:

- (a) Government Department;
- (b) Non-Departmental Public Body or Assembly Sponsored Public Body (advisory, executive, or tribunal);
- (c) Non-Ministerial Department; or
- (d) Executive Agency;

“Charter Service”

means a railway passenger service, whether operated on the same routes as the Passenger Services or not:

- (a) which is not reflected in the Timetable;
- (b) which does not conform to the pattern of railway passenger services normally provided by TfWRL;
- (c) for which the advance booking or booking arrangements for seats on the relevant service are, in the reasonable opinion of the Authority, materially different from those generally applicable to the Passenger Services;
- (d) for which tickets are available on a restricted basis or on terms and conditions which, in the reasonable opinion of the Authority, are materially different from those generally applicable to the Passenger Services; and/or
- (e) for which the departure time, journey time and calling pattern are, in the reasonable opinion of the Authority, materially different from those of the Passenger Services,

	and which, in the opinion of the Authority, is not a railway passenger service provided by TfWRL as part of the Passenger Services;
“Child Price”	means, in relation to any Fare, the amount charged or chargeable to a person under the age of 16 in respect of such Fare;
“Climate Change Strategy for Wales”	means the Climate Change Strategy for Wales dated October 2010;
“Closed Scheme Employees”	has the meaning given to it in paragraph 3.2 of Schedule 16 (Pensions);
“Closure”	means a discontinuance or closure under Part 4 of the Railways Act 2005 of any of the Passenger Services or of any network on which the Passenger Services may be operated or of any of the Stations or of any part of such network or Station;
“CO2e”	means CO2 equivalent including other greenhouse emissions;
“Code of Practice”	means the code of practice for protecting the interests of users of railway passenger services or station services who have disabilities, as prepared, revised from time to time (with the approval of the Disabled Persons Transport Advisory Committee) and published by the Secretary of State pursuant to Section 71B of the Act and which is available at https://www.gov.uk/government/publications/accessible-railway-stations-design-standards (or such other applicable web address that is adopted by the Authority from time to time);
“Code of Practice for Cancellations and Missed Station Stops”	means the code of practice as set out in Appendix 3 to Schedule 7.1 (Operational Performance);
“Collateral Agreement”	means an agreement which is required to be entered into by TfWRL with Network Rail or any other entity as a condition to any Access Agreement of which TfWRL is the beneficiary;

“Commercial Return”	means where the CCI Scheme Revenue equals or exceeds the aggregate of the CCI Scheme Costs and the CCI Scheme Margin;
“Committed Obligations”	means any of TfWRL’s obligations listed in Part 1 (Committed Obligations) of Schedule 6.2 (Committed Obligations);
“Committed Obligation Pre-Condition”	has the meaning given to it in paragraph 7.1 of Part 2 (Special Terms related to Committed Obligations) of Schedule 6.2 (Committed Obligations);
“Communications Platforms”	means TfWRL’s website and other online channels operated by TfWRL;
“Community Rail Partnership”	means any not for profit organisation of the same name that has an interest in the development of responsive and good quality railway passenger services;
“Community Rail Report”	has the meaning given to it in paragraph 2.6 of Schedule 13.1 (Rail Industry Initiatives);
“Community Rail Route”	means any route in respect of which the Authority determines that any relevant Community Rail Partnership has an interest;
“Community Rail Strategy”	means the Community Rail Development Strategy published in November 2004 and which provides a broad framework within which rural community routes can be put on an improved financial footing. The Community Rail Development Strategy may be updated from time to time;
“Community Rail Team”	means the team within TfWRL responsible for engagement with TfWRL Responsible Stakeholders;
“Commuter Fare”	means a fare contained in the Commuter Fares Document;
“Commuter Fares Basket”	means the grouping of Commuter Fares: (a) determined by the Authority pursuant to Schedule 5.3 (Allocation of Fares to Fares Baskets); (b) for the purposes of regulating aggregate Prices or Child Prices, as the case may be, in accordance

	with Schedule 5.4 (Regulation of Fares Basket Values);
	(c) amended by the Authority from time to time in accordance with Schedule 5.7 (Changes to Fares and Fares Regulation); and
	set out in the Commuter Fares Document;
“Commuter Fares Document” or “CFD”	means the commuter fares document agreed between the Authority and the Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement, as the same may be amended from time to time in accordance with Schedule 5.7 (Changes to Fares and Fares Regulation);
“Compulsory Inter-available Flow”	has the meaning given to it in the Ticketing and Settlement Agreement;
“Computer System”	means computer hardware and computer software, including licensed third party software and data protocols;
“Confidential Information”	has the meaning given to it in clause 21 (Confidentiality) of this Agreement);
“Connection”	means a connection (however described) between any of the Passenger Services provided by TfWRL and any other railway passenger service provided by it or any other Train Operator or any bus, ferry or shipping service and cognate phrases shall be construed accordingly;
“Connection Agreement”	means any agreement entered into by TfWRL and Network Rail on or before the Service Commencement Date relating to the connection of a Depot to the relevant part of the network;
“Construction Demolition Sector Plan”	means the Construction and Demolition Sector Plan dated November 2012;
“Construction Wales Innovation Centre”	means the CITB funded training centre based within the University of Wales;
“Contingency Plan”	has the meaning given to it in paragraph 1.1(a)(iv) of Schedule 10.3 (Force Majeure and Business Continuity);

“Continuation Document”	means any franchise agreement, direct award, interim franchise agreement or other arrangement pursuant to which TfWRL is required to provide services for the carriage of passengers by railway which is entered into by TfWRL in respect of some or all of the same Passenger Services by way of direct or indirect continuation of the arrangement currently in place under this Agreement;
“Contract Manager”	means a person appointed from time to time by TfWRL to fulfil certain duties including to manage this Agreement on behalf of TfWRL and to facilitate the performance by TfWRL of its obligations under this Agreement;
“Controlled Emission Toilet” or “CET”	means a toilet fitted on a Rolling Stock Unit and which retains effluent in retention tanks such that effluent is not discharged on the rail tracks;
“Controller”	has the same meaning as in the Data Protection Requirements;
“Core Valley Lines” or “CVL”	means the routes referred to in paragraph 2.1(b) of Schedule 1.1 (Rail Services and Service Development);
“Count Equipment”	means any load-weigh, infrared, CCTV or other type of equipment as may from time to time be installed on any train in the Train Fleet for the purposes of (amongst other things) passenger counting, including that specified in paragraph 3 of Schedule 1.5 (Information about Passengers);
“Creating”	has the meaning given to it in the Ticketing and Settlement Agreement and cognate expressions shall be construed accordingly;
“Critical Service Level”	means, in relation to a Benchmark for any Reporting Period, the number set out in the relevant column of the Short Formation Benchmark Table and the PTL Benchmark Table (as the case may be) and in the row of the applicable table for that Reporting Period;
“CRM Data”	means Personal Data (including any or all of name, address, e-mail address and ticket purchasing history, credit and debit card details) collected by or on behalf of

	<p>TfWRL relating to persons travelling on or purchasing tickets for travel on the Passenger Services or other services for the carriage of passengers by railway;</p>
“CRM Processor”	<p>means any Processor who, from time to time, is processing or has processed CRM Data on behalf of TfWRL;</p>
“CRM Obligations”	<p>has the meaning given to it in paragraph 4.5 of Schedule 1.5 (Information about Passengers);</p>
“CRM System”	<p>means any system (whether a Computer System or otherwise) for the collection of CRM Data and/or onto which CRM Data is input, processed and/or held as such system may be amended or altered from time to time;</p>
“Cross Border Forum”	<p>means proposed meetings established by the Secretary of State and the Authority to discuss issues relating to Rail Services in Wales with key stakeholders including, MPs, combined authorities and local authorities;</p>
“Crowd Management Report”	<p>means the report provided by TfWRL in accordance with paragraph 1.4 of Appendix 2 to Schedule 1.1 (Capacity and Management of Crowding) which complies with the scope, format and content agreed between the Parties as at the Service Commencement Date;</p>
“Crowd Mitigation Plan”	<p>means a crowd mitigation plan provided by TfWRL in accordance with Appendix 2 of Schedule 1.1 (Rail Services and Service Development) which may include alterations to the Train Plan, including changes to the timing or frequency of Passenger Services and/or the rolling stock assigned to those Passenger Services (any such alterations shall be subject to agreement by the Authority prior to implementation);</p>
“Crowded Dates”	<p>means the dates as defined in Column 3 of Table 1 in Appendix 2 of Schedule 1.1 (Rail Services and Service Development);</p>
“Crowded Period”	<p>means the period of time set out in Column 3 of Table 1 in Appendix 2 of Schedule 1.1 (Rail Services and Service Development);</p>

“Crowded Service”	means each Passenger Service listed in Column 2 of Table 1 in Appendix 2 of Schedule 1.1 (Rail Services and Service Development);
“Crowding Peak Period”	means, in relation to any Passenger Service during a Weekday, the period between 07:00 and 09:30 (inclusive) and the period between 16:30 and 19:00 (inclusive);
“Crowding Waiver Expiry Date”	means the date notified to TfWRL by the Authority in writing as the date on which the obligations under paragraph 1.1 of Appendix 2 to Schedule 1.1 (Capacity and Management of Crowding) shall take effect;
“CRP Amount”	has the meaning given to it in paragraph 3.8 of Schedule 13.1 (Rail Industry Initiatives);
“Customer Report”	means a report in the format and providing the information specified in the Customer and Staff Engagement Strategy published in accordance with paragraph 16 of Schedule 7.2 (National Rail Passenger Surveys, Customer Report and CCI Scheme);
“Customer Satisfaction Survey Methodology” or “CSSM”	means the methodology to be adopted by TfWRL in conducting the Customer Satisfaction Survey as set out in paragraph 5.1(b) of Schedule 7.2 (National Rail Passenger Surveys, Customer Report and CCI Scheme);
“Customer Satisfaction Survey” or “CSS”	means the survey to be performed by TfWRL in accordance with paragraph 5 of Schedule 7.2 (National Rail Passenger Surveys, Customer Report and CCI Scheme);
“Customer and Staff Engagement Strategy” or “CSES”	means the Customer and Staff Engagement Strategy agreed between the Authority and Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement and any replacement Customer and Staff Engagement Strategy revised in accordance with paragraph 16.2 of Schedule 7.2 (National Rail Passenger Surveys, Customer Report and CCI Scheme). Until the Stakeholder and Media Deed of Amendment this document was called “Customer, Staff and Stakeholder Engagement Strategy” or “CSSES”;

“CVL Rail Services”

means the rail services on the Core Valley Lines;

“CVL Rolling Stock”

means the specific rolling stock assigned to the CVL Service Type as set out in Column 4 of Appendix 1 to Schedule 1.6 and in Tables 2D and 2E of Appendix 2 to Schedule 1.6 (The Rolling Stock);

“CVL Track Access Performance Schedule”

means a performance monitoring mechanism, whether incorporated in a track access agreement or not, which has been approved by the Authority and performs a function equivalent to Schedule 8 of the Track Access Agreement including, as a minimum:

- (a) monitoring and recording the arrival time of each train at each Monitoring Point;
- (b) comparing such data against the relevant Timetable; and
- (c) attributing a weighting to each Monitoring Point.

“Data Protection Requirements”

means:

- (a) the UK GDPR;
- (b) the Data Protection Act 2018;
- (c) the Privacy and Electronic Communications Regulations 2003 (SI 2426/2003);

each as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 and as further amended and in force from time to time;

- (d) any other legislation in force from time to time in the United Kingdom relating to privacy and/or the processing of Personal Data; and
- (e) any statutory code of practice issued from time to time by the Information

Commissioner's Office or a relevant Central Government Body in relation to such legislation;

“Data Site Information” has the meaning given to it in paragraph 3.5 of Schedule 15.1 (Reletting Provisions);

“Data Subject” has the same meaning as in the Data Protection Requirements;

“Dataset” means the data specified in Appendix 1 (Environmental Information) to Schedule 11.2 (Management Information) as the same may be amended from time to time by the Authority (acting reasonably);

“Deemed Minutes Late” is the deemed minutes late at that Monitoring Point on that day allocated to TfWRL, derived from the following formula:

$$DML = TC \times CM$$

where:

TC is the number of Cancelled Stops recorded at that Monitoring Point on that day for which TfWRL is allocated responsibility in accordance with paragraph 5.12 to the Schedule 8 of the Track Access Agreement; and

CM is the Cancellation Minutes for that Service Group set out in Column J of Appendix 1 of the Track Access Agreement;

“Delay Repay” means the compensation to be paid by TfWRL to passengers for delays to Passenger Services as set out in paragraph 6.2 of Schedule 1.4 (Passenger Facing Obligations);

“Delayed Cascade Mitigation Plan” has the meaning given to it in paragraph 3.8 of Schedule 2.2 (Security of Access Agreements, Rolling Stock Leases, Station and Depot Leases);

“Departure Station” has the meaning given to it in paragraph 2.2(b) of Appendix 2 (Accessible Transport Arrangements) to Schedule 4 (Accessibility and Inclusivity);

“Depot”	means a depot in respect of which TfWRL has entered into a Depot Lease;
“Depot Access Conditions”	has the meaning given to it in the relevant Access Agreement to which it relates;
“Depot Lease”	means: <ul style="list-style-type: none">(a) any lease of a depot to which TfWRL is a party as at the Service Commencement Date; or(b) any other lease of a depot in relation to which TfWRL becomes the Facility Owner at any time during the Rail Services Term;
“Derivative Output”	means Intellectual Property Rights that are derived from or generated by the RPC Database or the Preliminary Database when querying such database (which includes, but is not limited to, the format of all reports and analysis);
“Designated Employer”	has the meaning given to it in the Pension Trust;
“Destination Station”	has the meaning given to it in paragraph 2.2(b) of Appendix 2 (Accessible Transport Arrangements) to Schedule 4 (Accessibility and Inclusivity);
“Direct Agreement”	means any agreement made, or to be made, from time to time between the Authority and the counterparty of a Key Contract in relation to such Key Contract, including any agreement entered into by the Authority under Schedule 14.3 (Key Contracts);
“Disabled People’s Protection Policy”	means TfWRL’s policy for the protection of persons with disabilities which TfWRL is required to establish and review from time to time in accordance with the conditions of its Licences in respect of the operation of railway passenger services and/or stations;
“Disabled Person”	is a reference to a person who has a disability as defined in the EA;
“Disabled Persons Transport Advisory Committee” or “DPTAC”	means the committee with that name established under Section 125 of the Transport Act 1985 and its statutory successors;

- “Discount Card”** has the meaning given to it in the Ticketing and Settlement Agreement;
- “Discount Fare Scheme”** means each of the schemes listed at paragraph 3 of Appendix 1 (List of Transport, Travel and Other Schemes) to Schedule 2.5 (Transport, Travel and Other Schemes) in each case until such time as a scheme may cease to be approved by the Authority or by the Secretary of State for the purposes of section 28 of the Act and any new schemes introduced for the purpose of and in accordance with section 28 of the Act;
- “Dispute Resolution Rules”** means the procedures for the resolution of disputes known as “The Railway Industry Dispute Resolution Rules”, as amended from time to time in accordance with the terms thereof. The rules are available at <http://accessdisputesrail.org/RIDR/RIDR%20Rules.pdf> (or such other applicable web address that is adopted by the Railway Industry Dispute Resolution Committee from time to time);
- “Disputed Cancellation”** means a Passenger Service:
- (a) which is included in the Enforcement Plan of the Day and which is cancelled; or
 - (b) which is included in the Enforcement Plan of the Day and which operates less than fifty percent (50%) of its scheduled mileage (as prescribed in the Enforcement Plan of the Day),
- in either case, in circumstances where attribution of responsibility for the same is, at the relevant time, in dispute between Network Rail and TfWRL pursuant to the Track Access Agreement;
- “Disputed Partial Cancellation”** means a Passenger Service which is included in the Enforcement Plan of the Day and which:
- (a) misses a stop; or
 - (b) completes fifty percent (50%) or more, but less than one hundred percent (100%) of its scheduled

journey as prescribed in the Enforcement Plan of the Day,

in either case, in circumstances where attribution of responsibility for the same is, at the relevant time, in dispute between Network Rail and TfWRL pursuant to the Track Access Agreement;

“Disputes Secretary” means the person appointed as disputes secretary from time to time in accordance with the Dispute Resolution Rules;

“EA” means the Equality Act 2010;

“EA Claim” has the meaning given to it in paragraph 3.1 of Schedule 4 (Accessibility and Inclusivity);

“EA Requirements” means the duties of a provider of services under Sections 20(3), 20(5) and Sections 20(9)(a) and 20(9)(b) in relation to Section 20(4), of the EA;

“Emergency Events” has the meaning given to it in paragraph 1(e) of Schedule 10.3 (Force Majeure and Business Continuity);

“EMV” means contactless payment cards that conform to the international standards issued by EMVCo (owned by American Express, Discover, JCB, MasterCard, UnionPay and Visa) which manages, maintains and enhances the EMV1 integrated circuit card specifications;

“Enforcement Plan of the Day” means the Plan of the Day except for any:

- (a) additions to such Plan of the Day of any railway passenger services which are not included in the Timetable;
- (b) omissions from such Plan of the Day of any Passenger Services included in the Timetable; and/or
- (c) rescheduling in such Plan of the Day of any Passenger Services from their scheduling in the Timetable,

in each case:

- (i) as proposed by TfWRL in breach of its obligations in paragraph 4 of Schedule 1.2 (Operating Obligations);
or
- (ii) as agreed by TfWRL in breach of its obligations in paragraph 3 of Schedule 1.2 (Operating Obligations);

“England-only Service”	means a railway passenger service which is procured as part of this Agreement but which operates solely in England and does not make any scheduled calls in Wales;
“English Services”	means that part of a Welsh service which is not a Welsh component of a Welsh service or a Wales-only service and which is specified in or delivered through this Agreement and English services includes England-only services;
“English Station”	means a station in England at which a station stop is scheduled in the Train Plan;
“Environmental Information Regulations”	means the Environmental Information Regulations 2004 together with any guidance and/or codes of practice issued by the Information Commissioner or any Central Government Body in relation to such Regulations;
“Environmental Management Plan”	has the meaning given to it in paragraph 3.4 of Part 4 of Schedule 13.3 (Sustainability and Ethical Procurement);
“Equivalent Fare”	has the meaning given to it in paragraph 6.1 of Schedule 5.7 (Changes to Fares and Fares Regulation);
“Equivalent Flow”	has the meaning given to it in paragraph 6.1(b) of Schedule 5.7 (Changes to Fares and Fares Regulation);
“ERDF”	means the European Regional Development Fund;
“ERTMS”	means the European Rail Traffic Management System;
“ERTMS Programme”	means the Network Rail cross rail industry programme for delivering the national implementation of ERTMS;

“Evening Peak”	means, in relation to any Passenger Service, the period between 1600 and 1859 (inclusive) during a Weekday or such other continuous three hour period between 1200 and 2359 (inclusive) as the Authority may specify from time to time;
“Excluded Data”	has the meaning given to it in paragraph 15.1(a)(i) of Schedule 11.2 (Management Information);
“Expiry Date”	means 01.59 on 1 February 2026 or such earlier date as the Authority may notify to TfWRL;
“Facility Owner”	has the meaning given to the term facility owner in Section 17(6) of the Act;
“Fair Trade Nation”	means that status obtained by Wales following its achievement of the “Fair Trade National Milestones”;
“Fare”	means: <ul style="list-style-type: none">(a) the right, exercisable against one or more Train Operators, subject to any applicable rights or restrictions and the payment of the relevant price, to make one or more journeys on the network or to carry on such a journey an item of luggage or an animal (where this right does not arise under the relevant conditions of carriage except on the payment of a fee) and, where applicable, to obtain goods or services from a person; and(b) for the purposes only of Schedule 5.3 (Allocation of Fares to Fares Baskets) to Schedule 5.8 (Fares Regulation Information and Monitoring) (inclusive) and the definitions of Commuter Fare, Protected Fare, Return Fare, Single Fare, Protected Weekly Season Ticket, Protected Return Fare and paragraph (b) of the definition of Season Ticket Fare, a Fare as defined under paragraph (a) that is:<ul style="list-style-type: none">(i) valid for a journey or journeys on the Passenger Services included in the Timetable or other railway passenger services which are required to be included

in another relevant Train Operator's passenger timetable;

- (ii) sold under the Travelcard Agreement; or
- (iii) a Cross London Ticket (as defined in the Through Ticketing (Non Travelcard) Agreement);
- (iv) sold under the Pay As You Go Agreement utilising TTL smart media as defined in such agreement;

“Fare Year”	means the period from 1 January in any year to 31 December in the same year;
“Fares Basket”	means the Commuter Fares Basket, the Protected Fares Basket B or the Protected Fares Basket C;
“Fares Document”	means any of the Commuter Fares Document and the Protected Fares Document;
“Fares Flex Objectives”	has the meaning given to it in paragraph 9.1 of Schedule 5.7 (Changes to Fares and Fares Regulation);
“Fares Flex Proposal”	has the meaning given to it in paragraph 9.2 of Schedule 5.7 (Changes to Fares and Fares Regulation);
“Fares Setting Round”	has the meaning given to it in the Ticketing and Settlement Agreement;
“Final Service Year”	means the Service Year ending on the last day of the Rail Services Term;
“Financial Action Plan”	means any action plan produced by TfWRL pursuant to paragraph 9.2(d)(vii) of Schedule 11.2 (Management Information), where the level of its financial performance specified in the Management Accounts is materially worse than forecast by TfWRL in its current Business Plan;
“Financial Conduct Authority”	means the UK Financial Conduct Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS and with company registered number 01920623 or such other

regulatory body which may succeed or replace it from time to time;

“Rail Services Payment”

means, in relation to any Reporting Period, the amount determined as such in accordance with paragraph 2 of Schedule 8.1 (Rail Services Payments);

“Fleet Fitment and Mobilisation Costs”

means costs associated with the installation, maintenance and operation of ERTMS on TfWRL’s train fleets. This includes the capital and operational costs of the ERTMS equipment fitted to train fleets, installation and test activities, approvals, maintenance activities and maintenance equipment, staff training and training equipment excluding costs covered by Network Rail;

“Flow”

has the meaning given to it in the Ticketing and Settlement Agreement;

“Force Majeure Event”

means any of the events described as such in paragraph 1 of Schedule 10.3 (Force Majeure and Business Continuity) where the conditions specified in paragraph 2 of Schedule 10.3 (Force Majeure and Business Continuity) are satisfied;

“Forecast Passenger Demand”

means the forecast prepared by TfWRL pursuant to paragraph 12.2 of Part 2 (Service Development) of Schedule 1.1 (Rail Services and Service Development) in respect of:

- (a) the number of passengers travelling in each class of accommodation:
 - (i) on each Passenger Service;
 - (ii) on each Route; and/or
 - (iii) at any station or between any stations; and
- (b) the times of day, week or year at which passengers travel,

for the period in respect of which the next Timetable is to apply;

**“Freedom of Information Act”
or “FOIA”**

means the Freedom of Information Act 2000 together with any guidance and/or codes of practice issued by the Information Commissioner or any relevant Central Government Body in relation to the Freedom of Information Act 2000;

“Full Time Equivalent Job”

means a permanent paid job which is expected to exist for at least twelve (12) months. It is to be based on minimum of thirty (30) hours per week. Where the post involves working less than thirty (30) hours per week (subject to a minimum of sixteen (16) hours per week) then the hours worked may be divided by thirty (30) to give the proportion of a Full Time Equivalent Job safeguarded or provided. This does not include jobs which have been relocated;

“Future Generations Act”

means the Well-being of Future Generations (Wales) Act 2015;

“GAAP”

means generally accepted accounting principles in the United Kingdom, as derived from and including the accounting requirements of the Companies Act 2006, ‘Financial Reporting Standards 100, 101 and 102’, abstracts issued by the Urgent Issues Task Force of the Accounting Standards Board and, where appropriate, International Financial Reporting Standards and the listing rules of the Financial Conduct Authority, in each case, as amended from time to time;

“GDPR”

means the Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and any legislation amending, supplementing or replacing the GDPR including but not limited to the Data Protection Bill (once enacted);

“Good Industry Practice”

means using the standards, practices, methods and procedures and exercising that degree of skill, care, prudence, efficiency, foresight and timeliness as would be reasonably and ordinarily be expected from an service provider, manager, operator or other person engaged in the supply of similar services as under this Agreement;

- “Graduate Scheme”** means a training or employment schemes open to applicants with a recently acquired degree-level higher education or equivalent skills and experience;
- “Green Growth Wales Paper”** means the Welsh Government prospectus for green growth Wales;
- “Grey Assets”** means any structures and locations on or close to the boundary of the “Station” and “Network” (both as such terms are defined under the relevant Station Lease) where TfWRL or Network Rail consider (acting reasonably) that clarification is required as to whether or not the same forms part of the Station (for example, certain hybrid structures such as bridges, viaducts, embankments and any supporting structures);
- “Gross Revenue”** means, in relation to any period and any Fare, the gross revenue to TfWRL (or any relevant predecessor of TfWRL) attributable to such Fare over the relevant period, excluding any applicable Value Added Tax, costs, commissions or other expenses which may be paid or incurred in connection with such Fare;
- “Hot Standby”** means any rolling stock vehicle specified in the Train Plan which:
- (a) is operationally ready to provide the Passenger Services in the Timetable;
 - (b) is not already assigned to the delivery of any Passenger Service in the Timetable; and
 - (c) will only be used to deliver such Passenger Services if:
 - (i) a rolling stock vehicle scheduled to deliver such Passenger Services is unable to so deliver; and
 - (ii) Actual Passenger Demand could only be met by the deployment in service of such rolling stock vehicle;

“HS2 Project”	means the project for the construction and development of a proposed high speed railway from London to Birmingham and the North known as “HS2” or “High Speed Two” and all related infrastructure works;
“Identified Special Event”	means the Special Events identified in paragraph 4.13 of Schedule 1.2 (Operating Obligations);
“IFRS”	means International Financial Reporting Standards;
“Industrial Action”	means any concerted action taken in connection with the employment of those persons listed in paragraphs 1(f)(i) to 1(f)(vi) of Schedule 10.3 (Force Majeure and Business Continuity) (whether or not that action involves any breach of such employees’ conditions of employment, and including any action taken in furtherance of a dispute, or with a view to improving the terms of employment of the relevant employees or by way of support for any other person) subject always, in the case of any unofficial industrial action, to TfWRL being able to demonstrate the occurrence of such unofficial industrial action to the reasonable satisfaction of the Authority;
“Industry Schemes”	has the meaning given to it in paragraph 4 of Schedule 13.1 (Rail Industry Initiatives);
“Industry Stakeholders”	means ORR, RSSB, Network Rail, British Transport Police, other operators, Passengers’ Council and any other organisations and bodies within the rail industry identified from time to time for the purposes of consultation;
“Information Commissioner”	means the United Kingdom’s supervisory authority responsible for monitoring the application of UK GDPR and as appointed pursuant to Chapter VI UK GDPR;
“Infrastructure Manager”	means the infrastructure manager of the Core Valley Lines from time to time;
“Initial Business Plan”	means the business plan to be provided by TfWRL to the Authority as described in paragraph 10.1 of Schedule 11.2 (Management Information);

“Initial Dataset”	has the meaning given in paragraph 15.1(b) of Schedule 11.2 (Management Information);
“Innovation Strategy”	means the Innovation Strategy referred to in Appendix 1 to Schedule 13.2 (Innovation Obligations) as updated from time to time in accordance with paragraph 1 of Schedule 13.2 (Innovation Obligations);
“Initial Permanent Fare”	has the meaning given to it in the Ticketing and Settlement Agreement;
“Initial Skills Plan and Skills Gap Analysis”	has the meaning given to it in paragraph 1.2 of Part 3 of Schedule 13.3 (Sustainability and Ethical Procurement);
“Initial Special Event Planning Calendar”	shall be the Special Event Planning Calendar setting out the Special Events for the calendar commencing from the Service Commencement Date;
“Intellectual Property Rights”	means all intellectual and industrial property rights of any kind including (without limitation) patents, supplementary protection certificates, rights in Know-How, registered trade marks, registered designs, unregistered design rights, unregistered trade marks, rights to prevent passing off or unfair competition and copyright (whether in drawings, plans, specifications, designs and computer software or otherwise), database rights, topography rights, any rights in any invention, discovery or process, and applications for and rights to apply for any of the foregoing, in each case in the United Kingdom and all other countries in the world and together with all renewals, extensions, continuations, divisions, reissues, re-examinations and substitutions;
“Interest Rate”	means a rate equivalent to two percent (2%) per annum above the base lending rate published by Royal Bank of Scotland plc (or such other bank as the Authority may, after consultation with TfWRL, determine from time to time) during any period in which an amount payable under this Agreement remains unpaid;
“Interface Agreement”	means an agreement between ODP and Transport for Wales entered into on or around June 2020 in relation to the various interfaces required to allow the smooth delivery

of the Rail Services and in the In-Sourced services (as defined in the Interface Agreement);

“International Labour Organisation”

means the International Labour Organisation, an agency of the United Nations;

“International Organisation for Standardisation”

means the international standard setting body known as “ISO” or any such successor body;

“Inter-Operator Scheme”

means each of the schemes listed at paragraph 4 of Appendix 1 (List of Transport, Travel and Other Schemes) to Schedule 2.5 (Transport, Travel and Other Schemes);

“Investigation”

means the investigation referred to in the Pensions Regulator’s letter of 10 November 2017 to The Rail Delivery Group;

“ISO14001:2004”

means the standard that is set by the International Organisation for Standardisation which specifies requirements for an environmental management system to enable an organization to develop and implement a policy and objectives which takes into account legal requirements and other requirements to which the organization subscribes, and information about significant environmental aspects or any equivalent standard which is generally recognised as having replaced it;

“ISO50001:2011”

means the standard that is set by the International Organisation for Standardisation which specifies requirements for establishing, implementing, maintaining and improving an energy management system, whose purpose is to enable an organization to follow a systematic approach in achieving continual improvement of energy performance, including energy efficiency, energy use and consumption or any equivalent standard which is generally recognised as having replaced it;

“ISO50001 Energy Review”

means the Energy Review as defined in paragraph 4.4.3 of ISO50001:2011, or any same or similar review from an equivalent standard which is generally recognised as having replaced it;

“ISO55001:2014”

means the standard that is produced by the International Organisation for Standardisation which specifies requirements for an asset management system within the context of the organisation or any equivalent standard which is generally recognised as having replaced it;

“ISO 22301”

means the standard that is set by the International Organisation for Standardisation which specifies requirements for the development, implementation, operation, monitoring, review and maintenance of a business continuity planning process, or any equivalent standard which is generally recognised as having replaced it;

“ITSO”

means (as the context may require) both:

- (a) the non-profit distributing organisation run by its members for the benefit of members and users of smartcards, supported by the Department for Transport (“**DfT**”); and
- (b) the common specification such non-profit distributing organisation has created to enable the use of interoperable smartcards in transport and other areas;

“ITSO Certified Smartmedia”

means the contactless smartcards, devices or other media designed to hold fare and travel information with the monetary or other value encoded which have been fully certified by ITSO;

“ITSO Equipment”

means all of the equipment and services required to be provided for the purposes of ITSO ticketing;

“Key Contacts List”

means the list which contains the name, address, home, office and mobile telephone numbers, and a brief description of the person’s role and responsibilities in the business in respect of:

- (a) all directors (statutory or otherwise);
- (b) all managers with responsibility for a department/function within TfWRL’s business;

- (c) all managers in the operations, commercial, personnel and public affairs departments or in each case their nearest equivalents;

“Key Contract”

means:

- (a) each agreement and contract listed in Appendix 1 (List of Key Contracts) to Schedule 14.3 (Key Contracts) as at the date of this Agreement; and
- (b) any other agreement, contract, licence or other arrangement to which TfWRL is a party or under which TfWRL is the beneficiary from time to time which is designated as such pursuant to Schedule 14.3 (Key Contracts),

but excluding any such agreement, contract, licence or other arrangement which ceases, in accordance with the terms of this Agreement, to be designated as a Key Contract;

“Key Personnel”

means those persons identified by TfWRL in accordance with paragraph 3.1 of Schedule 11.2 (Management Information) and “Key Person” shall be construed accordingly;

“Know-How”

means formulae, methods, plans, inventions, discoveries, improvements, processes, performance methodologies, techniques, specifications, technical information, tests, results, reports, component lists, manuals and instructions;

“Large Enterprise”

means any enterprise which does not constitute a SME;

“Law”

includes any enactment, subordinate legislation, rule, regulation, order, directive or other provision, including those of the European Community, and any judicial or administrative interpretation or application thereof, which has, in each case, the force of law in the United Kingdom or any part of it (including the Act, the Transport Act, the Transport Safety Act 2003 and the Railways Act 2005);

“Lead Operator”

has the meaning given to it in the Ticketing and Settlement Agreement;

“Legislation”	means any enactment or subordinate legislation, rule, regulation, order, directive or other provision including those of the European Community, which has, in each case, the force of Law in the United Kingdom or any part of it, but excluding any order under Section 1 of the Transport and Works Act 1992;
“Licences”	means such licences and/or statements of national regulatory provisions granted or to be granted under applicable law as TfWRL may be required from time to time to hold under the Act or under the Railway (Licensing of Railway Undertakings) Regulations 2005 in order to provide or operate the Rail Services;
“LIFT Programme”	means the Welsh Government programme which supports the Welsh Government’s Tackling Poverty agenda and aims to provide five thousand (5,000) training and employment opportunities for people living in households where no-one is in work;
“Light Maintenance Service”	means any service specified in paragraph 6 of Part 1 (Rail Services) of Schedule 1.1 (Rail Services and Service Development) which may be provided by TfWRL at the Depots and Stations;
“Living Wage”	means an hourly rate which is calculated independently (and updated annually) by the Living Wage Foundation, or such other body as may replace the Living Wage Foundation from time to time, according to the basic cost of living in the United Kingdom;
“Local Authority”	means: (a) in England, a county council, a district council, a unitary authority, a passenger transport executive, a London borough council, the common council of the City of London, or a council which is established under the Local Government Act 1992 and which is either an authority responsible for expenditure on public passenger transport services within the meaning of Section 88 of the Transport Act 1985 or a local

authority for the purposes of Section 93 of the Transport Act 1985;

- (b) in Wales, a county council, a district council or a council which is established under the Local Government Act 1972 or the Local Government (Wales) Act 1994;
- (c) in Scotland, the Strathclyde Passenger Transport Executive, or a district council or a unitary authority which is established under the Local Government (Scotland) Act 1973 or the Local Government, etc. (Scotland) Act 1994;
- (d) in London, the Mayor of London and Transport for London established under the Greater London Authority Act 1999;
- (e) a combined authority created pursuant to the Local Democracy, Economic Development and Construction Act 2009;
- (f) any local enterprise partnership;
- (g) any other body or council replacing any of the above from time to time; and
- (h) any other body or instrument of local or regional government specified by the Authority from time to time;

“Local Suppliers”

means a supplier of good or services operating or based within Wales or the area served by the Rail Services;

“London Station”

means any station served by the Railway Passenger Services in the Zones and any Zone to or from which a passenger may travel from or to such station;

“Long Distance/Express”

means the Service Type assigned to specific rolling stock vehicles as set out in Appendix 1 to Schedule 1.6 (The Rolling Stock);

“Lowest Available Fare”

means the lowest value Fare for a required journey available to a passenger at the date and time of purchase and such calculation of the value of the Fare shall include

	any discount cards or other discounts which may be available to the passenger purchasing the Fare;
“Maintenance Contract”	means any contract or arrangement to which TfWRL is a party, which includes the carrying out for TfWRL of any maintenance work (including light maintenance services) or service provision in respect of rolling stock vehicles used by TfWRL in the provision of the Passenger Services or for the enforcement of warranties or other rights against a manufacturer in respect of any such rolling stock vehicles;
“Major Flow Operator”	has the meaning given to it in the Ticketing and Settlement Agreement;
“Managed Station”	means any station used in connection with the provision of the Rail Services where Network Rail is the Facility Owner or becomes the Facility Owner during the Rail Services Term;
“Managed Station Area”	means the premises comprising part or parts of a Managed Station to be occupied by TfWRL on or after the Service Commencement Date and to be used for or in connection with the provision of the Rail Services;
“Management Accounts”	means, in relation to any Reporting Period, TfWRL’s management accounts which: (a) comply with paragraph 9.5(a) of Schedule 11.2 (Management Information); and (b) are required to be delivered to the Authority by TfWRL in accordance with paragraphs 9.2(a) and 9.2(b) of Schedule 11.2 (Management Information);
“Mandatory Modification”	means a modification or addition to any rolling stock vehicle which is required to be made under any applicable Law or any directive of the Rail Safety and Standards Board or any government authority;
“Marketing and Communications Plan”	has the meaning given to it in paragraph 10.7 of Schedule 1.4 (Passenger Facing Obligations);

“Marketing and Communications Services”	means the services to be carried out by TfWRL to implement the Marketing and Communications Strategy as set out in the Marketing and Communications Plan;
“Marketing and Communications Strategy”	means the marketing and communications strategy set out in Appendix 2 to Schedule 1.4 (Passenger Facing Obligations);
“Marks”	means such trade marks as TfWRL may apply to any Rail Services Asset or other asset used by it under a Key Contract, which are applied on the expiry of the Rail Services Term and are not the subject of a Brand Licence;
“Minimum Requirement Introduction Date”	means the date by which a Service Type shall comply with the relevant Rolling Stock Minimum Requirement, as set out in the Columns headed “Minimum Requirement Introduction Date” of Tables 2A to 2E of Appendix 2 to Schedule 1.6 (The Rolling Stock);
“Minimum Wi-Fi Services”	has the meaning given to it in paragraph 4.4 of Schedule 1.4 (Passenger Facing Obligations);
“Minister of the Crown”	has the meaning given to it in Section 8(1) of the Minister of the Crown Act 1975;
“Minor Works”	has the meaning given to it in paragraph 2.7(a) of Schedule 4 (Accessibility and Inclusivity);
“Minor Works’ Budget”	means [REDACTED] for each Service Year allocated by TfWRL for the purpose of facilitating Minor Works at Stations to improve accessibility of the Stations to persons with disabilities, save that: <ul style="list-style-type: none"> (a) for any Service Year which is shorter than twelve (12) months, the amount shall be reduced pro rata; and (b) for each Service Year after the first Service Year, the amount shall be subject to adjustment as follows: <p style="margin-left: 40px;">Minor Works’ Budget x RPI;</p>

“Minor Works’ Programme”	means TfWRL’s programme of Minor Works at Stations to improve accessibility of the Stations to persons with disabilities, developed prior to the start of each Service Year pursuant to paragraph 2.7(b) of Schedule 4 (Accessibility and Inclusivity);
“Minutes Delay”	means the minutes of delay to the Passenger Services that are attributed to TfWRL or Network Rail (as the case may be) pursuant to the Track Access Agreement and disregarding any minutes of delay that are imputed to Passenger Services that were cancelled;
“Minutes Late”	means, in relation to a day and a Monitoring Point, the lateness at that Monitoring Point, calculated in accordance with paragraph 2 of the Track Access Agreement;
“Missed Station Stop Figures”	means the number of Total Station Stops Missed (as defined in paragraph 1 of Schedule 7.1 (Operational Performance)) in that Reporting Period;
“Mobile Communications Services”	means the wireless internet service which shall as a minimum provide the Minimum Wi-Fi Service;
“Monitoring Point”	means, in relation to a direction of a Passenger Service, a point listed in Column N of Appendix 1 to Schedule 8 of the Track Access Agreement as a point to be used for recording lateness of Trains in accordance with paragraph 2 of the Track Access Agreement, and each such Monitoring Point shall be treated as a separate Monitoring Point notwithstanding that it may also be a Monitoring Point for the same Passenger Service in the opposite direction and/or for other Passenger Services;
“Monthly Season Ticket”	means a Season Ticket Fare which is valid in Standard Class Accommodation from (and including) the day it first comes into effect until (but excluding) the day which falls one (1) month after such day;
“Morning Peak”	means, in relation to any Passenger Service, the period between 0700 and 0959 (inclusive) during a Weekday or such other continuous three hour period between 0600 and 1159 as the Authority may specify from time to time;

“Mystery Shopper Survey” or “MSS”	means the survey to be performed by TfWRL in accordance with paragraph 8 of Schedule 7.2 (National Rail Passenger Surveys, Customer Report and CCI Scheme);
“Mystery Shopper Survey Methodology” or “MSSM”	means the methodology to be adopted by TfWRL in conducting the Customer Satisfaction Survey as set out in paragraph 8.1(b) of Schedule 7.2 National Rail Passenger Surveys, Customer Report and CCI Scheme;
“National Community Rail Steering Group”	means the National Community Rail Steering Group administered by the Department of Transport, or any successor organisation;
“National Joint ROSCO Project”	means the joint project between Angel Trains Limited, Eversholt Rail (UK) Limited and Porterbrook Leasing Company Limited funded by Network Rail, for implementing ERTMS first in class designs to existing rolling stock which will operate over the routes where ERTMS will be rolled out;
“National Rail Enquiry Scheme”	means the telephone information scheme run by RDG, providing information to customers regarding rail journeys throughout the country;
“National Rail Passenger Survey”	means a passenger satisfaction survey in respect of the Rail Services to be carried out by the Passengers’ Council as described in paragraph 2 of Schedule 7.2 (National Rail Passenger Surveys, Customer Report and CCI Scheme) and shall include any Alternative NRPS as referred to in paragraph 2.6 of Schedule 7.2 (National Rail Passenger Surveys, Customer Report and CCI Scheme);
“National Rail Timetable”	means the passenger timetable published by Network Rail (currently twice per annum) specifying the timings and stopping patterns of all passenger railway services in Great Britain;
“Natura 2000”	means any Special Area of Conservation (“SAC”) as defined under the Conservation (Natural Habitats &c.) Regulations 1994 and the Offshore Marine Conservation (Natural Habitats &c.) Regulations 2007, and any Special Protection Area (“SPA”) as defined under the EC Birds

Directive (EC Directive 2009/147/EC) and any other site afforded the same protection as SACs and SPAs by the Authority;

“Network Change”

has the meaning given to it in the Network Code;

“Network Change Compensation Claims”

has the meaning given to it in paragraph 11.2(a)(i) of Schedule 13.1 (Rail Industry Initiatives);

“Network Code”

means the document known as the Network Code and formerly known as the Railtrack Track Access Conditions 1995 (as subsequently replaced or amended from time to time) or any equivalent code or agreement applying to Network Rail or NR;

“Network Rail” or “NR”

means in respect of:

- (a) the network or any relevant facility:
 - (i) Network Rail Infrastructure Limited, a company registered in England with registered number 02904587 whose registered office is 1 Eversholt Street, London NW1 2DN; and
 - (ii) any successor in title to the network or any relevant railway facility; or
- (b) any new or other sections of network or any relevant new or other railway facilities, the owner (if different);

“Network Rail Cancellation”

means a Passenger Service:

- (a) which is included in the Enforcement Plan of the Day and which is cancelled; or
- (b) which is included in the Enforcement Plan of the Day and which operates less than fifty percent (50%) of its scheduled mileage (as prescribed in the Enforcement Plan of the Day),

in either case in circumstances where responsibility for the same is attributed to Network Rail pursuant to the Track Access Agreement;

“Network Rail Data”

means any information, data and materials that may be provided to the Authority by NR that relates to TfWRL and which the Authority decides (in its absolute discretion) to add to the RPC Database;

“Network Rail ERTMS Implementation Plan” or “ERTMSP”

means Network Rail’s plan for the implementation of the ERTMS Programme;

“Network Rail Partial Cancellation”

means a Passenger Service which is included in the Enforcement Plan of the Day and which:

- (a) misses a stop;
- (b) completes fifty percent (50%) or more, but less than one hundred percent (100%) of its scheduled journey as prescribed in the Enforcement Plan of the Day,

in circumstances where responsibility for the same is attributed to Network Rail pursuant to the Track Access Agreement;

“Network Rail Strategic Business Plan”

means the strategic business plan for England & Wales published by Network Rail from time to time;

“Network Rail’s Traction Electricity Rules”

means the document entitled “*Traction Electricity Rules*” as published by the ORR;

“New CVL Rolling Stock”

means the CVL Rolling Stock with a lease end date of 16 October 2033 in Column 3 of Appendix 1 to Schedule 1.6 (The Rolling Stock);

“New Full Time Equivalent Job”

means a Full Time Equivalent Job which did not exist prior to the Service Commencement Date;

“New Insurance Arrangements”

has the meaning given to it in paragraph 2.4(b) of Schedule 2.2 (Security of Access Agreements, Rolling Stock Leases, Station and Depot Leases);

“New Station”	means: <ul style="list-style-type: none">(a) a station not served by railway passenger services as at February 2003, but which has since that time been, or is subsequently, served by railway passenger services which have been, or are subsequently to be, included in the Timetable or in another relevant Train Operator’s timetable; and/or(b) if the Authority requires, a station, other than a Station, at which, with the consent of the Authority (whether by amendment to this Agreement or otherwise) railway passenger services operated by TfWRL call;
“Non Fares Basket Fare”	means a Fare that is designated as such by the Authority pursuant to paragraph 2.1 of Schedule 5.3 (Allocation of Fares to Fares Baskets) and which has not been de-designated as such pursuant to paragraph 1.1 of Schedule 5.7 (Changes to Fares and Fares Regulation);
“North Wales and Mersey Dee Rail Task Force”	means the multi-organisational body including Local Authorities and other stakeholders concerned with Rail Services in the North Wales and the Mersey Dee areas.
“Notified Fault”	has the meaning given to such term in paragraph 9.1 of Schedule 1.4 (Passenger Facing Obligations);
“NRPS Benchmark”	means in relation to any Service Year, each of the benchmarks relating to each NRPS Measure as set out in the relevant Columns of the NRPS Benchmark Table;
“NRPS Benchmark Table”	means the table(s) set out in Appendix 1 (NRPS Benchmark Table) to Schedule 7.2 (National Rail Passenger Surveys, Customer Report and CCI Scheme);
“NRPS Measure”	means each of the factors set out in the Passenger Survey Methodology and grouped as “Stations”, “Trains” and “Customer Services”, and “Dealing With Delays” as categorised in Appendix 4 to Schedule 7.2;
“Off-Peak Passenger Service”	means a Passenger Service that is not a Morning Peak service or an Evening Peak service;

“Open Travel Data”	has the meaning given to it in paragraph 9 of Schedule 1.5 (Information About Passengers);
“Operating Assets”	means all assets (including any Intellectual Property Rights or intangible assets) employed by TfWRL in the performance of TfWRL’s obligations under this Agreement;
“Original Rolling Stock”	has the meaning given to it in paragraph 2.1(a) of Schedule 1.6 (The Rolling Stock);
“ORR”	means the Office of Rail and Road established by Section 15 of the Railways and Transport Safety Act 2003 and having duties and obligations as set out in the Act;
“Partial Cancellation”	means a Passenger Service which is included in the Enforcement Plan of the Day and which: (a) misses a stop; or (b) completes fifty percent (50%) or more, but less than one hundred percent (100%) of its scheduled journey as prescribed in the Enforcement Plan of the Day, in each case, for reasons which are attributed to TfWRL pursuant to its Track Access Agreement;
“Participating Employer”	has the meaning given to it in the Pension Trust;
“Passenger Assistance”	means the passenger assistance service provided by train operating companies and referred to by the ORR as “Passenger Assist”, as such service may be further described by the ORR from time to time at: http://orr.gov.uk/info-for-passengers/passengers-with-disabilities (or such other applicable web address that is adopted by the ORR for these purposes from time to time);
“Passenger Carrying Capacity”	means: (a) for the purposes of calculating short formations in accordance with paragraph 4 of Schedule 7.1 (Operational Performance), the number of vehicles for that train service as set out in the Train Plan and, for any light rail vehicles deployed on CVL, an equivalent number of vehicles per unit

(“**A**”) should be calculated as follows: $A = \text{Length of unit (in metres)} \div 17\text{m}$ (rounded to the nearest whole number); and

- (b) otherwise, the sum of the Seating and Standing Capacity identified for the rolling stock vehicle or units identified within the rolling stock specification contained in Schedule 1.6 (The Rolling Stock);

“Passenger Change Date”

means a date upon which significant changes may be made to the Timetable in accordance with or by virtue of the Network Code;

“Passenger Revenue”

means the gross revenue (without any deduction for operating costs or charges except for commission charged to revenue in the normal course of business) of TfWRL, as stated in the Rail Services Management Accounts and statements submitted to the Authority in accordance with Schedule 11 (Rail Services Performance Meetings and Management Information), relating to:

- (a) the sale of tickets of any type for the carriage of passengers by railway (including revenue allocated to TfWRL through the Ticketing and Settlement Agreement or otherwise);
- (b) in relation to Schedule 4 (Rules of the Route, Rules of the Plan and Restrictions of Use) to the Track Access Agreement;
 - (i) the revenue loss compensation element of any payments to TfWRL by Network Rail; and
 - (ii) the revenue element of any payments to TfWRL by Network Rail or a “Competent Authority” in compensation for a “Competent Authority Restriction of Use” (as such terms are defined in Schedule 4 to the Track Access Agreement) relating to the sale of tickets of any type for the carriage of passengers by railway (including revenue allocated to TfWRL

through the Ticketing and Settlement Agreement or otherwise);

- (c) the sum of all Network Rail Performance Sums and Sustained Poor Performance payments as provided for under Schedule 8 (Performance Regime) of the Track Access Agreement;
- (d) the revenue element of any payments to TfWRL by Network Rail under Condition G (Network Change) of the Network Code relating to the sale of tickets of any type for the carriage of passengers by railway (including revenue allocated to TfWRL through the Ticketing and Settlement Agreement or otherwise);
- (e) the sale of any Discount Card; and
- (f) the imposition of any penalty upon any person making a journey on the Passenger Services without a ticket which is valid for such journey;

but shall not include any revenue from car parks, retail commission or Rail Services Payment;

“Passenger Seating Capacity” means the sum of the Seating Capacity identified for the rolling stock vehicle or Rolling Stock Unit within the rolling stock specification contained in Schedule 1.6 (The Rolling Stock);

“Passenger Services” means TfWRL’s railway passenger services as specified in any Timetable and/or Plan of the Day including those railway passenger services which TfWRL may delegate or subcontract or otherwise secure through any other person from time to time in accordance with this Agreement;

“Passenger Survey Methodology” has the meaning given to it in paragraph 2.4 of Schedule 7.2 (National Rail Passenger Surveys, Customer Report and CCI Scheme);

“Passenger Time Lost Delay” or “PTL” has the meaning given to it in paragraph 1 of Schedule 7.1 (Operational Performance);

“Passenger’s Charter”	means TfWRL’s service commitments to its passengers as published and amended or replaced from time to time with the prior written consent of the Authority in accordance with paragraph 5 of Schedule 1.4 (Passenger Facing Obligations);
“Passengers’ Council”	means the passengers’ council established under Section 19 of the Railways Act 2005 (as amended by The Passengers’ Council (Non-Railway Functions) Order 2010). The Passengers’ Council shall be generally known as “Transport Focus” from 30 March 2015;
“Pay As You Go Agreement”	means an agreement dated 16 October 2009 between Transport Trading Limited and train operators operating in London enabling joint ticketing and the acceptance of each other’s tickets using smartmedia technology under the name “Pay as You Go”;
“PAYG Off-Peak Fare”	means a Fare which is a Permanent Fare and which entitles the purchaser to make a single journey under the Pay As You Go Agreement in Standard Class Accommodation between and within the PAYG Zones for which the fare is valid, at any time on Saturdays and Sundays and at such times as TfWRL may designate on Mondays to Fridays (where such Fare need not be valid between 6:30am and 9:30am or between 4.00pm and 7.00pm but must be valid at all other times) and which may take into account the different directions of travel;
“PAYG Peak Fare”	means a Fare which is a Permanent Fare and which entitles the purchaser to make a single journey under the Pay As You Go Agreement in Standard Class Accommodation between and within the PAYG Zones for which the fare is valid, at any time;
“PAYG Zone”	means the Stations within the “PAYG Area” (as such is defined in the PAYG Agreement) or otherwise included in part 1 (PAYG Acceptance) of schedule 3 (Operation of PAYG) of the Pay As You Go Agreement (as such is amended from time to time);

“Payment Date”	means the date for the payment of the Rail Services Payment in accordance with paragraph 3.3 of Schedule 8.1 (Rail Services Payments);
“Peak”	means the Morning Peak and the Evening Peak;
“Pension Trust”	means the pension trust governing the Railways Pension Scheme;
“Pensions Committee”	has the meaning given to it in the Railways Pension Scheme;
“Percentage Allocation”	has the meaning given to it in the Ticketing and Settlement Agreement;
“Performance Strategy Plan”	has the meaning given to it in the Network Code;
“Permanent Fare”	has the meaning given to it in the Ticketing and Settlement Agreement;
“Permitted Aggregate Increase” or “PAI”	has the meaning given to it in paragraph 4.2 of Schedule 5.4 (Regulation of Fares Basket Values);
“Permitted Individual Increase” or “PII”	has the meaning given to it in paragraph 2.2 of Schedule 5.5 (Regulation of Individual Fares);
“Personal Data”	has the same meaning as in the Data Protection Requirements and includes Special Category Personal Data as defined therein;
“Person-week”	means the equivalent of one person working a minimum of thirty (30) hours per week (where the post involves working less than thirty (30) hours per week (subject to a minimum of sixteen (16) hours per week) then the hours worked may be divided by thirty (30) to give the proportion of a Person-week provided);
“Plan of the Day”	means, in relation to each day during the Rail Services Term, the Passenger Services scheduled to be operated on that day through specification in the Timetable or as notified to TfWRL by Network Rail from time to time prior to 2200 on the previous day;
“Planned Train Mileage”	means the aggregate train mileage planned during each Reporting Period by each train used in the provision of the

Passenger Services (excluding, any train mileage planned as a result of positioning or other movements of rolling stock vehicles outside the Timetable);

“Polluter Pays Principle”

means the principle according to which the polluter should pay for measures to reduce pollution according to the extent of either the damage done to society or the exceeding of an acceptable level (standard) of pollution;

“Pontypridd HQ”

has the meaning given to it in paragraph 10.3 of Part 3 of Schedule 13.3 (Sustainability and Ethical Procurement);

“PPM” or “Public Performance Measure”

means the public performance measure as produced and/or published by Network Rail;

“PPM Figures”

means the moving annual average percentage published by Network Rail in respect of PPM, rounded to one (1) decimal place;

“Preceding Year Ticket Price”

has the meaning given to it in paragraph 2.1 of Schedule 5.5 (Regulation of Individual Fares);

“Preliminary Database”

means such database as may reasonably be put in place by the Authority prior to making any RPC Database available to TfWRL, as part of the development of the RPC Database;

“Previous ODP”

means Keolis Amey Wales Cymru Limited with company number 11391059 and registered office 2 Callaghan Square, Cardiff, CF10 5BT;

“Previous ODP Grant Agreement”

means any franchise agreement under which services equivalent to the Rail Services (or a material proportion thereof) were provided by a Train Operator on or about the day prior to the Service Commencement Date;

“Previous ODP’s Station Asset Management Plan” or “PSAMP”

means the document in the agreed terms marked PSAMP;

“Price”

means, in respect of any Fare, the price of such Fare before the deduction of any applicable discount to which a purchaser may be entitled, as notified to RSP in accordance with Schedule 5 (Fares and Smart Ticketing) to the Ticketing and Settlement Agreement;

“Principles of Inclusive Design”	means planning, designing, building and managing places, while having due regard and a proportionate response to stakeholder views obtained through consultation or otherwise, so that they work better for everybody and reflect the diversity of the people who use them as embodied in the document published by the Commission for Architecture and the Built Environment in 2006 with the title <i>“The Principles of Inclusive Design”</i> (as revised from time to time);
“Prior Train Operator”	has the meaning given to it in paragraph 3.1 of Schedule 2.2 (Security of Access Agreements, Rolling Stock Leases, Station and Depot Leases);
“PRM TSI”	means the EU’s Regulation (EU) No 1300/2014 of 18 November 2014 (as amended from time to time) on the technical specifications for interoperability relating to accessibility of the European Union’s rail system for persons with disabilities and persons with reduced mobility;
“Processor”	has the same meaning as in the Data Protection Requirements;
“Projected Revenue”	means the revenue in any Fare Year which is projected to be attributable to any Fare, determined in accordance with paragraph 3 of Schedule 5.4 (Regulation of Fares Basket Values);
“Property Lease”	means any Depot Lease, any lease in respect of a Managed Station Area, any lease in respect of Shared Facilities or any Station Lease and any agreement or lease of a similar or equivalent nature (whether in respect of any such facility or otherwise) which TfWRL may enter into with a person who has an interest in a network or a railway facility which is to be used for or in connection with the provision or operation of the Rail Services;
“Protected Employee”	means a Relevant Employee whose contract of employment transfers to TfWRL or a Subcontractor pursuant to the Transfer Regulations on or phased with the Transfer Date (as defined in the Transfer Agreement) and

who remains wholly or mainly employed in the provision of the Rail Services;

“Protected Fare”

means a Protected Return Fare or a Protected Weekly Season Ticket;

“Protected Fares Basket B”

means the grouping of Protected Fares:

- (a) determined by the Authority pursuant to paragraph 1.2(b) of Schedule 5.3 (Allocation of Fares to Fares Baskets);
- (b) for the purposes of regulating their aggregate Prices or Child Prices, as the case may be, in accordance with Schedule 5.4 (Regulation of Fares Basket Values);
- (c) amended by the Authority from time to time in accordance with Schedule 5.7 (Changes to Fares and Fares Regulations); and
- (d) set out in the Protected Fares Document as being Protected Fares to be allocated by the Authority to the Protected Fares Basket B pursuant to paragraph 1.2(b) of Schedule 5.3 (Allocation of Fares to Fares Baskets);

“Protected Fares Basket C”

means the grouping of Protected Fares:

- (a) determined by the Authority pursuant to paragraph 1.2(c) of Schedule 5.3 (Allocation of Fares to Fares Baskets);
- (b) for the purposes of regulating their aggregate Prices or Child Prices, as the case may be, in accordance with Schedule 5.4 (Regulation of Fares Basket Values);
- (c) amended by the Authority from time to time in accordance with Schedule 5.7 (Changes to Fares and Fares Regulations); and

- (d) set out in the Protected Fares Document as being Protected Fares to be allocated by the Authority to the Protected Fares Basket C pursuant to paragraph 1.2(e) of Schedule 5.3 (Allocation of Fares to Fares Baskets);

“Protected Fares Document” or “PFD” means together the Protected Fares Document B and the Protected Fares Document C;

“Protected Fares Document B” or “PFDB” means the document of that name agreed between the Authority and the Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement, as the same may be amended from time to time in accordance with Schedule 5.7 (Changes to Fares and Fares Regulations);

“Protected Fares Document C” or “PFDC” means the document of that name agreed between the Authority and the Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement, as the same may be amended from time to time in accordance with Schedule 5.7 (Changes to Fares and Fares Regulations);

“Protected Return Fare” means in respect of a Fare for a Flow:

- (a) for which there was a Saver Return Fare in February 2003, a Return Fare for each such Flow in respect of which TfWRL is entitled or obliged from time to time to set the Price or Child Price under the Ticketing and Settlement Agreement, subject to the following additional rights and restrictions:
 - (i) it shall be valid for no less than one (1) month;
 - (ii) it shall be valid all day on a Saturday or Sunday and from no later than 1030 on any other day;
 - (iii) it need not be valid for any journey;

(A) beginning between 1500 and 1900 on any day other than a Saturday or Sunday;

(B) where such journey begins from a London Station or any station between any London Station and Reading station, Watford station, Luton station, or Stevenage station (inclusively); and

(C) which is in a direction away from London; or

(b) for which there was no Saver Return Fare in February 2003, a Return Fare for each such Flow in respect of which TfWRL is entitled or obliged from time to time to set the Price or Child Price under the Ticketing and Settlement Agreement,

except in each case to the extent that a Return Fare for any such Flow is a Commuter Fare;

“Protected Rolling Stock”

means the Rolling Stock Units leased pursuant to the Protected Rolling Stock Leases;

“Protected Rolling Stock Leases”

means the following Rolling Stock Leases:

(a) the operating lease agreement between (1) Cambrian Rail Partnership No.1 LLP and (2) TfWRL relating to Lot 1: Stadler Flirt Diesel Electric Rolling Stock dated on or about 7 February 2021; and

(b) the operating lease agreement between (1) Cambrian Rail Partnership No.2 LLP and (2) TfWRL relating to Lot 2: CAF Civity Diesel Rolling Stock dated on or about 7 February 2021;

“Protected Weekly Season Ticket”

means a Weekly Season Ticket for any Flow for which there was a weekly season ticket in the fares manuals and systems of the RSP in February 2003 and in respect of which TfWRL is entitled or obliged, from time to time, to set

the Price or Child Price of under the Ticketing and Settlement Agreement except to the extent that a Weekly Season Ticket for any such Flow is a Commuter Fare;

“PRS Backstop Date” means 01:59 on 16 October 2033;

“PRS Termination Date” means the date on which this Agreement

(a) expires; or

(b) is terminated,

where such expiry or termination occurs prior to the PRS Backstop Date;

“PRS Termination Fixed Payment” means the net present value rental termination payment as calculated under the relevant Protected Rolling Stock Lease;

“PRS Termination Protected Period” means, in respect of each Protected Rolling Stock Lease, the period commencing on the PRS Termination Date and expiring on the expiry date of the relevant Protected Rolling Stock Lease;

“PTL” means Passenger Time Lost Delay;

“PTL Figures” means the moving annual average percentage published by Network Rail in respect of Passenger Time Lost Delay, rounded to one (1) decimal place;

“Public Authority” means any UK national, European Union, state or local government, any political subdivision thereof or any governmental, quasi-governmental, judicial, public or statutory instrumentality, administrative agency, authority, body or other similar entity and includes the Network Rail, RSSB and ORR;

“Public Impact of Implementation Plan” or “PIIP” has the meaning given to it in paragraph 11.4 of Schedule 1.1 (Rail Services and Service Development);

“Public Sector Operator” means any person (other than a franchisee or franchise operator in relation to the services provided or operated under its franchise agreement) who provides railway passenger services or operates any station or light

	<p>maintenance depot pursuant to or under Section 30 of the Act or Section 6 of the Railways Act 2005;</p>
<p>“Qualifications Wales”</p>	<p>is the regulator of non-degree qualifications and the qualifications systems in Wales established by the Qualifications Wales Act 2015;</p>
<p>“Quarter”</p>	<p>means in respect of each Service Year each of the following three (or four, as the case may be) Reporting Periods:</p> <ul style="list-style-type: none">(a) the first to third Reporting Periods;(b) the fourth to sixth Reporting Periods;(c) the seventh to ninth Reporting Periods; and <p>the tenth to thirteenth Reporting Periods;</p>
<p>“Quarterly Season Ticket”</p>	<p>means a Season Ticket Fare which is valid in Standard Class Accommodation from (and including) the day it first comes into effect until (but excluding) the day which falls three (3) months after such day;</p>
<p>“Rail Industry Sustainable Development Principles”</p>	<p>means the principles which were published by the Rail Safety and Standards Board in February 2009 as amended from time to time;</p>
<p>“Rail Safety and Standards Board” or “RSSB”</p>	<p>means Rail Safety and Standards Board Limited, a company registered in England with registered number 04655675 whose registered office is at The Helicon, 4th Floor, One South Place, London, EC2M 2RB;</p>
<p>“Rail Safety and Standards Board’s Sustainable Development Self-Assessment Framework”</p>	<p>means the RSSB’s sustainable development self-assessment tool;</p>
<p>“Rail Services”</p>	<p>means the CVL Rail Services and the Wales and Cross-Border Lines Services;</p>
<p>“Rail Services Access Station”</p>	<p>means any station at which the Passenger Services call (other than any Station);</p>

“Rail Services Assets”

means the property, rights and liabilities designated as such pursuant to paragraph 1 of Schedule 14.4 (Designation of Rail Services Assets) but excluding such property, rights or liabilities as shall, in accordance with the terms of this Agreement, cease to be so designated;

“Rail Services Documents”

means:

- (a) this Agreement;
- (a) the Train Services Requirement; and
- (b) any other agreement signed by TfWRL at the time of the award of the Rail Services which is in the possession of the Authority and which is notified by the Authority to TfWRL as being required for publication;

“Rail Services Employee”

means:

- (a) any employee of TfWRL from time to time; and
- (b) any other person who is an employee of any of its Affiliates or is an employee of any party to whom TfWRL Services or services which are in support of or ancillary to TfWRL Services have been subcontracted (at any tier) or delegated by TfWRL; and
- (c) in the case of (a) or (b) whose contract of employment would (subject to the exercise of such person’s right to object to the transfer) be transferred to a Successor Operator following the expiry of the Rail Services Term by virtue of the operation of Law (including the Transfer of Undertakings (Protection of Employment) Regulations 2006) or in respect of whom liabilities arising from a contract of employment or employment relationship may be so transferred;

“Rail Services Management Accounts”

means the Management Accounts in respect of Rail Services;

“Rail Services Performance Meeting”	means a meeting between the Authority and TfWRL to be held in accordance with paragraph 1 of Schedule 11.1 (Rail Services Performance Meetings);
“Rail Services Sections”	has the meaning given to it in paragraph 2 of Schedule 16 (Pensions);
“Rail Services Section Rules”	has the meaning given to it in paragraph 4.2 of Schedule 16 (Pensions);
“Rail Services Term”	means the period commencing on the Service Commencement Date and ending on the Expiry Date;
“Rail User Groups”	means a representative organisation of passengers normally associated with a specific line or geography;
“Railway Group”	means the committee responsible for cross industry co-ordination in respect of rail safety legislation and industry safety standards chaired by the Rail Safety and Standards Board;
“Railway Operational Code”	has the meaning given to it in Condition H of the Network Code;
“Railway Passenger Services”	means, for the purposes of Schedule 5 (Fares and Smart Ticketing) only, services for the carriage of passengers by railway which are provided by a person who is bound by the Ticketing and Settlement Agreement, or any part of it, and including TfWRL and any other Train Operator from time to time;
“Railways Pension Scheme”	means the pension scheme established by the Railways Pension Scheme Order 1994 (No. 1433);
“RDG”	means the Rail Delivery Group including any of its successors and assigns;
“Reference Fare”	has the meaning given to it in paragraph 6.1(a) of Schedule 5.7 (Changes to Fares and Fares Regulation);
“Reference Flow”	has the meaning given to it in paragraph 6.1(a) of Schedule 5.7 (Changes to Fares and Fares Regulation);
“Reference Revenue”	means the aggregate Gross Revenue recorded by RSP as attributable to sales of all Commuter Fares or Protected

Fares for the period of twelve (12) months which ended 31 March 2010 or such other reference period as the Authority may require pursuant to paragraph 3.1(a) of Schedule 5.7 (Changes to Fares and Fares Regulation);

“Regulated Child Price”

means the Child Price that is permitted to be charged by TfWRL in respect of any Fare in any Fare Year, determined in accordance with paragraph 2.1 of Schedule 5.5 (Regulation of Individual Fares);

“Regulated Price”

means the Price that is permitted to be charged by TfWRL in respect of any Fare in any Fare Year, determined in accordance with paragraph 2.1 of Schedule 5.5 (Regulation of Individual Fares);

“Regulated Value”

means the Value of any Fares Basket that is permitted in any Fare Year, determined in accordance with paragraph 4.1 of Schedule 5.4 (Regulation of Fares Basket Values);

“Regulations”

has the meaning given to it in paragraph 1.2 of Schedule 2.5 (Transport, Travel and Other Schemes);

“Relevant Delay”

has the meaning given to it in paragraph 3.1 of Schedule 2.2 (Security of Access Agreements, Rolling Stock Leases, Station and Depot Leases);

“Relevant Rolling Stock”

has the meaning given to it in paragraph 3.1 of Schedule 2.2 (Security of Access Agreements, Rolling Stock Leases, Station and Depot Leases);

“Reporting Period”

means:

- (a) not used; or
- (b) for all other purposes, a period of twenty eight (28) days, provided that:
 - (i) the first such period during the Rail Services Term shall exclude any days up to but not including the Service Commencement Date;
 - (ii) the first and last such period in any Reporting Year may be varied by up to

seven (7) days by notice from the Authority to TfWRL;

(iii) each such period shall start on the day following the last day of the preceding such period; and

(iv) the last such period during the Rail Services Term shall end at the end of the Rail Services Term;

“Reporting Year” means a period normally commencing on 1 April in each calendar year, comprising thirteen (13) consecutive Reporting Periods;

“Request for Information” means a request for information or an apparent request under the Freedom of Information Act or the Environmental Information Regulations;

“Required Improvement” has the meaning given to it in paragraph 1 of Schedule 7.2 (National Rail Passenger Surveys, Customer Report and CCI Scheme);

“Resource Plan” means the resource plan provided to the Authority in accordance with paragraph 3.11 of Schedule 11.2 (Management Information);

“Retail Prices Index” means the retail prices index for the whole economy of the United Kingdom and for all items as published from time to time by the Office for National Statistics as “RPI” or, if such index shall cease to be published or there is, in the reasonable opinion of the Authority, a material change in the basis of the index or if, at any relevant time, there is a delay in the publication of the index, such other retail prices index as the Authority may, after consultation with TfWRL, determine to be appropriate in the circumstances;

“Return Fare” means a Fare which entitles the purchaser to make, without further restrictions as to the time of day for which the Fare is valid, a journey in each direction in Standard Class Accommodation between the stations and/or the zones for which such Fare is valid and which expires no earlier than 0200 hours on the day after the day of the

outward journey or, if later, the time the relevant return journey may be completed if commenced before 0200 hours;

“Right Time Figures”

means the moving annual average percentage published by Network Rail in respect of the Right Time Measure, rounded to one (1) decimal place;

“Right Time Measure”

means the Right Time Measure as produced and/or published by Network Rail and/or the ORR showing the number of Passenger Services (expressed as a percentage of the number of Passenger Services which are scheduled to be provided under the Plan of the Day) which arrive at their final scheduled destination in the Plan of the Day either early or no more than 59 seconds late;

“Rolling Stock Lease”

means any agreement for the leasing of rolling stock vehicles to which TfWRL is a party as at the Service Commencement Date and any agreement of a similar or equivalent nature (including, any agreement or arrangement for the subleasing, hiring, licensing or other use of rolling stock vehicles) to which TfWRL is a party from time to time during the Rail Services Term whether in addition to, or replacement or substitution for, in whole or in part, any such agreement;

“Rolling Stock Minimum Requirement”

means a minimum requirement of a Service Type, as identified in Column headed “Min Req applies” of Tables 2A to 2E of Appendix 2 to Schedule 1.6 (The Rolling Stock);

“Rolling Stock Related Contract”

means any Rolling Stock Lease, Maintenance Contract or Technical Support Contract;

“Rolling Stock Unit”

means the smallest number of rolling stock vehicles which are normally comprised in a train used by TfWRL in the provision of the Passenger Services;

“ROSCO”

means any company leasing rolling stock vehicles to TfWRL under a Rolling Stock Lease;

“Route”	means any route specified in the Timetable over which TfWRL has permission to operate the Passenger Services pursuant to any Track Access Agreement;
“Route Efficiency Benefit Share (REBS) Mechanism” or “REBS Mechanism”	means the route level efficiency benefit sharing mechanism introduced by the ORR in its determination for the control period commencing on 1 April 2014 or any similar arrangement under which the benefits of any outperformance (or downsides of failure to achieve efficiency targets) are to be shared between Network Rail and Train Operators at route level;
“RPC Database”	means a database to be provided by the Authority pursuant to and on the terms of paragraph 7.1 of Schedule 1.5 (Information about Passengers) containing rail passenger counts information and providing analytical reporting tools or such other functionality as the Authority may decide from time to time;
“RPI”	means the quotient of the Retail Prices Index for the January which immediately precedes the commencement of the relevant Service Year divided by the Retail Price Index for January 2020 provided that, for the first Service Year, RPI shall be one;
“RPS Contributions”	means the employer contributions required under the schedule of contributions from time to time applicable to each Rail Services Section;
“RS Lessor”	means the lessor of the rolling stock under any Protected Rolling Stock Lease;
“RSP”	means Rail Settlement Plan Limited;
“RSPS3002”	means the RSP document with reference RSPS3002, version 02.01 re-published on 6 May 2015 which specifies standards for issuing, checking and validating rail products on ITSO Certified Smartmedia and defines the rail specific rules required to ensure interoperability across the rail network (as amended from time to time by RDG);
“Safety Certificate”	means the certificate issued by the ORR under the Safety Regulations, certifying its acceptance of TfWRL's safety

management system (as defined in those regulations) and the provisions adopted by TfWRL to meet the requirements that are necessary to ensure safe operation on the Routes;

“Safety Regulations”

means the Railways and Other Guided Transport Systems (Safety) Regulations 2006 (as amended pursuant to the Railways and Other Guided Transport Systems (Safety) (Amendment) Regulations 2006);

“Saver Return Fare”

means a return fare which is shown as a saver fare in the fares manuals and systems of the RSP as at the date of such manuals;

“Scheduled Consist Data”

means information as to the type of individual vehicles of rolling stock that have been scheduled by TfWRL to form a train in the Train Fleet for any particular Passenger Service and the manner in which they are scheduled to be configured;

“Scope 1, 2 and 3 Emissions”

means in respect of each:

Scope 1: these are emissions that arise directly from sources that are owned or controlled by TfWRL, for example from fuels used to heat or power premises or power rolling stock or vehicles;

Scope 2: these are the emissions generated by purchased electricity consumed by TfWRL and its contractors and supply chain; and

Scope 3: these emissions are a consequence of the activities of TfWRL and its contractors and supply chain but occur from sources not owned or controlled by these organisations. This includes emissions associated with waste, water, business travel, commuting and procurement;

“Season Ticket Fare”

means a Fare which entitles the purchaser to make, without further restriction except as to class of accommodation, an unlimited number of journeys in any direction during the period for which, and between the stations and/or the zones for which, such Fare is valid;

“Seating Capacity”	means the total number of seats fitted to a specific rolling stock unit as set out in Appendix 1 to Schedule 1.6 (The Rolling Stock);
“Secretary of State”	means the Secretary of State for Transport whose principal address is 33 Horseferry Road, London, SW1P 4DR;
“Secure Car Parks Accreditation”	has the meaning given to it in paragraph 8.5 of Schedule 1.7 (Stations);
“Secure Car Parks Scheme”	has the meaning given to it in paragraph 8.5 of Schedule 1.7 (Stations);
“Secure Stations Accreditation”	has the meaning given to it in paragraph 8.5 of Schedule 1.7 (Stations);
“Secure Stations Scheme”	has the meaning given to it in paragraph 8.5 of Schedule 1.7 (Stations);
“Security Breach”	has the meaning given to it in paragraph 6.2 of Schedule 1.5 (Information about Passengers);
“Security Interest”	means any mortgage, pledge, lien, hypothecation, security interest or other charge or encumbrance or any other agreement or arrangement having substantially the same economic effect;
“Sell2Wales”	means the Sell2Wales information and procurement portal set up by the Welsh Government;
“Service Code”	means each unique code assigned to a Passenger Service in the Model of Inter-Regional Activity and as set out in Column 1 of the Service Codes Table at Appendix 2 to Schedule 1.6 (Rolling Stock);
“Service Commencement Date”	means the date specified as such in a notice served by the Authority under Clause 4 of this Agreement;
“Service Group”	(a) in respect of the Wales and Cross-Border Lines Services, has the meaning given to it in the Track Access Agreement or as specified by the Authority from time to time; or (b) in respect of CVL Rail Services, has the meaning given to it in the CVL Track Access Performance

Schedule or as specified by the Authority from time to time;

- “Service Improvements”** means the initiatives which are to be carried out by TfWRL as specified in the Service Improvement Plan;
- “Service Improvement Plan”** means the service improvement plan agreed between the Authority and the Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement;
- “Service Quality Defect”** means a failure by TfWRL to achieve a Service Quality Standard as set out in Schedule 7.3 (Service Quality Regime);
- “Service Quality Failure”** means a failure by TfWRL to remedy a Service Quality Defect in the time period set out in the applicable Time to Fix Service Level as set out in Schedule 7.3 (Service Quality Regime);
- “Service Recovery Plan”** means, in the event of a prevention or restriction of access to the track or a section of the track (howsoever caused) which results in any Cancellation, Partial Cancellation, and/or any Passenger Service being operated with less Passenger Carrying Capacity than the Passenger Carrying Capacity specified for such Passenger Service in the Train Plan, a plan implemented by TfWRL:
- (a) to minimise the disruption arising from such prevention or restriction of access by operating, during such period of disruption, the best possible level of service given such disruption, including by:
 - (i) keeping service intervals to reasonable durations;
 - (ii) keeping extended journey times to reasonable durations; and
 - (iii) managing any resulting overcrowding;
 - (b) to:

- (i) return the level of service to that level specified in the Timetable as soon as reasonably practicable; and
 - (ii) prior to the attainment of the level of service specified in paragraph (b)(i) operate any reduced level of service agreed with Network Rail for the purpose of minimising such disruption pursuant to paragraph (a);
- (c) in accordance with the principles of service recovery set out in the RDG “**Approved Code of Practice: Contingency Planning for Train Service Recovery – Service Recovery 2013**” or any document of a similar or equivalent nature; and
- (d) where the particulars of such plan in relation to the requirements of paragraphs (a) and (b) have been:
 - (i) agreed at an initial and, where required, subsequent telephone conference between TfWRL, Network Rail and any other affected Train Operator; and
 - (ii) on each occasion, recorded in an official control log by the relevant Region Control Manager of Network Rail,

and prevention or restriction of access to the track or a section of the track has the meaning given to that term in paragraph 1(a)(i) of Schedule 10.3 (Force Majeure and Business Continuity);

“Service Type”

means the service type assigned to a rolling stock vehicle as set out in Appendix 1 to Schedule 1.6 (The Rolling Stock) and more particularly described as:

- (a) CVL Rolling Stock;
- (b) Long Distance/Express;

(c) Sprinter/Rural; and

(d) Suburban;

“Service Year”

means any period of twelve (12) months during the Rail Services Term, beginning on 1 April and ending on 31 March, except that the first and last Service Years may be for a period of less than twelve (12) months and the first Service Year shall begin on the Service Commencement Date and the last Service Year shall end on the last day of the Rail Services Term;

“Settlement Proposal”

has the meaning given to it in paragraph 3.2 of Schedule 4 (Accessibility and Inclusivity);

“Shared Facilities”

means those facilities in respect of which TfWRL and Network Rail carry out their respective activities concurrently;

“Short Formation Figures”

means the number of Passenger Services in any Reporting Period formed with less Passenger Carrying Capacity than specified in the Train Plan;

“Significant Alterations”

shall, in relation to any proposed new or amended Timetable, include alterations from the then current Timetable which result in, or are likely to result in:

- (a) the addition or removal of railway passenger services;
- (b) changes to stopping patterns or destinations or origin;
- (c) changes of timings for first/last trains by more than 10 minutes;
- (d) changes to clockface (or near clockface) service patterns (meaning the provision of railway passenger services at a specified time or times relative to the hour); and/or

- (e) significant changes to journey times and/or key connections at the Stations or at other stations at which relevant railway passenger services call by more than 10 minutes;

“Single Fare”

means a Fare which entitles the purchaser to make, without further restrictions as to the time of day for which the Fare is valid, on any one (1) day, one (1) journey in Standard Class Accommodation between the stations and/or the zones for which the Fare is valid;

“SKA Rating Standard”

means the recognised environmental assessment tool known as “*SKA Rating*” for sustainable fit outs published by the Royal Institute of Chartered Surveyors;

“Skills and Leadership Strategy”

means the skills and leadership strategy agreed between the Authority and the Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement, as amended by the parties in accordance with paragraph 2 of Part 3 to Schedule 13.3 (Sustainability and Ethical Procurement);

“Small and Medium-sized Enterprises” or “SMEs”

means any individual micro, small or medium sized enterprise meeting the requirements set out in EU Recommendation 2003/36 and broadly falling into one of three categories, based on a combination of:

- (a) the number of employees; and
(b) either its turnover or its balance sheet total;

The three categories are:

Company category	Employees	Turnover	or	Balance sheet total
Medium	<250	≤ €50m		≤ €43m
Small	<50	≤ €10m		≤ €10m
Micro	<10	≤ €2m		≤ €2m

“SME”	means an organisation defined as a Small or Medium Size Enterprise in accordance with Commission Recommendation (2003/361/EC) of 6 May 2003;
“South Wales Metro”	means the project to create a new transport system in South East Wales centered around Cardiff and including the Core Valley Lines to provide faster, more frequent and joined-up trains, buses and light rail services;
“South Wales Metro Station”	means a Station specified within Appendix 6 to Schedule 1.7 (Stations);
“South Wales Valleys”	means the following unitary authorities: (a) Merthyr Tydfil; (b) Blaenau Gwent; (c) Caerphilly; (d) Rhondda Cynon Taf; and (e) Torfaen;
“Spares”	means parts and components of rolling stock vehicles which are available for the purpose of carrying out maintenance services on rolling stock vehicles;
“Special Event Classification”	means the classification to be given to each Special Event in accordance with paragraph 4.11 of Schedule 1.2 (Operating Obligations);
“Special Event Management Plan”	means the plan to be developed and implemented by TfWRL for each Special Event as set out in paragraphs 4.8 to 4.10 of Schedule 1.2 (Operating Obligations);
“Special Event Planning Calendar”	means the calendar of Special Events to be provided by TfWRL to the Authority in accordance with paragraphs 4.4 to 4.8 of Schedule 1.2 (Operating Obligations);
“Special Events”	means those events that are likely to cause material additional demand, revenue, cost or requirements for Rail Service over and above that might be expected on any

other similar day without such any event and shall include those Identified Special Events;

“Specification of Apprenticeship Standards for Wales”

means the standards for apprenticeship published from time to time by the Welsh Government;

“Sprinter/Rural”

means the Service Type assigned to specific rolling stock vehicles as set out in Appendix 1 to Schedule 1.6 (Rolling Stock);

“Stakeholder”

means those third parties with an interest in the Rail Services delivery including, but not limited, to:

- (a) Rail User Groups;
- (b) Welsh Language Commission;
- (c) Disability Wales;
- (d) third sector enterprises;
- (e) TrawsCymru;
- (f) Wales Council for Voluntary Action;
- (g) any relevant Local Authority and organisations who can reasonably be considered to have a legitimate and proper interest in the Passenger Services;

but shall not include the TfWRL Responsible Stakeholders;

“Stakeholder and Media Deed of Amendment”

means the Deed of Amendment DA009;

“Standard Class Accommodation”

means, in respect of any train or service, accommodation which is available to the purchaser of any Fare which, taking into account any rights or restrictions relating to that Fare (other than restrictions relating to accommodation on that train or service), entitles such purchaser to make a journey on that train or service (provided that any accommodation on such train which may have been reserved by such purchaser shall be deemed to have been

	made so available if, had it not been so reserved, it would have been available for use by such purchaser);
“Standing Capacity”	means the maximum standing capacity for a specific rolling stock unit as set out in Appendix 1 to Schedule 1.6 (The Rolling Stock);
“Station”	means: <ul style="list-style-type: none">(a) any station in respect of which TfWRL has entered into a Station Lease; or(b) any New Station at which TfWRL becomes the Facility Owner;
“Station Access Conditions”	has the meaning given to it in the relevant Access Agreement to which it relates;
“Station Alliance Board”	has the meaning given to it in paragraph 5.7 of Schedule 1.7 (Stations);
“Station Asset Management Plan”	means the plan created by TfWRL pursuant to paragraph 1 of Schedule 1.7 (Stations) and as amended from time to time in accordance with the provisions of Schedule 1.7 (Stations);
“Station Asset Management Plan Accreditation”	the certification of TfWRL’s station asset management organisation and systems for Stations as complying with the requirements of ISO55001:2014 (or such other reasonably equivalent standard as may be approved in writing by the Authority from time to time in place of ISO55001:2014);
“Station Asset Management Plan Accreditation Certificate”	has the meaning given to it in paragraph 1.11(b) of Schedule 1.7 (Stations);
“Station Change”	has the meaning given to the term “Proposal for Change” under the Station Access Conditions;
“Station Improvement Plan”	means the station improvement plan agreed between the Authority and the Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement as amended in accordance with paragraph 2 of Schedule 1.7 (Stations);

“Station Lease”	means: <ul style="list-style-type: none">(a) any lease of a station that TfWRL is a party to as at the Service Commencement Date; or(b) a lease of any other station to which TfWRL becomes the Facility Owner at any time during the Rail Services Term;
“Station Service”	means any service specified in paragraph 5 of Part 1 (Rail Services) of Schedule 1.1 (Rail Services and Service Development) which may be provided by TfWRL at the Stations;
“Station Social and Commercial Development Plan” or “SCDP”	means TfWRL’s station social and commercial development plan, as such plan may be updated in accordance with the provisions of paragraph 5 of Schedule 1.7 (Stations);
“Station Sublease”	means a lease or sub lease of premises comprising part or parts of a Station exclusively occupied by another Train Operator;
“Stored Credit Balance”	means any monetary amount held by TfWRL which a passenger can apply at a future date to the purchase of a Fare (and stored in any medium);
“Strategic Review”	means the review carried out by the Authority and TfWRL in accordance with Schedule 9.4 (Strategic Review);
“Strategic Review Meeting”	means the meeting between the Parties held in accordance with paragraph 2 of Schedule 9.4 (Strategic Review);
“Strategic Review Paper”	has the meaning given to it in paragraph 3.1(c) of Schedule 9.4 (Strategic Review);
“Subcontractor”	has the meaning given to it in paragraph 7.3 (b) of Schedule 1.5 (Information about Passengers);
“Suburban”	means the Service Type assigned to specific rolling stock vehicles as set out in Appendix 1 to Schedule 1.6 (The Rolling Stock);

“Successor Agreement”

means an agreement between the Authority and a Successor Operator which takes effect immediately following the expiry of this Agreement;

“Successor Agreement Conditions”

means:

(a) upon expiry of this Agreement, this Agreement shall immediately be either extended or replaced with a Successor Agreement with TfWRL, in each case with an expiry date falling no earlier than the PRS Backstop Date; or

(b) upon expiry of this Agreement, each of the following shall occur:

(i) a Successor Agreement shall immediately be entered into with a Successor Operator;

(ii) the expiry date for such Successor Agreement falls no earlier than the PRS Backstop Date; and

(iii) upon commencement of such Successor Agreement, the Authority and TfWRL have complied with each of their respective obligations under paragraph 1.3(a) and (b) (as applicable) of Schedule 10.1 (Protected Rolling Stock Termination); or

(c) upon expiry of this Agreement, each of the following shall occur:

(i) the Authority either extends this Agreement with TfWRL or enters into a Successor Agreement);

(ii) the expiry date for such extension to this Agreement or

Successor Agreement falls prior to the PRS Backstop Date;

- (iii) in circumstances where the Successor Operator is not TfWRL, the Authority and TfWRL have complied with each of their respective obligations under paragraph 1.3(a) and (b) (as applicable) of Schedule 10.1 (Protected Rolling Stock Termination) upon commencement of the Successor Agreement to which such Successor Operator is a party; and
- (iv) the Authority has entered into arrangements to the satisfaction of the RS Lessor, which procure that equivalent protections to those previously agreed between the Authority, TfWRL and the relevant RS Lessor, by way of either payment or novation and relevant security, in respect of the Protected Rolling Stock Leases, shall be available to the relevant RS Lessor on or in respect of the expiry date of such extension to this Agreement or Successor Agreement;

“Successor Operator”

means an entity succeeding or intended by the Authority to succeed (and whose identity is notified to TfWRL by the Authority) TfWRL in the provision of operating all or any of the Rail Services including, where the context so admits, TfWRL where it is to continue to provide or operate the Rail Services following the expiry of this Agreement;

“Successor Operator Timetable”	has the meaning given to it in paragraph 2.2(a) of Schedule 14.1 (Maintenance of Rail Services);
“Suicide Prevention Duty Holders’ Group’s 9 Point Plan”	means the best practice plan established and published by the “cross-industry suicide prevention group”, setting out nine (9) deliverables aimed at suicide reduction (as amended or replaced from time to time);
“Suicide Prevention Strategy”	means the ‘From Crisis to Care’ strategy document for the period from 2016 to 2019 (as amended or replaced from time to time) published by the British Transport Police;
“Sustainable Development Manager”	means the role described in paragraph 3 of Part 1 of Schedule 13.3 (Sustainability and Ethical Procurement);
“Sustainable Development Plan”	means the plan set out at paragraph 4.1 of Part 1 of Schedule 13.3 (Sustainability and Ethical Procurement);
“Taking Wales Forward”	means the Welsh Government’s programme for government dated 4 November 2016;
“Target Passenger Demand”	means the higher of Actual Passenger Demand and Forecast Passenger Demand or any other level of passenger demand specified by the Authority not being greater than the higher of Actual Passenger Demand or Forecast Passenger Demand;
“Taxation”	means any kind of tax, duty, levy or other charge whether or not similar to any in force at the date of this Agreement and whether imposed by a local, governmental or other competent authority in the United Kingdom or elsewhere;
“TDR Amendment”	has the meaning given to it in paragraph 12.8 of Part 2 (Service Development) of Schedule 1.1 (Rail Services and Service Development);
“Technical Support Contract”	means a contract for technical support to which TfWRL is a party, relating to the rolling stock vehicles used in the provision of the Passenger Services;
“Tendering/Reletting Process”	means either of the processes described in paragraph 1.1 and 1.2 of Schedule 15.1 (Reletting Provisions);
“TfW Appointment Letter”	means the letter from the Authority to Transport for Wales dated on or around the date of this Agreement setting out

the terms on which the Authority has appointed Transport for Wales in connection with this Agreement;

“TFW Articles of Association” means the Articles of Association of Transport for Wales (as amended from time to time);

“TFW Management Agreement” means the Management Agreement agreed between the Authority and Transport for Wales (or any successor arrangement);

“TfW Remit Letter” means the letter from the Authority to Transport for Wales entitled ‘*Term of Government remit letter for Transport for Wales*’ and dated 16 November 2020 (or any successor arrangement);

“TfWRL Responsible Stakeholders” means those stakeholders for which TfWRL is primarily responsible for engagement and management which are:

- (a) Community Rail Partnership;
- (b) Business to business stakeholders;
- (c) Station adopters;
- (d) Industry Stakeholders;
- (e) trade unions;
- (f) stakeholders responsible for the organisation or hosting of Special Events; and
- (g) stakeholders concerned with accessibility and use by Disabled Persons of the Rail Services.

“Third Party Data” means any information, data and materials that may be provided to the Authority by any third party that relates to TfWRL and which the Authority decides (in its absolute discretion) to add to the RPC Database;

“Third Sector Enterprises” means for-profit or not-for-profit businesses trading for social or environmental purposes;

“Through Ticketing (Non-Travelcard) Agreement”

means the agreement of that name referred to in paragraph 4.1(e) of Appendix 1 (List of Transport, Travel and Other Schemes) to Schedule 2.5 (Transport, Travel and Other Schemes);

“Ticketing and Settlement Agreement”

means the Ticketing and Settlement Agreement dated 23 July 1995 between RSP, TfWRL and the other Train Operators named therein, as amended from time to time with the approval of the Secretary of State;

“Timetable”

means the timetable which reflects the working timetable issued by Network Rail at the conclusion of its timetable development process, containing the departure and arrival times of:

- (a) all Passenger Services which call at Stations and/or Rail Services Access Stations; and
- (b) principal Connections at those stations and other stations;

“Timetable Development Rights”

means all or any of the rights of TfWRL under any Track Access Agreement to:

- (a) operate Passenger Services and ancillary movements by virtue of that Track Access Agreement;
- (b) deliver any required notification and/or declaration to Network Rail in respect of its intention to exercise any rights;
- (c) make or refrain from making any bids for Train Slots, in each case before any relevant priority dates provided for in, and in accordance with, the Network Code;
- (d) surrender any Train Slots allocated to TfWRL by Network Rail in accordance with the Network Code;
- (e) object to, make representations, appeal or withhold consent in respect of any actual or proposed act or omission by Network Rail; and

- (f) seek from Network Rail additional benefits as a condition to granting any consent to any actual or proposed act or omission by Network Rail;
- “Timetable Planning Rules”** has the meaning given to it in the Network Code;
- “Timetabled Services”** means a particular Passenger Service characterised by the day of the week (including Saturday and Sunday), time of day, origin station and destination and calling pattern which is scheduled to operate;
- “Timetabling and Train Planning Compliance Investigation”** has the meaning set out in paragraph 2.1 of Schedule 1.2 (Operating Obligations);
- “Towards Zero Waste Strategy”** means Wales’ overarching waste strategy document dated 1 February 2016;
- “Track Access Agreement”** means each Access Agreement between Network Rail (and/or the Infrastructure Manager, where applicable) and TfWRL which permits TfWRL to provide the Passenger Services on track operated by Network Rail (and/or the Infrastructure Manager);
- “Train Fleet”** means:
- (a) the rolling stock vehicles described in or required by Schedule 1.6 (The Rolling Stock); and
 - (b) any other rolling stock vehicles the Authority consents to in accordance with paragraph 3 of Schedule 1.6 (The Rolling Stock);
- “Train Mileage”** means Actual Train Mileage and Planned Train Mileage and “Train Miles” shall be construed accordingly;
- “Train Operator”** means the operator of railway passenger services pursuant to a franchise agreement to which the Secretary of State is a party or a Public Sector Operator;
- “Train Plan” or “TP”** has the meaning given to it in paragraph 10 of Part 2 (Service Development) of Schedule 1.1 (Rail Services and Development);

“Train Service Requirement” or “TSR”	means the train service requirement more particularly described in paragraph 9 of Part 2 (Service Development) of Schedule 1.1 (Rail Services and Service Development) as such train service requirement may subsequently be amended or replaced in accordance with Schedule 1.1 (Rail Services and Service Development);
“Train Slots”	has the meaning given to it in the Network Code;
“Transfer Agreement”	has the meaning given to that term in clause 9A (Transfer of Property Rights and Liabilities on Expiry) of this Agreement;
“Transport Act”	means the Transport Act 2000;
“Transport for London” or “TfL”	means Transport for London as established under the Greater London Authority Act 1999;
“Transport for Wales”	means a company registered under company number 09476013 whose registered office is at 3 Llys Cadwyn, Pontypridd, Wales, CF37 4TH;
“Transport for Wales Stakeholder Team”	means the team within Transport for Wales performing Stakeholder engagement;
“Travelcard Agreement”	means the agreement of that name referred to in paragraph 4.1(d) of Appendix 1 (List of Transport, Travel and Other Schemes) to Schedule 2.5 (Transport, Travel and Other Schemes);
“Traveline”	means the website available at: http://www.traveline.info (or such other applicable address that is adopted from time to time) which is provided by the partnership of transport companies, Local Authorities and passenger groups which have come together to bring the information on routes and timers for door to door travel by bus, rail, tube, tram, coach and ferry around Great Britain;
“Trustee”	has the meaning given to it in paragraph 4.1 of Schedule 16 (Pensions);
“TSI”	means any Technical Standard for Interoperability with which TfWRL is required to comply pursuant to Directives EU 96/48 and EU 2001/16 and related legislation;

"Turnaround Time"	means the time specified in the Train Plan between the completion of a Passenger Service in accordance with the Timetable and the commencement of the next Passenger Service in accordance with the Timetable on the same day using some or all of the same rolling stock vehicles;
"UK GDPR"	means the General Data Protection Regulation (EU) 2016/679 as it forms part of the law of the UK by virtue of section 3 of the European Union (Withdrawal) Act 2018;
"Underspend"	has the meaning given to it in paragraph 2.4(a) of Part 2 (Special Terms related to Committed Obligations) of Schedule 6.2 (Committed Obligations);
"User"	has the meaning given to it in the Station Access Conditions;
"Value"	means at any time the aggregate of the Projected Revenue of each Fare in a Fares Basket at that time;
"Value Added Tax"	means value added tax as provided for in the Value Added Tax Act 1994;
"Wales and Cross-Border Lines" or "WCB"	means the routes referred to in paragraph 2.1(a) of Schedule 1.1 (Rail Services and Service Development);
"Wales and Cross-Border Lines Services" or "WCB Services"	means the rail services on the Wales and Cross-Border Lines;
"Waste Management Plan"	has the meaning given to it in paragraph 4.1 of Part 4 of Schedule 13.3 (Sustainability and Ethical Procurement);
"Weekday"	means any day other than a Saturday, a Sunday or a Bank Holiday;
"Weekly Season Ticket"	means a Season Ticket Fare which is valid in Standard Class Accommodation from (and including) the day it first comes into effect until (but excluding) the day which falls seven (7) days after such day;
"Welsh component of a Welsh service"	means a Welsh service (other than a Wales-only service) so far as it involves the carriage of passengers by railway in Wales and which is specified in or delivered through this

Agreement, but the following parts of a service are excluded:

- (a) any part of the services after the last scheduled call wholly in Wales before each occasion when the service leaves Wales; or
- (b) any part of the service before the first scheduled call wholly in Wales after each occasion when the service enters Wales; or
- (c) any part of the service between two scheduled calls not wholly in Wales where there is no intervening scheduled call wholly in Wales;

**“Welsh Government
Community Benefits
Measurement Tool”**

means the policy and resource toolkit used for reporting requirements for the public sector in Wales;

**“Welsh Government’s Code of
Practice for Ethical
Employment in Supply Chains”**

means the code of practice established by Welsh Government to support the development of more ethical supply chains to deliver contracts for the Welsh public sector and third sector organisations in receipt of public funds;

**“Welsh Language
Implementation Plan”**

means the plan adopted by TfWRL in accordance with paragraph 6.2 of Schedule 13.3 (Sustainability and Ethical Procurement) as amended from time to time;

**“Welsh Language Service
Delivery Standards”**

has the meaning given to that term in paragraph 2.1 of Appendix 2 to Part 5 of Schedule 13.3 (Welsh Language Standards);

“Welsh Service”

means a railway passenger service which starts in Wales, ends in Wales or otherwise makes at least one scheduled call in Wales and which is specified in or delivered through this Agreement;

“TfWRL ERTMS Plan”

means TfWRL’s plan to deliver all activities for the implementation of the ERTMS Programme for which TfWRL is responsible as further described in paragraph 11.1 of Schedule 13.1 (Rail Industry Initiatives);

"Yield Management Data"

means data collected by or on behalf of TfWRL for the purpose of or in connection with managing or setting the prices at which any tickets for travel on the Passenger Services are sold and/or any quotas and/or restrictions applying to such tickets including:

- (a) the number of passengers travelling upon any particular Passenger Service;
- (b) the ticket types held by such passengers;
- (c) the prices paid by such passengers for such tickets; and
- (d) the dates and/or times between which such tickets were made available to purchase at such prices;

"Yield Management System"

means any system (whether a Computer System or otherwise) for the collection of Yield Management Data and/or onto which Yield Management Data is input, processed and/or held as such system may be amended or altered from time to time; and

"Zone"

means a zone set out in the map in Schedule 2 of the Travelcard Agreement on the date such agreement came into effect or as amended by agreement with the Authority.

4 COMMENCEMENT

- 4.1 The Authority will notify TfWRL in writing of the date from which the Authority requires TfWRL to commence provision of the Rail Services ("**Service Commencement Date**").
- 4.2 The Authority may subsequently vary the Service Commencement Date by notice to TfWRL.

5 TERM AND TERMINATION

- 5.1 This Agreement shall commence on the Service Commencement Date and expire on the Expiry Date.

- 5.2 Not used
- 5.3 Not used
- 5.4 Not used
- 5.5 Not used
- 5.6 Not used

6 **GENERAL OBLIGATIONS**

- 6.1 TfWRL shall perform its obligations under this Agreement in accordance with its terms and with that degree of skill, diligence, prudence and foresight which would be exercised by a skilled and experienced Train Operator.
- 6.2 Any obligation on the part of TfWRL to use “**all reasonable endeavours**” shall extend to consequent obligations to adequately plan and resource its activities, and to implement those plans and resources, with all due efficiency and economy.
- 6.3 TfWRL shall co-operate with the Authority and act reasonably and in good faith in and about the performance of its obligations and the exercise of its rights pursuant to this Agreement.
- 6.4 The Authority shall act reasonably and in good faith in and about the performance of its obligations and the exercise of its rights pursuant to this Agreement.

7 **ASSIGNMENT/SUB-CONTRACTING**

- 7.1 TfWRL shall not without the prior written consent of the Authority assign, hold in trust for any other person, or grant a Security Interest in or over, this Agreement or any part hereof or any benefit or interest or right herein or hereunder.
- 7.2 TfWRL shall not subcontract or delegate the provision of any of the Rail Services which are to be provided under this Agreement without the prior written consent of the Authority.

8 **BREACH NOTICES**

- 8.1 If the Authority is satisfied that TfWRL is contravening or is likely to contravene any provision of this Agreement it may serve written notice (a "**Breach Notice**") upon TfWRL setting out:
 - (a) the provision of this Agreement which the Authority is satisfied that TfWRL is contravening or is likely to contravene;
 - (b) the act or omissions which, in the Authority's opinion, constitute or would constitute contraventions of such provision; and

(c) the steps which the Authority reasonably requires TfWRL to take in order to remedy or prevent the occurrence of any such contravention and the period within which the Authority requires such steps to be taken.

8.2 TfWRL shall comply with the terms of any Breach Notice except in circumstances where to do so would result in TfWRL being in breach of any legal or statutory duty. In those circumstances, TfWRL shall as soon as reasonably possible, give notice to the Authority with details of the breach which would arise and comply with any reasonable instructions issued by the Authority in those circumstances.

8.3 The Authority agrees that it is not its intention that TfWRL will in any circumstances be liable to the Authority for any loss or damage caused by any breach of this Agreement or tortious act or omission or breach of statutory duty by TfWRL in respect of the Rail Services to the extent permitted by Law. All and any such liability as would, but for this clause, arise is expressly excluded provided that nothing in this Clause 8.3 shall restrict the ability of the Authority to seek an order for specific performance of this Agreement.

9 COMPLIANCE WITH LAWS

TfWRL shall at all times perform the Rail Services and all its other obligations under this Agreement in accordance with all applicable Laws.

9A TRANSFER OF PROPERTY RIGHTS AND LIABILITIES ON EXPIRY

9.1 TfWRL agrees that on the termination of this Agreement it will, at the request of the Authority, enter into an agreement in substantially the same form as the document set out in Schedule 15 (Obligations associated with termination) or in such other form as the Authority may prescribe (the "**Transfer Agreement**") for the purposes of:

- (a) transferring to a Successor Operator all the property, rights and liabilities of TfWRL; and
- (b) determining the amounts to be paid in respect of such property, rights and liabilities so transferred to a Successor Operator under the Transfer Agreement.

9.2 TfWRL shall comply with its obligations under the Transfer Agreement.

9.3 The Authority agrees, that if it requires TfWRL to enter into the Transfer Agreement, it shall impose an obligation on the Successor Operator to enter into the Transfer Agreement and comply with its obligations thereunder.

10 CUMULATIVE RIGHTS AND REMEDIES

The rights and remedies of the Authority under this Agreement are cumulative, may be exercised as often as the Authority considers appropriate and are in addition to its rights

and remedies under the general Law. The exercise of such rights and remedies shall not limit the Authority's right to make payment adjustments, claim damages in respect of contraventions of this Agreement or pursue any available remedies under general Law.

11 DISPUTE RESOLUTION PROCEDURE

- 11.1 If a dispute arises in relation to any aspect of this Agreement, either Party shall give to the other written notice of the dispute, setting out its nature and full particulars (the "**Dispute Notice**").
- 11.2 On service of the Dispute Notice, a representative of TfWRL and a representative of the Authority responsible for the Rail Services shall consult in good faith in an attempt to come to an agreement in relation to the disputed matter.
- 11.3 If the relevant representatives of TfWRL and the Authority are for any reason unable to resolve the dispute in accordance with clause 11.2 within seven (7) days (or such other time agreed between the Parties), TfWRL's and the Authority's representatives shall escalate the dispute to the managing director of TfWRL and a representative of the Authority of appropriate seniority to further consult in good faith in attempt to come to an agreement to the disputed matter.
- 11.4 If the managing director of TfWRL and the Authority's senior representative are subsequently unable to resolve the dispute in accordance with clause 11.3 within seven (7) days (or such other time agreed between the Parties), the relevant dispute resolution procedure pursuant to clauses 11.7 and 11.12 shall apply.
- 11.5 Not used
- 11.6 Wherever this Agreement provides that the Authority may reasonably determine any matter, TfWRL may, unless this Agreement expressly provides otherwise, dispute whether a determination made by the Authority is reasonable, but the Authority's determination shall prevail unless and until it is agreed or found to have been unreasonable.
- 11.7 Where either Party is entitled, pursuant to the terms of this Agreement, to refer a dispute arising out of or in connection with the Rail Services under this Agreement for resolution or determination in accordance with the Dispute Resolution Rules, then such dispute shall, unless the Parties otherwise agree and subject to any duty of the Authority under section 55 of the Act, be resolved or determined by arbitration pursuant to the Dispute Resolution Rules.
- 11.8 Where, in the absence of an express provision in this Agreement entitling it to do so, either Party wishes to refer a dispute arising out of or in connection with this Agreement to arbitration pursuant to the Dispute Resolution Rules, the following process shall apply:

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- (a) the Party seeking to refer to arbitration shall serve a written notice upon the other Party stating (i) the nature and circumstances of the dispute, (ii) the relief sought including, to the extent possible, an indication of any amount(s) claimed, and (iii) why it is considered that the dispute should be resolved by way of arbitration rather than litigation;
 - (b) the other Party shall respond within twenty (20) Weekdays of service of the notice confirming whether or not referral of the dispute to arbitration is agreed. In the absence of any response, the referral to arbitration shall be deemed not to have been agreed;
 - (c) in the event that the Parties agree to refer the dispute to arbitration then it shall be resolved or determined in accordance with the Dispute Resolution Rules;
 - (d) in the event that the Parties do not agree to refer the dispute to arbitration then it shall be resolved or determined in accordance with clause 17 (Governing Law and Jurisdiction); and
 - (e) nothing in this clause 11.8 shall preclude either Party from commencing, continuing or otherwise taking any step by way of litigation in pursuit of the resolution or determination of the dispute unless an agreement is reached to refer the dispute to arbitration.

11.9 The arbitrator in any dispute referred for resolution or determination under the Dispute Resolution Rules shall be a suitably qualified person chosen by agreement between the Parties or, in default of agreement, chosen by the Secretary of the Access Disputes Committee from a panel of persons agreed from time to time for such purposes between the Authority and TfWRL or, in default of agreement as to the arbitrator or as to such panel, selected on the application of any Party by the President of the Law Society or the President of the Institute of Chartered Accountants in England and Wales from time to time (or such other person to whom they may delegate such selection).

11.10 Not used

11.11 Disputes under other agreements

- (a) TfWRL shall notify the Authority of any disputes to which it is a party under any Inter-Operator Scheme, Access Agreement, Property Lease or Rolling Stock Related Contract or under any other agreement in circumstances where the relevant dispute could have an adverse effect on TfWRL's ability to comply with its obligations under this Agreement or on the provision of the Rail Services and which have been submitted for resolution either to the courts or to any other procedure for dispute resolution provided for under such agreements.

- (b) Such notification shall be made both:
 - (i) at the time of such submission (and such notification shall include reasonable details of the nature of the dispute); and
 - (ii) at the time of the resolution of the dispute (whether or not subject to appeal) (and such notification shall include reasonable details of the result of the dispute, any associated award and whether it is subject to appeal).
- (c) TfWRL shall provide such further details of any dispute referred to in clause 11.9 (Disputes under this Agreement) as the Authority may reasonably request from time to time.

11.12 Disputes under Schedule 8 (Payments) of this Agreement.

11.13 The Parties shall comply with the terms of Paragraph 3.6 of Schedule 8.1 (Rail Services Payments) of this Agreement.

12 NOTICES

12.1 Notices

- (a) Any notice, notification or other communication under or in connection with this Agreement shall be in writing and shall be delivered by hand or recorded delivery or sent by pre-paid first class post to the relevant recipient at the address for service set out below, or to such other address in the United Kingdom as each Party may specify by notice in writing to the other recipient:

Name: Welsh Government
Address: Crown Buildings, Cathays Park, Cardiff, CF10 3NQ
Email: [REDACTED]
Attention: [REDACTED]

Name: Transport for Wales Rail Ltd
Address: 3 Llys Cadwyn, Pontypridd, Wales, CF37 4TH
Email: [REDACTED] and
Attention: [REDACTED]

- (b) All notices provided to Authority should also be copied to Transport for Wales using the following details:

Name: Transport for Wales
Address: 3 Llys Cadwyn, Pontypridd, Wales, CF37 4TH
Email: [REDACTED]
Attention: [REDACTED]

12.2 Deemed Receipt

Any such notice or other communication shall be deemed to have been received by the recipient to whom it is addressed as follows:

- (a) if sent by hand or recorded delivery, when delivered;
- (b) if sent by pre-paid first class post, from and to any place within the United Kingdom, three (3) Weekdays after posting unless otherwise proven; and
- (c) if sent by electronic data transfer or email, upon sending, subject to receipt by the sender of a “**delivered**” confirmation (provided that the sender shall not be required to produce a “**read**” confirmation).

13 SET-OFF

- 13.1 Save as otherwise expressly provided under this Agreement or required by law, all sums payable under this Agreement shall be paid in full and without any set-off or any deduction or withholding including on account of any counter-claim.

14 MISCELLANEOUS PROVISIONS

14.1 Waivers

- (a) Any Party may at any time waive any obligation of any other Party owed to it under this Agreement provided always that such waiver shall be given in written notice by the Authority’s Representative or Contract Manager as applicable and the obligations of the Parties hereunder shall be construed accordingly.
- (b) No waiver by any Party of any default by any other Party in the performance of such Party’s obligations under this Agreement shall operate or be construed as a waiver of any other or further such default, whether of a like or different

character. A failure to exercise or delay in exercising a right or remedy under this Agreement shall not constitute a waiver of any right or remedy or a waiver of any other rights or remedies and no single or partial exercise of any right or remedy under this Agreement shall prevent any further exercise of such right or remedy or the exercise of any other right or remedy.

- (c) A waiver of any right or remedy under this Agreement or by law is only effective if given in writing by the Authority.

14.2 **Time Limits**

Where in this Agreement any obligation of a Party is required to be performed within a specified time limit (including an obligation to use all reasonable endeavours or reasonable endeavours to secure a particular result within such time limit):

- (a) that obligation shall be deemed to continue after the expiry of such time limit if such Party fails to comply with that obligation (or secure such result, as appropriate) within such time limit;
- (b) the Parties shall consult on the relevant Party's failure to perform the obligation within the specified time limit; and
- (c) the relevant Party shall, as applicable, continue to use all reasonable endeavours or reasonable endeavours to do or procure that the relevant thing is done as soon as reasonably practicable thereafter.

14.3 **Partial Invalidity**

If any provision in this Agreement is held to be void, illegal, invalid or unenforceable, in whole or in part, under any enactment or rule of Law, such provision or part shall to that extent be deemed not to form part of this Agreement but the legality, validity and enforceability of the remainder of this Agreement shall not be affected.

14.4 **Further Assurance**

Each Party agrees to execute and deliver all such further instruments and do and perform all such further acts and things as shall be necessary or expedient for the carrying out of the provisions of this Agreement.

14.5 **Rights of Third Parties**

- (a) A person who is not a Party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement except to the extent set out in this clause 14.5.

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- (b) Any Successor Operator or potential Successor Operator nominated by the Authority and notified to TfWRL for the purposes of this clause 14.5 may enforce and rely on the provisions of Schedule 15 (Obligations Associated with Termination) to the same extent as if it were a Party but subject to clauses 14.5(c) and 14.5(d).
 - (c) This Agreement may be terminated, and any term may be amended or waived, in each case in accordance with the terms of this Agreement, without the consent of any person nominated under clause 14.5(b).
 - (d) The person nominated under clause 14.5(b) shall only be entitled to enforce and rely on Schedule 15 (Obligations Associated with Termination) to the extent determined by the Authority (whether at the time of nomination or at any other time) and, to the extent that any such person is entitled to enforce and rely on Schedule 15 (Obligations Associated with Termination), any legal proceedings in relation thereto must be commenced within one (1) year of the Rail Services Term and any such person shall not be entitled to enforce or rely on Schedule 15 (Obligations Associated with Termination) to the extent that it has consented to any particular act or omission of TfWRL which may constitute a contravention of Schedule 15 (Obligations Associated with Termination) or has been afforded a reasonable opportunity to indicate to TfWRL that it is not so consenting and has not so indicated (the extent of such reasonable opportunity to be determined by the Authority unless otherwise agreed).

14.6 The Authority's Consent or Approval

Where any provision of this Agreement provides for any matter to be subject to the consent or approval of the Authority, then (subject only to the express terms of that provision as to the basis on which that consent or approval may be given or withheld) the Authority shall be entitled to give that consent or approval subject to any condition or conditions as the Authority considers appropriate, which may include the adjustment of any of the terms of this Agreement.

14.7 Not used

14.8 Arm's Length Dealings

TfWRL shall ensure that every contract or other arrangement or transaction to which it may become party in connection with this Agreement with any person is on bona fide arm's length terms.

14.9 Non-Discrimination

TfWRL will not discriminate in seeking offers in relation to, or in awarding, a contract for the purchase or hire of goods on the grounds:

- (a) of nationality, against a person who is a national of and established in an EEA state; or
- (b) that the goods to be supplied under the contract originate in another EEA state.

For the purpose of this clause, “**EEA state**” means any state which is a party to the EEA agreement entered into on 2 May 1992 (as updated from time to time).

15 NOT USED

16 ENTIRE AGREEMENT

16.1 This Agreement contains the entire agreement between the Parties in relation to the subject matter of this Agreement and supersedes all prior agreements and arrangements between the Parties other than any confidentiality agreements or undertakings which TfWRL may have entered into with the Authority in connection with its proposal to secure the provision of the Rail Services under this Agreement.

16.2 TfWRL hereby acknowledges that it is not entering into this Agreement in reliance on any warranties, representations or undertakings howsoever or to whomsoever made except in so far as such warranties, representations or undertakings are contained in this Agreement.

17 GOVERNING LAW AND JURISDICTION

The this Agreement (and any non-contractual obligations arising out of or in connection with it) shall be governed by and construed in accordance with the laws of England and Wales and the Parties irrevocably agree that the courts of England and Wales are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement, except as expressly set out in this Agreement.

18 NO PARTNERSHIP, AGENCY OR JOINT VENTURE

Unless otherwise expressly set out in this Agreement, nothing in this Agreement is intended or shall be deemed to constitute a partnership, agency, or joint venture relationship between the Parties.

19 **LANGUAGE**

19.1 Any notice given under or in connection with this Agreement shall be in English. All other documents provided under or in connection with this Agreement shall be in English, or accompanied by a certified English translation.

19.2 If the Agreement is translated into the Welsh language, or any other language, the English language version of this Agreement and its Schedules shall prevail if there is a conflict between such translated version(s).

20 **VARIATIONS IN WRITING**

20.1 The terms of this Agreement may be varied:

- (a) by the Authority in relation to any aspects of the Rail Services and any provision of this Agreement by notice in writing referring to this clause 20 and setting out the variation to the terms of this Agreement; and
- (b) otherwise by agreement in writing between the parties and signed by duly authorised representatives of the parties.

21 **CONFIDENTIALITY**

21.1 Subject to the provisions of the Act, the Transport Act, the Railways Act 2005, the Environmental Information Regulations, the Freedom of Information Act (and any code of practice or other guidance related to the same) and clauses 21.2 to 21.4 (inclusive), TfWRL shall hold in confidence all documents, materials and other information, whether technical or commercial, arising under or pursuant to this Agreement (including all documents and information supplied in the course of proceedings under the Dispute Resolution Rules or the rules of any other dispute resolution procedures to which a dispute is referred in accordance with this Agreement) (all together the “**Confidential Information**”) and shall not, except with the Authority’s prior written authority, publish or otherwise disclose any Confidential Information otherwise than as expressly provided for in this Agreement unless or until TfWRL can demonstrate that any such document, material or information is in the public domain through no fault of its own and through no contravention of this Agreement, whereupon to the extent that it is in the public domain this obligation shall cease.

21.2 **Disclosure of Confidential Information**

TfWRL may disclose any data or information acquired by it under or pursuant to this Agreement or information relating to a dispute arising under this Agreement without the prior written consent of the Authority if such disclosure is made in good faith:

-
- (a) to any Affiliate or outside consultants or advisers of such Affiliate, upon obtaining from such Affiliate and/or such outside consultants or advisers of such Affiliate an undertaking of confidentiality equivalent to that contained in clause 21.1;
 - (b) to any outside consultants or advisers engaged by it or on its behalf and acting in that capacity, upon obtaining from such consultants or advisers an undertaking of confidentiality equivalent to that contained in clause 21.1;
 - (c) to the extent required by Law or pursuant to an order of any court of competent jurisdiction or under the Dispute Resolution Rules or the rules of any other dispute resolution procedures to which a dispute is referred in accordance with this Agreement or the rules of a recognised stock exchange or a formal or informal request of any taxation authority;
 - (d) to any insurer, upon obtaining from such insurer an undertaking of confidentiality equivalent to that contained in clause 21.1;
 - (e) to any of its directors, employees or officers, to the extent necessary to enable it to perform its obligations under this Agreement or to protect or enforce its rights under this Agreement; or
 - (f) to the ORR, the Rail Passengers' Council or a Local Authority.

21.3 **Service Development Information**

Nothing in this clause 21 shall be deemed to prohibit, prevent or hinder, or render TfWRL liable for, the disclosure by it to Network Rail, the ORR, other Train Operators, any operators of services for the carriage of goods by rail, the Rail Passengers' Council and/or any Local Authority of any information relating to the development of the Train Service Requirement in accordance with Schedule 1.1 (Service Development) of this Agreement.

21.4 **Continuing Obligation**

This clause 21 (and any other provisions necessary to give effect hereto) shall survive the termination of this Agreement.

22 **APPOINTMENT OF TRANSPORT FOR WALES IN CONNECTION WITH THIS AGREEMENT**

22.1 The Parties acknowledge that, subject to the limitations set out at clause 22.2, the Authority has appointed Transport for Wales on the Authority's behalf to:

- (a) manage and oversee the performance by TfWRL of the Rail Services pursuant to the terms of this Agreement; and

- (b) issue instructions to TfWRL and agree variations to this Agreement pursuant to clause 20 (Variations) of this Agreement.

22.2 The Parties acknowledge that Transport for Wales is not authorised by the Authority to carry out any action or agree any variation to this Agreement which would (or is reasonably likely to) result in:

- (a) the annual budget in respect of the Rail Services agreed between the Authority and Transport for Wales (as updated from time to time by agreement between the Authority and Transport for Wales) being exceeded in any Service Year (unless otherwise agreed by the Authority in writing);
- (b) any breach of the Authority's obligations under Agency Agreement Number 3 (or any successor arrangement);
- (c) any breach of the Authority's obligations under applicable Law;
- (d) any change to the ownership or governance arrangements of TfWRL (unless otherwise agreed by the Authority in writing); and/or
- (e) any non-compliance with the TfW Articles of Association.

22.3 The Parties acknowledge that in exercising any rights in accordance with clause 22.1 of this Agreement, Transport for Wales is obliged to act in compliance with:

- (a) the Authority's statutory duties and its duties in relation to the proper expenditure of public monies;
- (b) the strategic objectives set out in the TfW Remit Letter; and
- (c) the terms of the TfW Appointment Letter and the TfW Management Agreement.

23 **CO-OPERATION REQUIREMENTS FOR INFRASTRUCTURE ENHANCEMENT PROJECTS**

23.1 TfWRL shall fully and effectively co-operate with the Authority in connection with the delivery of any infrastructure enhancement project notified to it by the Authority from time to time (the "**Relevant Infrastructure Project**").

23.2 TfWRL shall comply with the reasonable requirements of the Authority in relation to implementation of all aspects of the Relevant Infrastructure Project (including through co-operation with TfW, Network Rail, the Infrastructure Manager and any contractor appointed by the Authority and/or TfW to deliver the Relevant Infrastructure Project) where such implementation involves an interface with any railway infrastructure used in relation to the Rail Services or is otherwise related to the Rail Services.

23.3 TfWRL's obligations pursuant to this clause shall include:

- (a) upon reasonable notice, attending meetings with the Authority, TfW, Network Rail, the Infrastructure Manager, any contractor appointed by the Authority and/or TfW to deliver the Relevant Infrastructure Project and any other relevant bodies specified by the Authority (as applicable) to discuss and provide an opinion on relevant issues;
- (b) providing such information, data, reports and analysis as is reasonably required by the Authority in relation to assessing the implications of the implementation and delivery of the Relevant Infrastructure Project;
- (c) reviewing and commenting on timetables and programmes in connection with the Relevant Infrastructure Project;
- (d) participating fully and actively in good faith as a skilled and experienced train operator in risk reviews initiated by the Authority and/or TfW relating to the implementation of the Relevant Infrastructure Project; and
- (e) fully and effectively co-operating with the Authority in relation to train planning, timetabling and any other associated arrangements for the purpose of ensuring the efficient operation of the Rail Services during the implementation and following completion of the Relevant Infrastructure Project.

24 COUNTERPARTS

24.1 This Agreement may be executed in any number of counterparts each of which shall be deemed an original, but all the counterparts shall together constitute one and the same instrument.

IN WITNESS whereof the Parties hereto have executed this Agreement the day and year first before written:

THE WELSH MINISTERS

Executed by applying the seal of the Welsh Ministers.

The application of the seal of the Welsh Ministers is AUTHENTICATED by [REDACTED] who is duly authorised for that purpose by the Director of Legal Services by authority of the Welsh Ministers under section 90(2) of the Government of Wales Act 2006

[REDACTED]



Authenticated by authority of the
Director of Legal Services

SIGNED FOR AND ON BEHALF OF)
TRANSPORT FOR WALES RAIL LTD)

Director:

Director:

IN WITNESS whereof the Parties hereto have executed this Agreement the day and year first before written:

THE WELSH MINISTERS

Executed by applying the seal of the Welsh Ministers.

The application of the seal of the Welsh Ministers is AUTHENTICATED by _____ who is duly authorised for that purpose by the Director of Legal Services by authority of the Welsh Ministers under section 90(2) of the Government of Wales Act 2006

Authenticated by authority of the
Director of Legal Services

SIGNED FOR AND ON BEHALF OF)
TRANSPORT FOR WALES RAIL LTD)

Director:

[REDACTED]

Director:

[REDACTED]

Schedule 1

Passenger Service Obligations

Schedule 1.1:	Rail Services and Service Development Part 1 – Rail Services Part 2 – Service Development
	Appendix 1 – Train Service Requirements
Schedule 1.2:	Operating Obligations
Schedule 1.3:	NOT USED
Schedule 1.4:	Passenger Facing Obligations
Schedule 1.5:	Information about Passengers
Schedule 1.6:	The Rolling Stock
	Appendix 1: The Composition of the Train Fleet
Schedule 1.7:	Stations
	Appendix 1: List of Secure Stations Accreditation and Secure Car Parks Accreditation
	Appendix 2: Information about Station Improvement Measures
	Appendix 3: Station Improvements to be delivered by TfWRL
	Appendix 4: Not Used
	Appendix 5: Not Used

Schedule 1.1 - Rail Services And Service Development**Part 1 - RAIL SERVICES****1 RAIL SERVICES**

- 1.1 TfWRL may at all times during the Rail Services Term provide and operate the Rail Services specified in this Schedule 1.1. TfWRL is required to provide the Passenger Services that comply with the applicable Train Service Requirement and (without prejudice to the other provisions of this Agreement) is permitted to provide other Rail Services subject to the provisions of Part 1 of this Schedule 1.1.
- 1.2 TfWRL shall not directly or indirectly, without the prior written consent of the Authority, carry on any business or activity other than the provision and operation of the Rail Services.
- 1.3 Nothing in this Schedule 1.1 shall restrict any Affiliate of TfWRL from having an interest in or participating in any business or activity.

2 RESTRICTIONS RELATING TO RAIL SERVICES

- 2.1 TfWRL shall not without the prior written consent of the Authority operate Passenger Services other than on the following routes (and, in the event of disruption, any reasonable diversionary route):
- (a) Wales and Cross-Border Lines Services
- (i) Crewe to Chester;
 - (ii) Chester to Llandudno Junction;
 - (iii) Llandudno Junction to Bangor;
 - (iv) Bangor to Holyhead;
 - (v) Llandudno Junction to Llandudno;
 - (vi) Llandudno and Llandudno Junction to Blaenau Ffestiniog;
 - (vii) Crewe and Chester to Bangor and Holyhead;
 - (viii) Wrexham to Bidston;
 - (ix) Wilmslow / Manchester Airport / Manchester to Chester via Warrington Bank Quay;
 - (x) Shrewsbury to Chester;

- (xi) Shrewsbury to Aberystwyth;
- (xii) Machynlleth to Pwllheli;
- (xiii) Birmingham International and Birmingham New Street to Shrewsbury;
- (xiv) Barry Island to Cardiff Central;
- (xv) Bridgend to Barry via Llantwit Major;
- (xvi) Ebbw Vale Town to Cardiff Central;
- (xvii) Ebbw Vale Town to Newport;
- (xviii) Swansea to Pembroke Dock;
- (xix) Gowerton Local Service (Swansea to Llanelli);
- (xx) Kidwelly and Ferryside Local Service (Swansea to Carmarthen);
- (xxi) Cardiff Central to Carmarthen via Swansea and via the "Swansea District Line";
- (xxii) Cardiff Central and Carmarthen to Milford Haven;
- (xxiii) Carmarthen to Fishguard Harbour;
- (xxiv) Bridgend to Swansea;
- (xxv) Cardiff Central to Maesteg;
- (xxvi) Shrewsbury to Llanelli and Swansea;
- (xxvii) Cardiff Central to Crewe and Manchester Piccadilly;
- (xxviii) Cardiff Central to Hereford;
- (xxix) Hereford to Shrewsbury;
- (xxx) Shrewsbury to Crewe;
- (xxxi) Cardiff Central to Holyhead
- (xxxii) Cardiff to Gloucester;
- (xxxiii) Cardiff to Cheltenham Spa;
- (xxxiv) Cardiff to Penarth; and
- (xxxv) Cardiff to Radyr via Fairwater;

(xxxvi) Liverpool Lime Street to Chester via Halton Curve; and

(xxxvii) Park Junction to Gaer Junction (for the Newport to Ebbw Vale Town Service); and

(b) Core Valley Lines

(i) Rhymney to Cardiff Queen Street;

(ii) Coryton spur;

(iii) Ystrad Mynach to Cwmbargoed;

(iv) Merthyr Tydfil to Cardiff Queen Street;

(v) Aberdare to Cardiff Queen Street;

(vi) Aberdare to Hirwaun;

(vii) Treherbert to Cardiff Queen Street;

(viii) Cardiff Queen Street to Cardiff Central;

(ix) Cardiff Queen Street to Cardiff Bay; and

(x) Cardiff Bay to the Flourish.

2.2 It is acknowledged that a Passenger Service to be operated by TfWRL on the routes specified above in paragraph 2.1 may be operated throughout the route, on part of the route or any combination of the whole or part of any two (2) or more of the routes specified above.

2.3 Not Used

2.4 TfWRL shall not during the Rail Services Term, without the consent of the Authority:

(a) provide or operate any railway passenger services other than the Passenger Services or Charter Services; or

(b) operate any stations or light maintenance depots other than the Stations and Depots; or

(c) hold shares, participations or any other interest in any other company or body corporate unless such company or body corporate is owned directly or indirectly by another participant in the railway industry and the holding is incidental to TfWRL's participation in an Inter-Operator Scheme or any other arrangement designed to ensure or facilitate co-operation between such participants or between any such participants and any other person.

2.5 TfWRL shall not engage any Rail Services Employee in any activity or business which it may not conduct or engage in under this Agreement.

3 RESTRICTIONS ON CLOSURES OF RAILWAY PASSENGER SERVICES OR RAILWAY FACILITIES

3.1 Except to the extent that the Authority agrees otherwise in writing, TfWRL shall not:

- (a) cease to operate;
- (b) cease to secure the operation of; or
- (c) propose to terminate the use of,

any Station (or part of a Station) or any railway passenger service over a Route where such cessation or proposal might result in a Closure.

3.2 If any procedures are commenced under Part 4 of the Railways Act 2005 in relation to a Closure, TfWRL shall, at its own cost and to the extent so requested by the Secretary of State or the Authority, take such action as the Secretary of State or the Authority may require in order to enable the Authority to comply with any duty imposed on it under Part 4 of the Railways Act 2005 in relation to such Closure.

4 SUBCONTRACTING ANY PASSENGER SERVICES

4.1 Subject to paragraph 4.2, TfWRL may not subcontract or delegate the provision of the Passenger Services without the prior written consent of the Authority.

4.2 TfWRL may subcontract or delegate the provision of the Passenger Services, provided that:

- (a) the Authority receives prior written notice of any such subcontracting or delegation;
- (b) TfWRL continues to be party to all Access Agreements and Property Leases necessary to provide such Passenger Services and to enjoy all relevant access and operational rights thereunder;
- (c) TfWRL continues to specify and control the terms and conditions (subject to the requirements of the Inter-Operator Schemes) on which such Passenger Services are to be provided, including the determination of the Price or Child Price (as the case may be) of any Fares;
- (d) the Planned Train Mileage of the Passenger Services so delegated or subcontracted does not exceed five percent (5%) of the Planned Train Mileage of TfWRL in any Reporting Period; and

- (e) TfWRL continues to perform its obligations under this Schedule 1.1 in respect of any subcontracted or delegated services.

4.3 Any such subcontracting or delegation shall not relieve TfWRL from any of its obligations under this Agreement, including its obligations under this paragraph 4 and Schedule 14 (Preservation of Assets).

5 **STATION SERVICES**

5.1 The Station Services shall comprise:

- (a) the provision of any services to persons at Stations or to Train Operators whose trains call at such Stations, provided that such services (except to the extent necessary or appropriate to facilitate or support a Community Rail Partnership, station adopter scheme or similar programme):

- (i) are made available only or principally to passengers alighting from or joining trains calling at such Stations and to such Train Operators;
- (ii) are provided in connection with the calling of trains at such Stations and are not designed to encourage passengers or other persons to use such Station Services other than in connection with a journey on a train calling at such Stations;
- (iii) exclude the sale or issue (for a charge) of any goods other than passenger timetables and any items included in the price of a Fare;
- (iv) may include the provision of car parking spaces;
- (v) may include any other service, business or activity as agreed to between the Parties; and
- (vi) may include, at the reasonable discretion of the Authority, making tickets available for purchase for other public transport services that service such Stations or within a reasonable proximity of such Stations, subject to any commercial agreement required to be agreed between TfWRL and the operator of such other public transport services; and

- (b) the provision of access to any person under an Access Agreement at any Station.

5.2 The Station Services shall include the provision of any service which TfWRL may provide, or may be required to provide, under any Access Agreement in effect on the Service Commencement Date or as lawfully directed by the ORR from time to time.

6 LIGHT MAINTENANCE SERVICES

6.1 Light Maintenance Services shall comprise:

- (a) the provision of access to any other person under an Access Agreement;
- (b) the carrying out of inspections of rolling stock vehicles;
- (c) the carrying out of maintenance work on rolling stock vehicles of a kind which is normally carried out at regular intervals of twelve (12) months or less;
- (d) replacement of failed components and consumables on rolling stock vehicles;
- (e) the preparation of rolling stock vehicles for service;
- (f) the stabling or other temporary holding of rolling stock vehicles;
- (g) the refuelling of rolling stock vehicles;
- (h) the replenishment of water tanks on rolling stock vehicles;
- (i) the emptying of retention tanks fitted to rolling stock vehicles equipped with Controlled Emission Toilets; and
- (j) the cleaning of the exterior or the interior of rolling stock vehicles,

in each case for itself and/or other Train Operators, at any Station or Depot.

6.2 Light Maintenance Services shall include the provision of any service which TfWRL may provide, or may be required to provide, under any Access Agreement in effect on the Service Commencement Date or as lawfully directed by the ORR from time to time.

7 ANCILLARY SERVICES

TfWRL may carry out the following Ancillary Services:

- (a) the selling, lending or hiring of any goods or rights and the provision of any services (whether for a charge or not) on any train used in the provision of the Passenger Services where such goods or services are sold or provided principally for consumption or use on the relevant train, including the sale of any Fares, meals, light refreshments, newspapers, magazines, books, entertainment materials or materials targeted at tourists and other leisure passengers (such as maps);
- (b) the provision of any service at any station which, if provided on a train used in the provision of the Passenger Services, would fall within paragraph 7(a) or which, if provided at a Station, would fall within paragraph 5 and which, in each

case, is made available only or principally to persons at such stations who either are about to travel or have recently travelled on a train used in the provision of the Passenger Services;

- (c) subject to agreement with the Authority, in any Reporting Period, the subleasing, hiring or licensing of up to ten percent (10%) of the rolling stock vehicles used in the provision of the Passenger Services (such percentage to be determined by reference to the aggregate period of time for which such rolling stock vehicles are sub-let, hired or licensed and the aggregate period of time for which they are used in the provision of the Passenger Services);
- (d) the lending, seconding, hiring or contracting out during any Reporting Period to another person or persons (whether for a charge or not) of:
 - (i) up to one percent (1%) of the number of Rail Services Employees as at the Service Commencement Date, for over ninety percent (90%) of their normal working hours during such Reporting Period (including on a full-time basis); and
 - (ii) one percent (1%) of any other Rail Services Employees as at the Service Commencement Date,

provided that this paragraph shall not apply to any employee lent, seconded, hired or contracted out under any of paragraphs 7(a) to 7(c) inclusive and paragraphs 7(e) to 7(p) inclusive, or engaged in any other activity which is permitted under this Schedule 1.1;

- (e) any heavy maintenance of rolling stock vehicles which does not fall within the Light Maintenance Services, carried out on behalf of any other person at any Depot(s), subject to the number of persons engaged or employed in such activity not exceeding by more than ten percent (10%) the number so engaged or employed on the Service Commencement Date.
- (f) the selling at any location of any Fare which is valid, in whole or in part, on the Passenger Services and the selling of any other Fare at any location where such Fares may be purchased from TfWRL on or before the date of this Agreement or at any other location, provided that the majority of Fares sold at any such other location shall be Fares which are valid, in whole or in part, on the Passenger Services;
- (g) the selling, in conjunction with any Fare, of any other rights which entitle the purchaser thereof to:
 - (i) travel on any other train or light rail service;

- (ii) travel on any aircraft;
 - (iii) travel on any shipping or ferry service;
 - (iv) travel on any bus; or
 - (v) attend any event or attraction or enter any location;
- (h) the lending, seconding, hiring or contracting out of Rail Services Employees to other Train Operators in order to enable such Train Operators to provide services at the Stations to passengers travelling on any such operator's trains;
- (i) the provision of information relating to railway passenger services within Great Britain to passengers through telephone, internet, mobile data services or other appropriate means;
- (j) the supervision, management and training of train crew of other Train Operators provided such activity is necessarily incidental to the provision of the Passenger Services and could not reasonably be carried out by or through an Affiliate of TfWRL;
- (k) the subleasing, hiring, licensing, lending of any rolling stock vehicles or other assets of TfWRL or the lending, hiring or contracting out of any employees of TfWRL or the provision of any other services to Network Rail or any other Train Operator on an emergency basis;
- (l) the licensing or permitting of any other person (including an Affiliate of TfWRL) to carry out any activity or business, in connection with the provision of the Rail Services, or otherwise, on any rolling stock vehicle operated by TfWRL, at any station served by the Passenger Services, at any Depot, or otherwise (including the letting, leasing or licensing (on an exclusive basis or otherwise) of any part or all of a Station or Depot to such other person);
- (m) such other activity or business as may be reasonably necessary for the purpose of providing any other Rail Services or complying with this Agreement, provided that it could not reasonably be carried out by or through an Affiliate of TfWRL;
- (n) subject to obtaining the Authority's prior written consent, the subleasing to any other person of the following property which is not comprised in a Station or Depot:
- (i) any current or former headquarters premises (including the North Wales satellite office); or
 - (ii) Pontypridd HQ;

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- (o) the provision or operation of Charter Services, subject to the Planned Train Mileage of such Charter Services not exceeding in any Reporting Period two percent (2%) of the Planned Train Mileage of Passenger Services provided by TfWRL in such Reporting Period;
 - (p) the provision of consultancy services reasonably ancillary to the provision of the other Rail Services;
 - (q) any services or activity not falling within paragraphs 5, 6, 7(a) to 7(p) above, subject to the gross value of any such services or activity (excluding any attribution of costs) not exceeding [REDACTED] per annum in each Service Year per item, and in aggregate, [REDACTED] per annum in each Service Year, provided that in the second and each subsequent Service Year, these amounts will be increased by RPI;
 - (r) any other service, business or activity required to be provided by TfWRL under this Agreement; and
 - (s) any other service, business or activity as agreed between the Parties in writing.

8 **ROYAL TRAIN**

- 8.1 TfWRL shall, if and to the extent requested by any person (including DB Cargo UK Limited its successor and assigns) and subject to the payment by such person of any reasonable costs of TfWRL, co-operate in the provision by such person of railway passenger services for Her Majesty Queen Elizabeth II or any successor head of state or members of the family or representatives of either of them.
- 8.2 The provision of railway services for Her Majesty Queen Elizabeth II or any successor head of state or members of the family or representatives of either of them may include:
 - (a) running a “**sweeper**” train in front of the royal train;
 - (b) having spare locomotives or other rolling stock on standby as rescue traction; and/or
 - (c) carrying out security requirements or co-operating with other persons in ensuring that security requirements are carried out prior to calling at any station on the Routes.

Part 2- SERVICE DEVELOPMENT

9 **TRAIN SERVICE REQUIREMENT - PURPOSE AND RESPONSIBILITY**

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- 9.1 This Part 2 of Schedule 1.1 sets out the obligations of TfWRL in relation to the acquisition of timetable development rights required for the purposes of securing a Timetable that complies with the Train Service Requirement and preparing a Train Plan consistent with the obligations of TfWRL and the provision of appropriate levels of passenger carrying capacity. It also provides for alteration of the Train Service Requirement by the Authority. The Train Service Requirement does not in any way limit TfWRL's obligations pursuant to paragraph 14 of this Schedule 1.1.
- 9.2 The Train Service Requirement is the minimum specification of the Passenger Services to be provided by TfWRL during the Rail Services Term.
- 9.3 The Train Service Requirement as at the date of this Agreement is comprised in the following, all in the agreed terms marked as follows and included within Appendix 1 to this Schedule 1.1:
- (a) **TSR1A** being the Train Service Requirement applicable from the Service Commencement Date until the Passenger Change Date in December 2021;
 - (b) **TSR1B** being the Train Service Requirement applicable from the Passenger Change Date in December 2021 until the Passenger Change Date in December 2022;
 - (c) **TSR1C** being the Train Service Requirement applicable from the Passenger Change Date in December 2022 until the Passenger Change Date in December 2023;
 - (d) **TSR2** being the Train Service Requirement applicable from the Passenger Change Date in December 2023 until the Passenger Change Date in December 2024; and
 - (e) **TSR2A** being the Train Service Requirement applicable from the Passenger Change Date in December 2024 until the end of the Rail Services Term.
- 9.4 The Parties acknowledge and agree that the Train Service Requirement shall be reviewed as soon as reasonably practicable following the Service Commencement Date in accordance with the process set out in paragraph 16 of this Schedule 1.1.
- 9.5 For the purposes of this Schedule 1.1, the Train Service Requirement shall remain in force unless and until amended or replaced pursuant to this Schedule 1.1.
- 9.6 In respect of:
- (a) the Wales and Cross-Border Lines Services or any other rail service which requires access to a network operated by Network Rail, TfWRL is required to seek Train Slots from Network Rail in accordance with the Train Service

Requirement with the intention that the working timetable issued by Network Rail is consistent with such Train Service Requirement. With regard to capacity, TfWRL is required to include in the Train Plan the minimum capacity specified in the Train Service Requirement.

- (b) the CVL Rail Services or any other rail service which requires access to a network operated by the Infrastructure Manager or Network Rail (as applicable), TfWRL is required to seek Train Slots from the Infrastructure Manager or Network Rail (as applicable) in accordance with the Train Service Requirement with the intention that the working timetable issued by the Infrastructure Manager is consistent with such Train Service Requirement. With regard to capacity, TfWRL is required to include in the Train Plan the minimum capacity specified in the Train Service Requirement.

9.7 The Train Service Requirement may be expressed in whole or in part at any level of generality or to any level of detail the Authority considers appropriate.

9.8 The Parties acknowledge and agree that the TSRs include certain specifications and sets out obligations of TfWRL in respect of providing services in addition to Passenger Services. TfWRL shall deliver such additional services as set out in the relevant TSRs including in respect of journey times and request stops. TfWRL is not required to deliver the catering services set out in the relevant TSRs.

9.9 Not used

9.10 Not used

9.11 Not used

10 **TRAIN PLAN**

10.1 Subject to paragraph 10.2, for the purposes of this Agreement, the “**Train Plan**” shall be the plan or diagrams (including sub-plans or sub-diagrams) prepared by TfWRL for the operation of trains and train formations under the Timetable that best matches available capacity to Forecast Passenger Demand as amended from time to time during the Rail Services Term in accordance with this Agreement.

10.2 For the purposes of Schedule 7 (Operational Performance), references to “**Train Plan**” shall be construed as the latest version of the Train Plan which includes any amendments thereto pursuant to paragraphs 3, 4 and/or 5 of Schedule 1.2 (Operating Obligations):

- (a) where such amendments are required as a consequence of Network Rail or the Infrastructure Manager exercising their rights pursuant to the relevant Track Access Agreement;

- (b) where such amendments proposed by TfWRL have prior approval from the Authority; or
 - (c) where such amendments are requested by the Authority.
- 10.3 TfWRL shall submit to the Authority a Train Plan in respect of each Timetable in accordance with this Schedule 1.1.
- 10.4 In preparing any Train Plan, TfWRL shall do so by reference to the Timetable that it envisages operating in order to comply with the Train Service Requirement and paragraph 14 of this Schedule 1.1.
- 10.5 Each Train Plan shall set out for each railway passenger service in the Timetable to which it relates:
 - (a) its start point and departure time;
 - (b) its terminating point and arrival time;
 - (c) the number and class of rolling stock vehicles allocated to each such railway passenger service;
 - (d) the Passenger Carrying Capacity that each such railway passenger service, as formed, is to have; and
 - (e) its Forecast Passenger Demand and, where this has been requested by the Authority and is capable of calculation, Actual Passenger Demand.
- 10.6 A Train Plan shall be in any format that the Authority may reasonably specify for this purpose.
- 10.7 From the Service Commencement Date until the next Passenger Change Date, TfWRL shall adopt as the Train Plan the document in the agreed terms marked **TP**. It is acknowledged that the Train Plan in the agreed terms marked **TP** shall be replaced from time to time during the Rail Services Term in accordance with the provisions of paragraph 14.4.
- 11 **CONSULTATION ON SIGNIFICANT ALTERATIONS TO THE TIMETABLE**
- 11.1 Notwithstanding any consultation the Authority might separately undertake in respect of any amended or new draft Train Service Requirement issued pursuant to paragraph 16, TfWRL shall where:
 - (a) it intends that any future Timetable will contain Significant Alterations compared to the Timetable then in force; and

(b) such Significant Alterations are likely to have, in the reasonable opinion of TfWRL, a materially adverse effect on:

- (i) the ability of passengers using any station served by the Passenger Services to make journeys relating to work or education at reasonably convenient times; and/or
- (ii) the trading prospects of commercial enterprises located in any community in which a station served by the Passenger Services is located in consequence of it being more difficult for customers or employees to access such commercial enterprises through travel on the Passenger Services,

consult with TfWRL Responsible Stakeholders who would reasonably be expected to be affected by any such Significant Alterations in relation to such proposed future Timetable and take into account the responses of consultees, request consultation with stakeholders who are not TfWRL Responsible Stakeholders and who would reasonably be expected to be affected by any such Significant Alterations in relation to such proposed future Timetable to be undertaken by the Transport for Wales Stakeholder Team, and take into account the views of such consultation to the extent that they are notified to TfWRL by the Transport for Wales Stakeholder Team.

11.2 The first Timetable to which these provisions apply is the first Timetable which will apply with effect from the Passenger Change Date in December 2021.

11.3 Accordingly where the circumstances described in paragraph 11.1 apply:

- (a) TfWRL shall as soon as reasonably practicable provide to the Authority and all TfWRL Responsible Stakeholders a comprehensive summary of the proposed changes from the Timetable then in force specifying the proposed Timetable changes, the reasons for them and the likely impact on passengers;
- (b) TfWRL shall request that the Authority procure that the Transport for Wales Stakeholder Team carry out the consultation in relation to such proposed changes using a reasonable range of communication channels (taking into account the scale of the proposed changes) and in a manner that can be reasonably expected to encourage responses from a broad range of affected Stakeholders. TfWRL shall provide such request to the Transport for Wales Stakeholder Team in sufficient time to enable the Transport for Wales Stakeholder Team to give consultees such time as is reasonable under all the circumstances to respond (it being agreed that it shall normally be reasonable to

give at least twelve (12) weeks to respond in relation to major proposed Timetable changes);

- (c) TfWRL shall carry out the consultation with TfWRL Responsible Stakeholders in relation to such proposed changes using a reasonable range of communication channels (taking into account the scale of the proposed changes) and in a manner that can be reasonably expected to encourage responses from TfWRL Responsible Stakeholders and give such consultees such time as is reasonable under all the circumstances to respond (it being agreed that it shall normally be reasonable to give at least twelve (12) weeks to respond in relation to major proposed Timetable changes);
- (d) TfWRL shall take due account of the responses of consultees as per the obligation contained in Schedule 1.1, Part 2, paragraph 11.1(b);
- (e) within six (6) weeks of the close of the consultation pursuant to Schedule 1.1, Part 2, paragraph 11.3(c) (or such longer period as the Authority may agree, such agreement not to be unreasonably withheld or delayed) TfWRL shall promptly provide the Authority with a summary of the main issues raised by the TfWRL Responsible Stakeholders (including quantitative analysis of the responses received) and any other information that the Authority reasonably requires, which can be used by the Authority to publish a report summarising the main issues raised by both the TfWRL Responsible Stakeholders and the Stakeholders;
- (f) TfWRL shall provide its reasoned response to the main issues raised by respondents (to the extent that it has received the responses made by the respondents, which may be provided by the Authority or through its own consultations) and notification of how it will now seek to exercise relevant Timetable Development Rights in the context of its obligation to take due account of the results of the consultation;
- (g) TfWRL shall ensure that the information provided to the Authority in accordance with Schedule 1.1, Part 2, paragraph 11.3(e) is promptly provided to the Authority and all TfWRL Responsible Stakeholder respondents who submitted written responses to the consultation are published in a widely accessible form; and
- (h) TfWRL shall ensure that the relevant Timetable Development Rights to implement the proposed Timetable change are not exercised prior to the publication of the report pursuant to Schedule 1.1 Part 2 paragraph 11.3(e) and exercise such Timetable Development Rights in the manner indicated in the report.

11.4 Not used

12 TIMETABLE DEVELOPMENT RIGHTS

- 12.1 TfWRL shall use all reasonable endeavours to amend and/or enter into such Access Agreements as may be necessary or desirable from time to time to obtain the timetable development rights that it requires to secure a Timetable that enables it to operate railway passenger services that comply with the Train Service Requirement and otherwise comply with its obligations under this Agreement (including under paragraph 14 of this Schedule 1.1).
- 12.2 Prior to exercising any Timetable Development Rights to secure a Timetable TfWRL shall make an informed estimate of Forecast Passenger Demand and in doing so shall make reasonable assumptions based on available evidence (making proper use of recognised railway industry systems and forecasting tools as these may develop over the Rail Services Term) with the estimate being in such format and to such level of disaggregation as the Authority may reasonably require.
- 12.3 Subject to the remaining provisions of this paragraph 12, TfWRL shall exercise its Timetable Development Rights so as to secure a Timetable that enables it to operate railway passenger services that comply with the Train Service Requirement and paragraph 14 of this Schedule 1.1 in accordance with its obligations under paragraph 17 of this Schedule 1.1.
- 12.4 Where TfWRL proposes to exercise its Timetable Development Rights so that the Timetable in force after the relevant Passenger Change Date contains Significant Alterations to that in force prior to such Passenger Change Date TfWRL shall, without prejudice to its obligation to consult pursuant to paragraph 11, act reasonably with the intention of obtaining a Timetable which enables paragraphs 14.1(b) and 14.1(c) of this Schedule 1.1 to be achieved in relation to each Passenger Service in the Timetable to the greatest extent reasonably practicable. It is agreed that in acting reasonably TfWRL shall take full and proper account of its calculation of Forecast Passenger Demand made pursuant to paragraph 12.2 above.
- 12.5 Unless the Authority otherwise directs, TfWRL shall, for the purposes of securing a Timetable that complies with the Train Service Requirement and paragraph 14 of this Schedule 1.1, exercise its rights under each relevant Track Access Agreement (including the Network Code) to object, to make representations and to withhold consent in respect of any actual or proposed act or omission by Network Rail or the Infrastructure Manager in relation to such agreement in respect of its Timetable Development Rights.
- 12.6 If the Authority does not consider that TfWRL has taken sufficient steps under paragraph 12.5, it may require TfWRL to exercise its rights in such manner as it reasonably considers appropriate in the circumstances, including:

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- (a) disputing any actual or proposed act or omission by Network Rail or the Infrastructure Manager in respect of any Timetable Development Rights; and
 - (b) submitting such dispute to any relevant dispute resolution arrangements or procedures and appealing against any award or determination under such arrangements or procedures, including to the ORR.

12.7 Subject to TfWRL complying with its obligations under paragraph 12.5 above, it shall not be liable for any failure to secure a Timetable that enables TfWRL to operate railway passenger services that comply with the Train Service Requirement and paragraph 14 of this Schedule 1.1, to the extent that such failure is caused by:

- (a) TfWRL's Timetable Development Rights being inadequate to enable it to secure the requisite Train Slots, provided that TfWRL has exercised and, unless otherwise agreed by the Authority, is continuing to exercise all reasonable endeavours to obtain the requisite Timetable Development Rights in accordance with paragraph 12.1 above;
- (b) Network Rail or the Infrastructure Manager exercising its/their flexing rights from time to time under the relevant Track Access Agreement or the Network Code in respect of such Train Slots;
- (c) Network Rail or the Infrastructure Manager exercising its/their other rights from time to time under the relevant Track Access Agreement or the Network Code; or
- (d) the exercise by the ORR of its powers pursuant to section 22C of the Act.

12.8 **TDR Amendments**

- (a) If and to the extent that TfWRL is not able to secure a Timetable enabling it to operate railway passenger services that comply with the Train Service Requirement as a result of it not being able to obtain the Timetable Development Rights that it requires for that purpose, then the Authority shall (subject to paragraphs 12.8(b) and 12.8(c) below) issue to TfWRL such amendments to the Train Service Requirement (“**TDR Amendment**”). The amendments to the Train Service Requirement contained in the TDR Amendment shall be those that the Authority considers necessary for the purposes of enabling TfWRL to secure a Timetable that is compliant with the Train Service Requirement by exercise of the Timetable Development Rights that TfWRL does have.
- (b) The Authority shall have an unfettered discretion as to whether or not to issue a TDR Amendment in circumstances where TfWRL:

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- (i) has failed to exercise all reasonable endeavours to obtain the requisite Timetable Development Rights in accordance with paragraph 12.1 above; and
 - (ii) is not relieved by paragraph 12.7 above from liability for such failure to secure a Timetable that enables TfWRL to operate railway passenger services that comply with the Train Service Requirement.
- (c) TfWRL shall not be relieved from its obligations to obtain a Timetable that enables TfWRL to operate the Train Service Requirement by the issue of any TDR Amendment where the Authority reasonably considers that such failure to secure a Timetable that enables TfWRL to operate the Train Service Requirement is partly due to the default of TfWRL in not properly complying with its obligations under this Agreement in relation to securing timetable development rights. Accordingly any TDR Amendment may be drafted so that it does not relieve TfWRL of the obligation to comply with the Train Service Requirement to the extent that the Authority determines that the failure is due to such default of TfWRL and TfWRL may therefore be in contravention of this Agreement.

12.9 Following issue of any TDR Amendment pursuant to paragraph 12.8 TfWRL shall, unless otherwise agreed by the Authority, continue to use all reasonable endeavours to amend and/or enter into such Access Agreements as may be necessary or desirable from time to time to obtain the Timetable Development Rights that it requires to secure a Timetable that enables it to operate railway passenger services that comply with the Train Service Requirement without such TDR Amendment.

12.10 Any TDR Amendment issued pursuant to paragraph 12.8 shall unless otherwise required by the Authority, cease to have effect on the date (if any) on which the first Timetable comes into effect after TfWRL has obtained the Timetable Development Rights to secure a Timetable that enables it to operate railway passenger services that comply with the Train Service Requirement without any such TDR Amendment.

12.11 With effect from the date on which any TDR Amendment ceases to have effect in accordance with paragraph 12.10 the Train Service Requirement without such TDR Amendment shall thereafter apply.

13 **CERTIFICATION AND NOTIFICATION BY TFWR OF EXERCISING TIMETABLE DEVELOPMENT RIGHTS**

13.1 Before exercising any Timetable Development Right to bid for Train Slots, TfWRL shall provide a certificate addressed to the Authority and signed by a statutory director of TfWRL confirming that its proposed exercise of that Timetable Development Right will be compliant with its obligation specified in paragraph 12.3.

13.2 If requested by the Authority, TfWRL agrees to demonstrate to the reasonable satisfaction of the Authority that TfWRL's certificate referred to in paragraph 13.1 is a true and accurate confirmation of compliance with its obligation specified in paragraph 12.3.

13.3 TfWRL shall:

- (a) keep the Authority fully informed of any discussions with Network Rail and the Infrastructure Manager in relation to the matters referred to in this Schedule 1.1 which may, in the reasonable opinion of TfWRL, have a material impact on the ability of TfWRL to deliver the Train Service Requirement or meet the requirements of paragraph 14 of this Schedule 1.1 through the Timetable and shall, if required to do so by the Authority, supply copies of any related correspondence to the Authority; and
- (b) update any notification under this paragraph 13.3 and/or certification under paragraph 13.1 as soon as reasonably practicable, if at any time it elects or is required to modify any aspect of its exercise of its Timetable Development Rights following Network Rail's or the Infrastructure Manager's (as applicable) proposed or actual rejection or modification of its bid or any part of it or for any other reason.

14 **PLANNING TO MEET TARGET PASSENGER DEMAND**

14.1 **Capacity and Timetable Planning**

- (a) TfWRL shall, in preparing its Timetable and Train Plan, unless the Authority otherwise agrees, provide for at least the capacity specified in the Train Service Requirement.
- (b) TfWRL shall use all reasonable endeavours to provide for Passenger Carrying Capacity on each Passenger Service that meets as a minimum the Target Passenger Demand for that Passenger Service.
- (c) TfWRL shall use all reasonable endeavours to provide passengers with a reasonable expectation of:
 - (i) boarding any Passenger Service;
 - (ii) a seat twenty (20) minutes after boarding (or such other time period as the Authority may stipulate) any Passenger Service operating during a Crowding Peak Period;
 - (iii) a seat immediately on boarding any Passenger Service which is not operating during a Crowding Peak Period; and
 - (iv) the Passenger Carrying Capacity not being exceeded at any time.

14.2 Allocation of rolling stock where TfWRL unable to meet the capacity requirements

If at the time it prepares its Timetable and/or Train Plan, having exercised all reasonable endeavours, TfWRL is unable to prepare a Timetable and/or Train Plan having the Passenger Carrying Capacity and/or meeting the reasonable expectations referred to in paragraphs 14.1(b) and 14.1(c), then the Timetable and/or the Train Plan shall specify the best allocation of Passenger Services and rolling stock vehicles to Passenger Services that is reasonably practicable with a view to:

- (a) minimising, so far as is possible, the amount by which Target Passenger Demand exceeds the provision of Passenger Carrying Capacity on the affected Passenger Services;
- (b) ensuring, so far as is possible, that such excess is not unduly concentrated on any particular Route or Passenger Service; and
- (c) minimising, so far as is possible, the extent to which passengers are required to:
 - (i) experience a level of crowding that prevents any passenger from being able to board any Passenger Service;
 - (ii) stand for twenty (20) minutes after boarding (or such other time period as the Authority may stipulate) any Passenger Service operating during a Crowding Peak Period; and
 - (iii) stand on boarding any Passenger Service which is not operating during a Crowding Peak Period.

14.3 Preparation of Timetable and Train Plan

- (a) Subject to paragraph 14.3(b), TfWRL shall in preparing its Timetable and its Train Plan take full and proper account of its calculation of Forecast Passenger Demand and use all reasonable endeavours to ensure that the Train Fleet is deployed in an optimal manner for the purposes of complying with its obligations under paragraphs 14.1 and 14.2 above.
- (b) TfWRL shall in preparing its Timetable and Train Plan deploy the entire Train Fleet (excluding reasonable planning requirements for the allocation of Hot Standbys or other rolling stock vehicles to be out of service due to maintenance requirements, Mandatory Modifications or any other reason agreed with the Authority (such agreement not to be unreasonably withheld or delayed)) in delivering the Passenger Services:
 - (i) during each Peak; and

- (ii) at such times during each Off-Peak Passenger Service where such deployment of the entire Train Fleet is reasonably required to meet TfWRL's obligations pursuant to paragraphs 14.1 and 14.2 above.

14.4 Finalising the Train Plan

- (a) TfWRL shall submit its proposed Train Plan to the Authority as soon as reasonably practicable after Network Rail or the Infrastructure Manager, as applicable, has issued the Timetable on which the Train Plan is to be based.
- (b) TfWRL shall submit its final Train Plan to the Authority prior to the commencement of the Timetable to which it relates.
- (c) The Train Plan shall be certified by a statutory director of TfWRL as being true and accurate and including the minimum capacity specified in the Train Service Requirement.
- (d) TfWRL shall provide to the Authority in a timely manner such rolling stock diagrams as it may reasonably request from time to time.

15 CAPACITY MITIGATION PROPOSAL

15.1 Without prejudice to the obligation of TfWRL to include in the Train Plan the capacity specified in the Train Service Requirement, if at any time TfWRL is unable to prepare a Timetable and/or a Train Plan which meets the requirements of paragraph 14.1 (regardless of whether TfWRL has used all reasonable endeavours to do so), the Authority may serve a notice on TfWRL requiring it to produce a proposal to a reasonable specification provided with the notice to remedy or mitigate such inability (“**Capacity Mitigation Proposal**”).

15.2 The Capacity Mitigation Proposal may, without limitation, include measures to be implemented by TfWRL to:

- (a) remedy the circumstances leading to TfWRL being unable to prepare a Timetable and/or a Train Plan which meets the requirements of paragraph 14.1; and/or
- (b) minimise, so far as is possible, the amount by which Target Passenger Demand exceeds the provision of Passenger Carrying Capacity on the affected Passenger Services;
- (c) ensure, so far as is possible, that such excess is not unduly concentrated on any particular Route or Passenger Service; and
- (d) minimise, so far as is possible, the extent to which passengers are required to stand and in particular:

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- (i) experience on boarding crowding which exceeds the Passenger Carrying Capacity on any Passenger Services;
 - (ii) stand for twenty (20) minutes after boarding (or such other time period as the Authority may stipulate) any Passenger Service operating during a Crowding Peak Period; and
 - (iii) stand after boarding on any Passenger Service which is not operating during a Crowding Peak Period,

in all such cases (unless the Authority specifies to the contrary) taking into account both Actual Passenger Demand and Forecast Passenger Demand.

15.3 Where the Authority reasonably believes that future circumstances may lead to TfWRL being unable to prepare a Timetable and/or a Train Plan which meets the requirements of paragraph 14.1 at any time within the next four (4) years (including after the end of the Rail Services Term) the Authority shall have the right to serve notice on TfWRL specifying those future circumstances and the date that TfWRL should assume that they will arise from and requiring it to produce a Capacity Mitigation Proposal to remedy or mitigate such future circumstances on the basis of assumptions provided by the Authority.

15.4 The Capacity Mitigation Proposal shall (unless the Authority specifies to the contrary) include TfWRL's informed estimate of Forecast Passenger Demand, in such format and to such level of disaggregation as the Authority may reasonably require. Without limitation such specification may require TfWRL to present options to address relevant issues through:

- (a) alterations to the Train Service Requirement;
- (b) modification of rolling stock or the acquisition of additional or replacement rolling stock;
- (c) alterations to Fares or other passenger incentives;
- (d) alterations or enhancements to any track, signalling, station, depot or other relevant railway infrastructure; and/or
- (e) integration with other transport modes.

15.5 The Capacity Mitigation Proposal shall provide a comprehensive analysis backed by relevant data and assumptions of:

- (a) all cost and revenue and other financial implications of options contained within it including the potential implications for Rail Services Payments;
- (b) the implications (if any) for the Benchmarks and/or Annual Benchmarks; and

- (c) the likely impact of options within it for existing and future passenger journeys and journey opportunities.

15.6 TfWRL shall meet with the Authority to discuss the Capacity Mitigation Proposal and provide such further information or analysis and further iterations of the Capacity Mitigation Proposal as the Authority shall reasonably require. If the Authority decides that it wishes to implement any Capacity Mitigation Proposal (or any part thereof) this may be by way of a variation pursuant to clause 20 (Variations) of this Agreement.

16 **NEW OR AMENDED TRAIN SERVICE REQUIREMENT BY THE AUTHORITY AND TFWRL INFORMED OPINION**

16.1 As and when required, whether for the purposes of considering alterations to the Train Service Requirement or otherwise, TfWRL shall provide to the Authority:

- (a) its informed estimate of Forecast Passenger Demand, in such format and to such level of disaggregation as the Authority may reasonably require in order to assist the Authority's decision making on future train service requirements, infrastructure, station and rolling stock vehicle investment, the best use of the network and the alleviation of overcrowding;

- (b) its informed opinion as to any changes to the current Train Service Requirement which:

- (i) should be made in order to deliver an optimal range of railway passenger services relative to Target Passenger Demand; and
- (ii) could be implemented and operated without additional resources or an adjustment to the Rail Services Payments;

- (c) its informed opinion as to any changes to the current Train Service Requirement which:

- (i) would deliver an optimal range of railway passenger services relative to Target Passenger Demand; and
- (ii) could only be implemented and operated with additional resources and/or an adjustment to the Rail Services Payments, together with an explanation as to:

- (A) what additional resources and/or adjustments are necessary to make such changes; and

- (B) why such additional resources and/or adjustments are necessary;

- (d) a draft of the Train Plan that TfWRL considers that each set of proposed changes would require.

16.2 Prior to issuing any amended or new Train Service Requirement the Authority shall provide to TfWRL its draft of any proposed amended or new Train Service Requirement stating the date upon which it proposes that such amended or new Train Service Requirement should take effect along with the Authority's views as to the changes (if any) that it proposes to make to the Benchmarks and/or Annual Benchmarks.

16.3 On receipt of any proposed amended or new Train Service Requirement from the Authority TfWRL shall provide (if so requested) its informed opinion (which shall require using all reasonable endeavours to procure the opinion of Network Rail):

- (a) with supporting reasons as to the impact of the proposed amended or new Train Service Requirement on the delivery of an optimal range of railway passenger services patterns relative to Target Passenger Demand and compliance with paragraph 14.1;
- (b) with supporting reasons as to the changes to resources and adjustment to Rail Services Payments (if any) which would be required in consequence of the proposed amended or new Train Service Requirement;
- (c) with supporting reasons as to changes (if any) to the Benchmarks and/or Annual Benchmarks;
- (d) of the process to be required to implement the proposed amendment to the Train Service Requirement together with a plan for the implementation of the amendment to the Train Service Requirement (including all steps required to ensure that TfWRL can deliver a Timetable compliant with such amended or new Train Service Requirement) prepared in accordance with procedural arrangements specified by the Authority pursuant to paragraph 17; and
- (e) with supporting reasons of the likely impact of the proposed amended or new Train Service Requirement on existing and future passenger journeys and journey opportunities,

together with a draft of the Train Plan that it considers that the proposed amended or new Train Service Requirement would require.

16.4 There may be iterations of drafts of the proposed amended or new Train Service Requirement and TfWRL shall to the extent required by the Authority have the obligations described in this paragraph 16 in respect of all such iterations.

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- 16.5 Processes contained in this paragraph 16 shall take place in accordance with procedural arrangements and timescales stipulated by the Authority pursuant to paragraph 17.2.
- 16.6 The Authority may issue to TfWRL any amended or new Train Service Requirement that it requires TfWRL to operate and notice of the amendments (if any) to the Benchmarks and/or Annual Benchmarks. Such amended or new Train Service Requirement will be issued prior to the commencement of the timetable development process of Network Rail and/or the Infrastructure Manager for the Timetable in respect of which it is proposed to implement the change to Passenger Services arising from the amended or new Train Service Requirement.
- 16.7 In the absence of the Authority issuing any amended or new Train Service Requirement the existing Train Service Requirement will remain in full force and effect.
- 16.8 At the same time as the Authority provides TfWRL with a draft of any proposed amended or new Train Service Requirement pursuant to paragraph 16.1, the Authority shall also provide to TfWRL its opinion of any amendments (if any) that are required to the Benchmarks and/or the Annual Benchmarks.
- 16.9 TfWRL shall deliver to the Authority, or procure the delivery to the Authority of, such information, records or documents as the Authority may request within such period as the Authority may reasonably require for the purposes of considering the effects of any proposed amended or new Train Service Requirement.

17 **PROCEDURAL ARRANGEMENTS AND TIMESCALES**

- 17.1 TfWRL agrees that the effective operation of the provisions of this Schedule 1.1, and of provisions addressing the same or similar matters in other franchise or passenger rail services agreements, will require certain procedural arrangements and timescales to be followed to a common timescale by the Authority, TfWRL, Network Rail, the Infrastructure Manager and others.
- 17.2 TfWRL agrees that the Authority may stipulate any reasonable procedural arrangements and timescales that are to be followed by the Authority and TfWRL for these purposes (which shall be consistent with any relevant standard railway industry processes for the development of the Timetable and the resultant Train Plan) and that the Authority may amend any such stipulation from time to time.
- 17.3 The Authority agrees to consult with TfWRL as far as reasonably practicable prior to stipulating or amending any such procedural arrangements and timescales in accordance with paragraph 17.2.
- 17.4 Any stipulation by the Authority pursuant to paragraph 17.2:

- (a) shall be at the reasonable discretion of the Authority;
- (b) Not used; and
- (c) may provide for iterations of drafts of any amended or new Train Service Requirement, Train Plan or Timetable.

17.5 Any procedural arrangements and timescales stipulated by the Authority pursuant to paragraph 17.2 shall have contractual effect between TfWRL and the Authority in accordance with the terms of such stipulation.

18 **OBLIGATIONS IN RELATION TO OTHER TRAIN OPERATORS**

18.1 Subject to the terms of the Licences and any applicable Law, TfWRL shall co-operate with other Train Operators in respect of their timetable development rights where such other Train Operators provide railway passenger services meeting common or displaced passenger demand, with a view to ensuring that:

- (a) the levels of overcrowding over the Routes or other relevant routes are minimised and not unduly concentrated on particular railway passenger services, Routes or other relevant routes;
- (b) the stopping patterns of such railway passenger services are placed at approximately evenly-spaced intervals throughout each relevant hour, taking into account the reasonable needs of passengers and the different types of railway passenger services provided by other Train Operators and TfWRL; and
- (c) a reasonable pattern of railway passenger service is provided on the relevant route(s) to enable passengers to make Connections (particularly where low frequency railway passenger services are operated, first trains or last trains are involved, taking account of seasonal fluctuations in passenger demand and the time needed to make any such Connection).

19 **PROVISIONS RELATING TO ACCESS AGREEMENTS AND PROPERTY LEASES**

19.1 Where the Authority considers it requisite for the purposes of better securing the delivery of Passenger Services under this Agreement, or any other franchise or passenger rail services agreement, or for the better achievement by it of any of its duties, functions and powers in relation to railways, the Authority may require TfWRL:

- (a) to exercise or refrain from exercising any or all of its rights under any Access Agreement or any Property Lease, or any related rights under such other agreements as the Authority may specify; and/or

- (b) subject to the consent of the counterparty thereto, to assign, novate or surrender its rights under any Access Agreement or Property Lease.

19.2 Except to the extent that the Authority otherwise indicates from time to time, TfWRL shall notify the Authority of its intention to enter into or amend any Access Agreement:

- (a) where the approval of the ORR is required under the Act, not less than ten (10) Weekdays before the submission to the ORR; and
- (b) where no such approval is required, not less than ten (10) Weekdays prior to entering into such amendment or Access Agreement.

19.3 TfWRL shall comply with its obligations under any Access Agreement or any Property Lease to which it is a party from time to time:

- (a) to notify or consult with the Authority on any matter or proposal relating to that Access Agreement or Property Lease; and
- (b) which are contingent on a particular course of action being taken by the Authority or which are otherwise expressly included in that Access Agreement or Property Lease for the benefit of the Authority.

19.4 If and to the extent that:

- (a) the Authority exercises its rights pursuant to paragraph 19.1;
- (b) TfWRL's compliance with the Authority's requirements pursuant to paragraph 19.1 would lead to the unavoidable consequence of TfWRL contravening any other terms of this Agreement; and
- (c) TfWRL duly complies with such requirements,

no such contravention of this Agreement shall have occurred.

20 **THE TIMETABLE AND NETWORK RAIL'S WORKING TIMETABLE**

20.1 Any specification of Passenger Services in the Train Service Requirement shall (unless the Authority states to the contrary) be regarded as relating to how those Passenger Services are to be provided for in the National Rail Timetable that Network Rail publishes for passengers.

20.2 TfWRL shall ensure, for each period between two (2) consecutive Passenger Change Dates during the Rail Services Term that the Timetable for such period is, in its reasonable opinion, not materially different from the relevant working timetable issued by Network Rail.

Appendix 1 to Schedule 1.1 – Train Service Requirement

- 1 **Train Service Requirement (TSR) 1A**
- 2 **Train Service Requirement (TSR) 1B**
- 3 **Train Service Requirement (TSR) 1C**
- 4 **Train Service Requirement (TSR) 2**
- 5 **Train Service Requirement (TSR) 2A**

Appendix 2 to Schedule 1.1 - Capacity and Management of Crowding

1 CROWDING MANAGEMENT REQUIREMENTS

1.1 TfWRL shall, subject to the implementation of any Capacity Mitigation Proposal in accordance with paragraph 15.6 of Schedule 1.1, ensure that:

- (a) in the period from the Service Commencement Date to the Crowding Waiver Expiry Date, TfWRL complies with any written instructions issued by the Authority in respect of, amongst other things, staff availability and social distancing measures; and
- (b) from the Crowding Waiver Expiry Date, the Train Plan complies with the Authority's crowding management requirements which shall be calculated as follows:

$$A < (B + C)$$

Where

- A** is the mean total daily projected demand in passengers over the Crowded Period as set out in Table 2 of this Appendix 2;
- B** is the mean total number of seats provided daily over the Crowded Period as set out in Table 2 of this Appendix 2; and
- C** is the mean total standing capacity provided daily over the Crowded Period as set out in Table 2 of this Appendix 2.

1.2 By the Crowding Waiver Expiry Date, the ODP and the Authority shall agree in writing the amounts relating to each of A, B and C under paragraph 1.1 above in respect of each Crowded Service, in the form of document set out in Table 2 to this Appendix 2 of Schedule 1.1.

1.3 Not used

1.4 TfWRL shall be required to provide the Crowd Management Report twice every Service Year at intervals of not less than five (5) and no more than seven (7) Reporting Periods.

1.5 Each Crowd Management Report shall include, as a minimum:

- (a) a demonstration by TfWRL that the number of passengers per Crowded Service within the Crowded Period will not exceed the Passenger Carrying Capacity;

- (b) a Forecast Passenger Demand:
 - (i) for a rolling three (3) year period for each Crowded Service. Where TfWRL forecasts a total average load factor of more than eighty percent (80%) (where the average load factor is calculated as the ratio of the values of A to (B + C) as specified in Table 2 of this Appendix 2) for more than one (1) hour in any day during the following three (3) years, (excluding any Special Events), then it shall propose a Capacity Mitigation Proposal; and
 - (ii) including all relevant assumptions used by TfWRL to produce such forecast and, where relevant, explanation of differences between the Forecast Passenger Demand and Actual Passenger Demand;
- (c) from the Crowding Waiver Expiry Date, evidence that the Train Plan is sufficient to ensure that (as set out in Table 2 of this Appendix 2) $A < (B + C)$ for each Crowded Service;
- (d) information on the methods utilised by TfWRL to gather the required information in relation to the use by passengers of the Passenger Services and the process for implementing within, a reasonable timescale, real-time loading information to improve the Passenger Services; and
- (e) an Actual Passenger Demand report setting out an analysis of the recorded train loading data and the frequency, timing and location of Passenger Services recorded with loading levels where the Passenger Carrying Capacity was exceeded.

Table 1 to Appendix 2 of Schedule 1.1**Crowded Services and Crowded Period**

Reference	Crowded Service (corresponding Service Code numbers shown in brackets)	Crowded Period
C1.1	Cheltenham Spa to Cardiff (AW4290)	Weekdays: All arrivals at Cardiff Queen Street (CDQ), Cardiff Central (CDF) and Cardiff Bay (CDB) between 07:30 and 08:59 (where a train calls at more than one of CDQ, CDF and CDB, the first station arrival should be used to determine the Applicable
C1.2	Cardiff Queen Street to Cardiff Bay (AW4300)	
C1.3	Maesteg to Cardiff (AW4310)	
C1.4	Manchester/North Wales/Hereford to Cardiff (AW4340)	
C1.5	Swansea to Cardiff (AW4380)	
C1.6	Bridgend/Rhosee to Cardiff (AW4390)	
C1.7	Radyr to Cardiff (AW4400)	
C1.8	Aberdare to Cardiff (AW4410)	
C1.9	Barry Island to Cardiff (AW4420)	
C1.10	Penarth to Cardiff (AW4430)	
C1.11	Ebbw Vale to Cardiff (AW4440)	
C1.12	Coryton to Cardiff (AW4450)	
C1.13	Merthyr Tydfil to Cardiff (AW4460)	
C1.14	Treherbert to Cardiff (AW4470)	
C1.15	Rhymney to Cardiff (AW4480)	

		Crowded Services)
C2.1	Cardiff to Cheltenham Spa (AW4290)	Weekdays: All departures from Cardiff Queen Street (CDQ), Cardiff Central (CDF) and Cardiff Bay (CDB) between 16:00 and 18:15 (where a train calls at more than one of CDQ, CDF and CDB, the last station departure should be used to determine the Applicable Crowded Services)
C2.2	Cardiff Bay to Cardiff Queen Street (AW4300)	
C2.3	Cardiff to Maesteg (AW4310)	
C2.4	Cardiff to Herford/Manchester/North Wales (AW4340)	
C2.5	Cardiff to Swansea (AW4380)	
C2.6	Cardiff to Rhoose / Bridgend (AW4390)	
C2.7	Cardiff to Radyr (AW4400)	
C2.8	Cardiff to Aberdare (AW4410)	
C2.9	Cardiff to Barry Island (AW4420)	
C2.10	Cardiff to Penarth (AW4430)	
C2.11	Cardiff to Ebbw Vale (AW4440)	
C2.12	Cardiff to Coryton (AW4450)	
C2.13	Cardiff to Merthyr Tydfil (AW4460)	
C2.14	Cardiff to Treherbert (AW4470)	
C2.15	Cardiff to Rhymney (AW4480)	

Table 2 to Appendix 2 of Schedule 1.1

Template Total Standing Capacity

Crowded Service Reference	Service Years																	
	2020/21			2021/22			2022/23			2023/24			2024/25			2025/26		
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
C1.1																		
C1.2																		
C1.3																		
...																		

- *A* = the mean total daily projected demand in passengers over the Crowded Period;
- *B* = the mean total number of seats provided daily over the Crowded Period; and
- *C* = the mean total standing capacity provided daily over the Crowded Period.
- For Crowded Services C1.1 to C1.15 the values of *A*, *B* and *C* should be determined for Applicable Crowded Services at the first station of arrival (CDQ, CDF of CDB within the Crowded Period).
- For Crowded Services C2.1 to C2.15 the values of *A*, *B* and *C* should be determined for Applicable Crowded Services at the last station of departure (CDQ, CDF of CDB within the Crowded Period).

Schedule 1.2 – Operating Obligations

1 DAILY OPERATING OBLIGATIONS

- 1.1 TfWRL agrees to use all reasonable endeavours to operate on each day of the Rail Services Term each of its Passenger Services as are set out in the Plan of the Day for that day and with at least the Passenger Carrying Capacity specified in the Train Plan for that Passenger Service. TfWRL shall notify the Authority as soon as reasonably practicable if it has on any day of the Rail Services Term failed to operate to a material extent each of its Passenger Services as are set out in the Plan of the Day for that day and with at least the Passenger Carrying Capacity specified in the Train Plan for that Passenger Service.

2 TIMETABLING AND TRAIN PLANNING COMPLIANCE INVESTIGATION

- 2.1 If the Authority considers that TfWRL may have breached any of its obligations under any of paragraphs 12.1, 12.3, 12.4, 12.5, 14.1, 14.2 or 14.3 of Schedule 1.1 (Rail Services and Service Development) and/or paragraph 1 of this Schedule 1.2, it shall (in addition to its right to obtain further information pursuant to paragraph 1.1 of Schedule 1.5 (Information about Passengers) and without prejudice to any other rights of the Authority under this Agreement or otherwise) have the right, by serving notice on TfWRL, to instigate an investigation of TfWRL's compliance with its obligations under paragraphs 12.1, 12.3, 12.4, 12.5, 14.1, 14.2 and 14.3 of Schedule 1.1 (Rail Services and Service Development) and paragraph 1 of this Schedule 1.2, including any differences between the Forecast Passenger Demand and the Actual Passenger Demand and any unreasonable assumptions about the timetables likely to be operated by other Train Operators made by TfWRL ("**Timetabling and Train Planning Compliance Investigation**").

- 2.2 Following the service of such a notice TfWRL shall:

- (a) provide such information as the Authority may reasonably require for the purposes of determining if TfWRL has complied with its obligations under paragraphs 12.1, 12.3, 12.4, 12.5, 14.1 or 14.2 of Schedule 1.1 (Rail Services and Service Development) and/or paragraph 1 of this Schedule 1.2 including evidence of:
- (i) the steps taken by TfWRL to amend and/or enter into Access Agreements, exercise Timetable Development Rights and exercise its rights under the relevant Track Access Agreement to object, to make representations and to withhold consent in respect of any actual or proposed act or omission by Network Rail or the Infrastructure Manager

in relation to such agreement in respect of its Timetable Development Rights;

- (ii) the extent to which TfWRL has operated on each day of the relevant Reporting Period each of its Passenger Services as are set out in the Plan of the Day for that day and with at least the Passenger Carrying Capacity specified in the Train Plan for that Passenger Service;
- (iii) Forecast Passenger Demand and the way that it was calculated including all evidence taken into account and assumptions used (including any divergences from then existing industry modelling standards and the reasons for such divergences);
- (iv) any assumptions about the timetables likely to be operated by other Train Operators made by TfWRL; and
- (v) the alternative solutions considered by TfWRL before finalising the Timetable and Train Plan and the reasons why any such alternative solutions were not adopted; and

- (b) permit the Authority to carry out an audit of the extent to which the Timetable and Train Plan enables TfWRL to operate railway passenger services that comply with the Train Service Requirement and paragraph 14 of Schedule 1.1 (Rail Services and Service Development) and fully co-operate with and provide all information needed to facilitate such audit.

2.3 **Contravention of this Agreement**

- (a) TfWRL shall be in contravention of this Agreement if following the completion by the Authority of the Timetabling and Train Planning Compliance Investigation it concludes that TfWRL breached any of its obligations under any of paragraphs 12.1, 12.3, 12.4, 12.5, 14.1, 14.2 or 14.3 of Schedule 1.1 (Rail Services and Service Development) and/or paragraph 1 of this Schedule 1.2 including where TfWRL:
 - (i) failed to act reasonably in calculating Forecast Passenger Demand because it unreasonably assumed that there would be differences between Forecast Passenger Demand and Actual Passenger Demand at the time that the Forecast Passenger Demand calculation was made; or
 - (ii) made unreasonable assumptions about the timetables likely to be operated by other Train Operators serving some or all of the same stations as TfWRL.

(b) Not used

(c) Not used

3 TIMETABLE CHANGES PROPOSED BY NETWORK RAIL AND/OR THE INFRASTRUCTURE MANAGER

3.1 TfWRL shall notify the Authority promptly after being notified by Network Rail or the Infrastructure Manager that Network Rail or the Infrastructure Manager has decided or proposes to:

(a) omit from the Plan of the Day Passenger Services that are included in the Timetable; or

(b) reschedule in the Plan of the Day Passenger Services from their scheduling in the Timetable.

3.2 To the extent that any such decision or proposal may, in the reasonable opinion of TfWRL, materially (having regard to both duration and scale) prejudice TfWRL's ability to deliver the Timetable with the Passenger Carrying Capacity stipulated in the Train Plan TfWRL shall explain in such notification the way in which, in its reasonable opinion, such omission or rescheduling may materially prejudice TfWRL's ability to deliver the Timetable with the Passenger Carrying Capacity stipulated in the Train Plan.

3.3 TfWRL agrees to supply to the Authority from time to time, in the format required by the Authority, such details of any actual or proposed omission or rescheduling of Passenger Services by Network Rail or the Infrastructure Manager as the Authority may reasonably require, including details of the steps which TfWRL proposes to take pursuant to paragraph 3.4.

3.4 Where the actual or proposed omission or rescheduling of Passenger Services is one which may, in the reasonable opinion of the Authority or TfWRL, materially prejudice TfWRL's ability to deliver the Timetable with the Passenger Carrying Capacity stipulated in the Train Plan, TfWRL agrees (unless the Authority specifically agrees otherwise) to exercise its rights under the Track Access Agreement (including the Network Code) to:

(a) object (including submitting its objection to any relevant dispute resolution arrangements or procedures and appealing against any award or determination under such arrangements or procedures, including to the ORR);

(b) make representations; and

(c) withhold consent,

in respect of any actual or proposed omission or rescheduling of Passenger Services by Network Rail or the Infrastructure Manager.

- 3.5 The provisions of this paragraph 3 shall apply to any actual or proposed omission or rescheduling of Passenger Services that originates from any person other than Network Rail and the Infrastructure Manager, as those provisions apply to Network Rail and the Infrastructure Manager.

4 **TIMETABLE CHANGES PROPOSED BY TFWRL**

- 4.1 TfWRL agrees, subject to this paragraph 4, not to propose to Network Rail or the Infrastructure Manager:

- (a) the addition to the Plan of the Day of any railway passenger services which are not included in the Timetable;
- (b) the omission from the Plan of the Day of any Passenger Services included in the Timetable; or
- (c) the rescheduling in the Plan of the Day of any Passenger Services from their scheduling in the Timetable,

without the Authority's prior consent.

- 4.2 TfWRL shall submit to the Authority an amended Train Plan in respect of each Timetable change proposal.

- 4.3 TfWRL shall use all reasonable endeavours to operate adequate railway passenger services to or from any special events which are not already provided for in the Plan of the Day to meet the passenger demand that is reasonably likely to arise from such special events and to ensure that the railway passenger services provided have an appropriate amount of passenger carrying capacity. TfWRL shall in meeting its obligations pursuant to this paragraph 4:

- (a) consider amending the Plan of the Day through the omission, addition or rescheduling of Passenger Services; and
- (b) seek to optimise the effective delivery of the Passenger Services as a whole with the provision of appropriate capacity in the context of the additional demand consequent upon a relevant special event.

- 4.4 At the start of each Service Year (or such later date as the Authority may reasonably determine) TfWRL shall prepare and provide to the Authority the Special Event Planning Calendar for approval.

- 4.5 The Special Event Planning Calendar shall include:

- (a) all reasonable foreseeable Special Events for an eighteen (18) month period from the start of such Service Year, including those Special Events where the dates and details of the Special Event are not confirmed when the Special Event Planning Calendar is compiled;
 - (b) for each Special Event, the Special Event's dates, organiser, promoters, duration and an indication of the scope and scale of the impact on and/or demand for Rail Services;
 - (c) the category for each Special Event in accordance with paragraph 4.11; and
 - (d) the Rail Services Employee responsible for the publication of the Special Event Planning Calendar.
- 4.6 TfWRL shall notify the Authority as soon as reasonable practicable if the Special Event Planning Calendar requires revision to reflect changes to any of the Special Events or additional Special Events are required to be included in the Special Event Planning Calendar.
- 4.7 TfWRL shall comply with any guidance which the Authority may issue from time to time as to its reasonable requirements for the format of, and the content and assumptions to be included in, the Special Event Planning Calendar or Special Event Management Plans.
- 4.8 For each Special Event in the Special Event Planning Calendar TfWRL shall:
- (a) develop and submit to the Authority a Special Event Management Plan no less than three (3) months before the Special Event;
 - (b) no less than two (2) months before the Special Event meet with the Authority to discuss the Special Event and TfWRL's Special Event Management Plan;
 - (c) revise the Special Event Management Plan to meet the Authority's reasonable requirements;
 - (d) continually monitor each Special Event Management Plan to ensure its appropriateness for delivery of the Rail Services during the relevant Special Event;
 - (e) implement the Special Event Management Plan; and
 - (f) continually review the performance of each Special Event Management Plan and identify opportunities to improve each Special Event Management Plan and/or its implementation to improve its effectiveness and efficiency and make recommendations to the Authority as necessary for future Special Events.
- 4.9 The Special Event Management Plan shall be developed by TfWRL such that:

- (a) it reduces the safety risk to passengers, members of the public and staff to as low a level as reasonably practicable;
- (b) it is consistent with British Transport Police's requirements and the requirements of other police and security services;
- (c) it minimises queuing to a reasonable level giving due regard to the Authority's reasonable requirements in accordance with paragraph 4.8(c);
- (d) it reasonably meets the needs of passengers with mobility impairments; and
- (e) any proposed deviations from the minimum requirements set out in paragraph 4.12, are clearly set out by TfWRL including evidence and/or rationale demonstrating that such deviation would optimise passenger services for the relevant Special Event and represent the most efficient use of rolling stock available provided always that any proposal shall remain subject to Authority approval.

4.10 TfWRL shall use all reasonable endeavours to develop its Special Event Management Plan in consultation and cooperation with all relevant third parties including (but not limited to):

- (a) Local Authorities including licensing and planning authorities as well as Highway Authorities;
- (b) the organisers and promoters of the Special Event;
- (c) other railway companies including Train Operators, Network Rail and where appropriate Freight Operators; and
- (d) other public transport providers.

4.11 The Special Event Classification set out in the table below shall be used by TfWRL to classify Special Events and this classification shall be used for each Special Event in the Special Event Planning Calendar:

Special Event Classification	Description	Examples
A	Major event affecting multiple services in Cardiff or other major centres, potentially affecting peak time travel, projected to cause significant excess crowding on train services/stations and with the potential for reputational	International Rugby World Cup, Papal Visit, Prince of Wales Investiture, Beyoncé concert

	damage to Wales if not managed properly	
B	Large public gatherings which lead to a large increase in demand at smaller stations and on normally uncrowded services	Royal Welsh Show, Green Man Festival, Fireworks festivals
C	Public events in major centres with special security and/or demand implications	Premier League and Championship football matches, music concerts, Chester Races, public demonstrations or marches
D	Events leading to special security requirements and potential travel restrictions	NATO conference
E	Events requiring temporary suspension of rail services or non-stopping at designated stations	At request of emergency services or for public safety reasons

4.12 Each Special Event Management Plan shall as a minimum include the information set out in the table below:

	Special event classification				
	A	B	C	D	E
Key: ✓ = Required X = Not Required					
Resources					
No. of additional qualified railway staff at stations	✓	✓	✓	✓	x
No. of security / agency personnel	✓	✓	✓	✓	✓
No. of other operational and response personnel to provide greater service resilience and effect more rapid service recovery	✓	✓	✓	x	✓

	Special event classification				
	A	B	C	D	E
Command and control management team	✓	x	x	✓	✓
Local control team	x	✓	✓	x	x
Rail Services					
Additional rail services for the Special Event	✓	x	x	x	x
Additional rolling stock to strengthen existing rail services	✓	✓	✓	x	x
Potential changes to quantity or timing of scheduled rail services	x	x	x	✓	x
Other special operational arrangements					
Command and control arrangements, including co-ordination with Network Rail	✓	x	x	x	✓
Co-ordination with other rail operators, other transport operators, emergency services and event organiser	✓	✓	✓	✓	✓
Staff communications prior to event	✓	✓	✓	✓	✓
Public Communications					
Publicity prior to event	✓	✓	✓	✓	✓
Travel information during event	✓	✓	✓	✓	✓

- 4.13 For the avoidance of doubt and without limitation TfWRL shall ensure that it responds to the Identified Special Events in accordance with the Classification as set out in the table below:

Identified Special Event	Special Event Location	Classification
Six Nations	Cardiff	A

Autumn International	Rugby Cardiff	A/C
Royal Welsh Show	Builth Wells (served by Builth Road)	B
Chester races	Chester	C

4.14 By no later than the Service Commencement Date, TfWRL shall provide to the Authority a Special Event Management Plan that sets out TfWRL's proposed response to any Special Event that is not included the Special Event Planning Calendar and where there is insufficient prior notice of such Special Event to agree a Special Event Management Plan in accordance with paragraph 4.8 (a "**Contingency Special Event Management Plan**"). The Contingency Special Event Management Plan shall, as a minimum, include:

- (a) TfWRL responsibilities and decision making processes for ensuring that available resources are identified and mobilised in an efficient and effective manner;
- (b) arrangements for co-ordinating with Network Rail and or the Infrastructure Manager, other rail operators, other transport operators, emergency services and the event organiser as appropriate; and
- (c) a communications plan, identifying procedures for communicating to staff and the public prior to and during the event.

5 **TIMETABLE CHANGES AND TRAIN PLAN CHANGES REQUESTED BY THE AUTHORITY**

5.1 TfWRL agrees, as and when requested by the Authority, to use all reasonable endeavours to seek and to obtain:

- (a) the addition to the Plan of the Day of any railway passenger services that are not included in the Timetable;
- (b) the omission from the Plan of the Day of any Passenger Services that are included in the Timetable; and/or
- (c) the rescheduling in the Plan of the Day of any Passenger Services from their scheduling in the Timetable.

5.2 The Authority may reasonably request that TfWRL shall submit to the Authority an amendment to the Train Plan at any time.

6 OBLIGATIONS OF TFWRL IN THE EVENT OF DISRUPTION TO RAILWAY PASSENGER SERVICES

6.1 In the event of any planned or unplanned disruption to railway passenger services operated on the Routes, or on other parts of the network which are reasonably local to the Routes, TfwRL shall:

- (a) without prejudice to any other provision of this Schedule 1.2, notify the Authority promptly where such disruption would materially (having regard to both duration and scale) prejudice TfwRL's ability to deliver the Timetable or deliver the Timetable in accordance with the Train Plan;
- (b) co-operate with Network Rail, the Infrastructure Manager, other Train Operators and other (non-rail) transport providers to act in the overall interests of passengers using such railway passenger services, including using all reasonable endeavours to ensure that such disruption is not concentrated on a particular part of the network, except where such concentration is either:
 - (i) in the overall interests of passengers using such Passenger Services or railway passenger services and would not result in disproportionate inconvenience to any group of passengers; or
 - (ii) reasonably necessary as a result of the cause or the location of the disruption; and
- (c) use all reasonable endeavours to provide or secure the provision of alternative transport arrangements in accordance with paragraph 6.2.

6.2 TfwRL shall use all reasonable endeavours to provide or secure the provision of alternative transport arrangements to enable passengers affected by any disruption referred to in paragraph 6.1 to complete their intended journeys in accordance with this paragraph 6.2. In particular, TfwRL shall use all reasonable endeavours to:

- (a) ensure that such alternative transport arrangements are of reasonable quality, of a reasonably similar frequency to the Passenger Services included in the Timetable which such arrangements replace and reasonably fit for the purpose of the journey to be undertaken;
- (b) transport passengers to, or as near as reasonably practicable to, the end of their intended journey on such Passenger Services, having particular regard to the needs of any Disabled Persons and, where appropriate, making additional arrangements for such Disabled Persons to complete their intended journey;

- (c) provide adequate and prominent publicity (including via TfWRL's website and Communication Platforms) of such alternative transport arrangements in advance and during the period of such disruption, subject, in the case of unplanned disruption, to TfWRL having sufficient notice of such disruption to enable it to provide such publicity;
- (d) provide sufficient alternative transport capacity for the reasonably foreseeable demand for the disrupted Passenger Services; and
- (e) ensure, if any planned disruption overruns, that there is a reasonable contingency arrangement for such alternative transport arrangements to continue for the duration of such overrun.

7 OBLIGATION TO USE ALL REASONABLE ENDEAVOURS UNDER THIS SCHEDULE 1.2

7.1 Any obligation in this Schedule 1.2 on the part of TfWRL to use "**all reasonable endeavours**" shall (with the exception of paragraph 5 of this Schedule 1.2) include an obligation to:

- (a) ensure (so far as it is able to do so) the provision of the Passenger Services as set out in the Plan of the Day in accordance with the Train Plan in ordinary operating conditions and to secure the provision of alternative transport arrangements to enable passengers affected by any disruption as set out in paragraph 6 of this Schedule 1.2;
- (b) take reasonable measures to avoid and/or reduce the impact of any disruption to the Rail Services having regard to all the circumstances, including the reasonably foreseeable risks arising from the matters referred to in paragraph 7.2; and
- (c) actively manage the performance by Network Rail and the Infrastructure Manager (as applicable) of their contractual relationships with TfWRL (and provide appropriate management resources for this purpose) so as to secure the best performance reasonably obtainable from Network Rail and the Infrastructure Manager (as applicable) by these means (including taking the steps referred to in paragraph 7.4), having regard to all the circumstances.

7.2 The matters to which TfWRL is to have regard pursuant to paragraph 7.1(b) shall include:

- (a) variations in weather and operating conditions (including Network Rail's or the Infrastructure Manager's infrastructure not being available for any reason), which may in either case include seasonal variations;
- (b) default by, or restrictions imposed by, suppliers to TfWRL;

- (c) shortages of appropriately skilled or qualified Rail Services Employees;
- (d) disputes with Rail Services Employees;
- (e) the availability of the Train Fleet, having regard to maintenance requirements and any Mandatory Modifications;
- (f) establishing reasonable Turnaround Time allowances for enabling or disabling (as appropriate) any part of a train, the rostering of any train crew and the servicing or cleaning of any rolling stock vehicles;
- (g) failures of rolling stock vehicles in service and contingency arrangements (including Hot Standbys and rescue traction). and
- (h) establishing and maintaining during the Rail Services Term robust contractual arrangements with appropriate suppliers of transport services to provide alternative transport solutions in the event of any planned or unplanned disruption to the Rail Services.

7.3 For the purpose of taking measures in respect of any disruption to the Rail Services in accordance with paragraph 7.1(b) and assessing the extent of any risk referred to in paragraph 7.1(b) and any such risk's reasonable foreseeability, regard shall be had both:

- (a) to the historical levels of incidence of disruption in the operation of:
 - (i) the Rail Services;
 - (ii) similar services both by TfWRL and/or its predecessors; and
 - (iii) other services of a type similar to the Rail Services; and
- (b) to potential changes in circumstances which may affect those levels.

7.4 The steps to which paragraph 7.1(c) refers include:

- (a) co-operating with Network Rail and the Infrastructure Manager (as applicable) in the development, agreement and implementation of:
 - (i) a five (5) year (rolling) Performance Strategy Plan; and
 - (ii) recovery plans in response to failures to achieve the performance levels specified in any Performance Strategy Plan;
- (b) co-operating with Network Rail and the Infrastructure Manager (as applicable) in adopting the principles set out in any Service Recovery Plans agreed between Network Rail and the Infrastructure Manager (as applicable) and TfWRL from time to time;

-
- (c) undertaking regular reviews of:
- (i) the most common and most detrimental causes of Passenger Time Lost Delay (PTL) attrition and delay to the Passenger Services; and
 - (ii) the causes of the most significant delays to the Passenger Services or those with the longest duration (to the extent not already reviewed in accordance with paragraph 7.4(c)(i)) including as a minimum ten (10) such occurrences,

which have occurred during a Reporting Period and which have been caused by TfWRL, any other Train Operator or any other train operator licensed under the Act or Network Rail or the Infrastructure Manager (as applicable);

- (d) undertaking with Network Rail and/or the Infrastructure Manager (as applicable) a review of the time taken to recover the Passenger Services following the occurrence of any of the events specified in paragraphs 7.4(c)(i) and 7.4(c)(ii) and seeking to identify and implement actions that reduce the delay effect of such events;
- (e) setting up and holding regular and effective performance review meetings with Network Rail and the Infrastructure Manager (as applicable), evidenced by meeting minutes and the closure of actions agreed between the parties;
- (f) regularly monitoring (at least every Reporting Period) the delivery of local output commitments made by Network Rail and the Infrastructure Manager (as applicable) in the Performance Strategy Plan and derived delivery plans and using reasonable endeavours to specify and develop such delivery plans;
- (g) as and when required by Network Rail or the Infrastructure Manager (as applicable), co-operating with Network Rail or the Infrastructure Manager (as applicable) in improving the accuracy of future timetables by providing access to trains (and data collected from train systems), other facilities and/or information;
- (h) co-operating with Network Rail and the Infrastructure Manager (as applicable) in other delay management initiatives and ongoing quarterly reviews of the Performance Strategy Plan;
- (i) regularly reviewing (at least every Reporting Period) the imposition and clearance of temporary speed restrictions;
- (j) regularly reviewing (at least every Reporting Period) the timely and efficient handover and hand-back of possessions; and

- (k) where appropriate and where Network Rail and/or the Infrastructure Manager (as applicable) fails to perform its obligations under any Track Access Agreement, enforcing TfWRL's rights under such Track Access Agreement(s).
- 7.5 TfWRL undertakes to reasonably co-operate with Network Rail and the Infrastructure Manager with regard to Network Rail's and the Infrastructure Manager's management of the relevant network, including in relation to the establishment of up to date Timetable Planning Rules.
- 7.6 To the extent not already provided for in this Agreement, TfWRL shall use all reasonable endeavours to ensure the performance by Network Rail of its obligations under any relevant agreement including, where appropriate or where requested by the Authority, enforcing its rights against Network Rail under any such agreement.
- 7.7 When and to the extent reasonably requested by the Authority, TfWRL shall provide to the Authority evidence of the steps taken by it in order to comply with its obligations under this paragraph 7.

Schedule 1.3 – Not Used

Schedule 1.4 – Passenger Facing Obligations

1 PUBLISHING THE TIMETABLE

1.1 The First Timetable

TfWRL shall publish on the Service Commencement Date:

- (a) the Timetable:
 - (i) at each staffed Station, by making the relevant information available upon request and free of charge in one or more booklets or in other similar form;
 - (ii) at each Station, by displaying the relevant information on information displays;
 - (iii) at each Rail Services Access Station, by providing to the operator of each such station the departure and arrival times of the Passenger Services that call at each such station and the principal Connections to any other transport services relevant to each such station in the same forms as are specified in paragraphs (i) and (ii); and
 - (iv) on TfWRL's website and Communications Platforms; and
- (b) the timetables of other Train Operators at Stations, in accordance with paragraph 1.4.

1.2 Timetable Revisions and Alterations

TfWRL shall publish updates or replacements to the Timetable at the locations specified in paragraph 1.1 to the extent necessary to reflect any changes which come into effect on a Passenger Change Date:

- (a) in the case of booklets, at least four (4) weeks before the changes come into effect;
- (b) in the case of information displays, no later than the day before the changes come into effect;
- (c) in the case of information provided to the operators of Rail Services Access Stations, in sufficient time for such information to be published by such operators within the time limits provided for in this paragraph 1.2;
- (d) in the case of TfWRL's website and Communications Platforms, at least four (4) weeks before the changes come into effect;

- (e) in the case of notifying TfWRL Responsible Stakeholders, at least eight (8) weeks before the changes come into effect; and
- (f) provide information for provision to Stakeholders to the Transport for Wales Stakeholder Team at least nine (9) weeks before the changes come into effect.

1.3 In addition, TfWRL shall:

- (a) subject to paragraph 1.4, display posters at each Station advising passengers of all Significant Alterations between any two Passenger Change Dates to railway passenger services calling at that Station, no later than four (4) weeks in advance of the date on which the alterations come into effect; and
- (b) provide posters to the operators of Rail Services Access Stations, advising passengers of all Significant Alterations between any two (2) Passenger Change Dates to the Passenger Services which call at such Rail Services Access Stations, in sufficient time for such information to be published by such operators within the time limit provided for in paragraph 1.3(a).

1.4 **Other Train Operators' Timetables**

TfWRL shall also comply with the requirements of paragraphs 1.1 to 1.3 inclusive by making available booklets and displaying information in information displays and otherwise displaying posters in respect of any other Train Operator's timetable at each Station where the railway passenger services of such other Train Operator are scheduled to call or in respect of which Connections to such other Train Operators railway passenger services can be made from that Station:

- (a) within the time limits specified in paragraphs 1.2 and 1.3 where and to the extent that such other Train Operator delivers to TfWRL the relevant information and materials in sufficient time for TfWRL to so publish; and
- (b) as soon as reasonably practicable thereafter where and to the extent that such other Train Operator delivers the relevant information and materials late to TfWRL.

1.5 **National Rail Timetable and National Rail Enquiry Scheme**

TfWRL shall use all reasonable endeavours to procure (including by virtue of any arrangements made from time to time between Network Rail and RSP) that the National Rail Timetable (or any replacement), which Network Rail is responsible for publishing from time to time in relation to the Passenger Services, incorporates or is consistent with its Timetable from time to time.

1.6 TfWRL shall use all reasonable endeavours to procure that information in relation to:

- (a) the Timetable; and
- (b) any significant alterations to the Timetable to take effect between any two (2) Passenger Change Dates,

is available to passengers through the National Rail Enquiry Scheme (or any replacement) not less than four (4) weeks prior to coming into effect.

2 COMMUNICATING LATE TIMETABLE CHANGES

2.1 Save in respect of significant alterations, for which the provisions of paragraphs 1.3 and 1.6 shall apply, TfWRL shall inform passengers, so far as possible on not less than seven (7) days' prior notice, if it will be unable to operate its trains in accordance with the Timetable. Such information shall include any revised Timetable or travelling arrangements.

2.2 Such information shall be provided by:

- (a) revising or adding to the information displays referred to in paragraph 1.1;
- (b) notifying the operators of the Rail Services Access Stations, as appropriate, including by providing such operators with revised posters; and
- (c) updating TfWRL's website and Communications Platforms.

2.3 TfWRL shall revise or add to the information displays at the Stations promptly on receipt of any equivalent information relating to the railway passenger services of other Train Operators whose services call at the Stations.

2.4 Where TfWRL is unable to provide the information specified in paragraph 2.1 because the relevant revisions are made on an emergency basis, TfWRL shall notify passengers and publish the relevant revisions by way of the means contemplated by paragraph 2.2 as soon as reasonably practicable.

2.5 TfWRL shall ensure that, so far as reasonably practicable (including by communication of the relevant information to persons likely to receive enquiries), passengers making enquiries regarding the Passenger Services are informed of the revised Timetable and any revised travel arrangements of TfWRL as far in advance as is reasonably practicable.

3 FARES SELLING RESTRICTIONS

3.1 Restrictions on Sales

TfWRL shall ensure that the purchaser of any Commuter Fare or Protected Fare:

- (a) shall be entitled, without further charge, to such rights of access and egress and other similar rights at the commencement and end of the relevant intended

journey or journeys as may be reasonably necessary for such purchaser to travel on the Passenger Services;

- (b) shall not be required to incur any cost or take any action beyond the payment of an amount equal to the Price or Child Price (as the case may be) of such Commuter Fare or Protected Fare (as the case may be) and, in relation to the issue of a Season Ticket Fare, the completion of such identity card as TfWRL may reasonably require; and
- (c) shall not be required to pay an amount in respect of a seat reservation or other similar right which it may be compulsory for such purchaser to have in order to make a journey with such Commuter Fare or Protected Fare (as the case may be) on a Passenger Service.

3.2 TfWRL shall procure that for any:

- (a) Protected Return Fare, Single Fare which is a Commuter Fare or Return Fare which is a Commuter Fare, each such Fare shall be offered for sale wherever and whenever any other Fare (not being a Season Ticket Fare) for a journey between the same origin and destination stations is offered for sale; and
- (b) Protected Weekly Season Ticket or Season Ticket Fare which is a Commuter Fare, each such Fare shall be offered for sale at all staffed ticket offices at which Fares for a journey between the same origin and destination stations are sold and otherwise wherever and whenever any Season Ticket Fare is offered for sale,

in each case, either by it or its agents (except persons acting in such capacity by virtue of having been appointed under Parts II to VI of Chapter 9 of the Ticketing and Settlement Agreement or by being party to the Ticketing and Settlement Agreement).

3.3 Not used

3.4 TfWRL shall not sell or offer to sell:

- (a) any Fare in respect of which the:
 - (i) Prices are regulated under Schedule 5.4 (Regulation of Fares Basket Values) and Schedule 5.5 (Regulation of Individual Fares), at prices that are greater than the Prices set for such Fares from time to time in accordance with Schedule 5.4 (Regulation of Fares Basket Values) and Schedule 5.5 (Regulation of Individual Fares); and
 - (ii) Child Prices are regulated under Schedule 5.4 (Regulation of Fares Basket Values) and Schedule 5.5 (Regulation of Individual Fares), at

prices that are greater than the Child Prices set for such Fares from time to time in accordance with Schedule 5.4 (Regulation of Fares Basket Values) and Schedule 5.5 (Regulation of Individual Fares);

- (b) any Fare or Discount Card which has a validity of thirteen (13) or more months, except to the extent required to do so under the terms of the Ticketing and Settlement Agreement.

3.5 **Agents of TfWRL**

TfWRL shall procure that all persons selling or offering to sell Fares on its behalf (whether under the terms of the Ticketing and Settlement Agreement, as its agents or otherwise):

- (a) for Fares in respect of which the:
 - (i) Prices are regulated under Schedule 5.4 (Regulation of Fares Basket Values) and Schedule 5.5 (Regulation of Individual Fares), sell or offer to sell at prices no greater than the Prices set for such Fares from time to time in accordance with Schedule 5.4 (Regulation of Fares Basket Values) and Schedule 5.5 (Regulation of Individual Fares); and
 - (ii) Child Prices are regulated under Schedule 5.4 (Regulation of Fares Basket Values) and Schedule 5.5 (Regulation of Individual Fares), sell or offer to sell at prices no greater than the Child Prices set for such Fares from time to time in accordance with Schedules 5.4 (Regulation of Fares Basket Values) and Schedule 5.5 (Regulation of Individual Fares);
- (b) for Fares in respect of which the Child Price has been set pursuant to paragraph 2.1 of Schedule 5.2 (TfWRL's Obligation to Create Fares), sell or offer to sell such Fares to any person under the age of 16 for an amount which is no greater than fifty percent (50%) of the Price of the relevant Fare; and
- (c) for all Fares:
 - (i) do not sell or offer to sell any Fare or Discount Card with a validity of thirteen (13) or more months without the consent of the Authority (such consent not to be unreasonably withheld); and
 - (ii) not used.

3.6 **Lowest Available Fares**

TfWRL shall:

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- (a) advertise, offer and make available for purchase to each passenger the Lowest Available Fare; and
 - (b) implement a process to compensate, in accordance with paragraph 5.6 of Schedule 1.4 (Passenger Facing Obligations) and the procedure set out in the Passenger's Charter, any passenger that purchases a Fare from TfWRL which is not the Lowest Available Fare. Such compensation shall not be less than an amount which is equal to the difference between the value of the Fare purchased by the passenger and the Lowest Available Fare.

3.7 **Additional Ancillary Services**

TfWRL shall, subject to this paragraph 3, be entitled to charge a purchaser of any Commuter Fare or Protected Fare for any additional services:

- (a) which are ancillary to the railway passenger service for which such Commuter Fare or Protected Fare (as the case may be) was purchased (including, charges in respect of car parking); and
- (b) which such purchaser is not obliged to purchase.

3.8 **Sale of Fares for travel on Bank Holidays**

TfWRL shall ensure that, for any Fare in respect of travel on a Bank Holiday, it only offers for sale (and shall procure that any person authorised to sell Fares on its behalf only offers for sale) such Fare that has the same rights and restrictions as a Fare which is valid for travel on a Saturday or Sunday.

4 **MINIMUM WI-FI SERVICE ON TRAINS**

4.1 For the purposes of this paragraph 4, the following definitions shall apply:

- (a) **"Ethernet"** means a system for connecting a number of computer systems to form a local area network, with protocols to control the passing of information and to avoid simultaneous transmission by two or more systems, in accordance with the IEEE 802.3 standard;
- (b) **"Free of Charge"** shall mean:
 - (i) the passenger does not have to pay to use the Mobile Communication Services on an ad-hoc or on-going basis; and
 - (ii) the use of the Mobile Communication Services by the passenger is independent of any Wi-Fi or cellular minutes or Wi-Fi or cellular data allowances (such as 3G or 4G mobile broadband) the individual passenger may have through any subscription with one or more

telecommunication internet service provider or mobile network operator;

- (c) **“MCS Equipment”** means the equipment including the hardware, data communications cabling, power, equipment racks, external aerials and cabling required for the Mobile Communications Services;
 - (d) **“MCS Report”** has the meaning given to it in paragraph 4.6;
 - (e) Not Used; and
 - (f) **“Train to Internet Coverage”** means the availability of one or more commercial networks (such as 3G or 4G high speed packet access provided by third party mobile network operators) and/or any alternative network solutions installed along the rail network upon which the Passenger Services operate to work together with the MCS Equipment installed on trains to permit access to the internet.
- 4.2 TfWRL shall provide the Mobile Communication Services in both first/business class and Standard Class Accommodation on all its Train Fleet used for the provision of Passenger Services.
- 4.3 The Mobile Communication Services procured by TfWRL pursuant to paragraph 4.2 shall provide the Minimum Wi-Fi Service and be provided Free of Charge to all passengers who use the Passenger Services.
- 4.4 The **“Minimum Wi-Fi Service”** means, subject to paragraph 4.5, a wireless internet service which allows each passenger to browse web pages on the internet and send and receive mail electronically through any mobile, tablet or computer device that they may use for this purpose and which is, subject to the availability of the Train to Internet Coverage, available for use by each passenger at all times for the duration of each passenger’s journey.
- 4.5 To ensure a non-discriminatory Minimum Wi-Fi Service is offered to any passenger, TfWRL shall be permitted:
- (a) to dynamically manage the available bandwidth on an active user or select vehicles basis as required, in accordance with a fair-usage policy to be published by TfWRL; and
 - (b) to filter the type of services which may be accessed by a passenger using the Mobile Communication Services, including by restricting passenger access to video and audio streaming services, peer-to-peer file sharing and inappropriate content.

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- 4.6 TfWRL shall monitor the performance of the Mobile Communication Services for the purposes of providing to the Authority a report on the performance of the Mobile Communication Services, and such report shall be submitted to the Authority one (1) month after the end of each Service Year or on such other more frequent basis as is agreed between the Authority and TfWRL (the “**MCS Report**”).
- 4.7 The MCS Report shall include information on the:
- (a) customer usage statistics in respect of the applicable period including:
 - (i) the number of passengers using the Mobile Communication Services;
 - (ii) the average duration (in minutes and seconds) of connections to the Mobile Communication Services; and
 - (iii) the average amount of data received and transmitted;
 - (b) statistics on the availability of the Mobile Communication Services including the duration of any significant periods of time during which the Mobile Communication Services were not available, the reason for such unavailability and the action taken by TfWRL in respect of such unavailability; and
 - (c) information on the average internet speed (in megabits per second) and the average latency figures (in milliseconds) experienced by passengers in respect of each connected device which is using the Mobile Communication Services, by route, together with any factors which, in TfWRL’s reasonable opinion, have affected and/or contributed to such average internet speed and latency figures.
- 4.8 Where, in the Authority’s reasonable opinion, the performance of the Mobile Communication Services reported in the MCS Report is poor, or has changed significantly between Reporting Periods, TfWRL shall provide reasons for such poor performance and/or fluctuating performance (as applicable) to the Authority, together with any remedial or mitigating action that TfWRL proposes to take in respect of the poor and/or fluctuating performance of the Mobile Communication Services.
- 4.9 TfWRL shall ensure that all rolling stock vehicles comprised in its Train Fleet and used for the provision of the Passenger Services are fitted with the MCS Equipment as is necessary to ensure compliance with the requirements of this paragraph 4.
- 4.10 Any MCS Equipment fitted to rolling stock vehicles in accordance with paragraph 4.9 shall, subject to paragraph 4.11, form a through rolling stock unit Ethernet backbone including inter-carriage connectivity capable of gigabit transmission speeds.
- 4.11 Where any rolling stock vehicle comprised in the Train Fleet as at the Service Commencement Date is already fitted with through rolling stock unit Ethernet backbones

that are not compliant with the requirements of paragraphs 4.10 but are capable of complying with the other requirements of this paragraph 4, TfWRL shall be permitted to retain these cables and the provisions of paragraphs 4.10 shall not apply in respect of such rolling stock vehicle.

4.12 Not Used

4.13 TfWRL shall:

- (a) market the availability of Mobile Communication Services to passengers via:
 - (i) TfWRL's public webpage, together with terms and conditions, a fair-usage policy and "how to use the service guides"; and
 - (ii) on-board physical notices, for example, a notice which reads: "Free Wi-Fi Available Here"; and
- (b) ensure all branding of the Mobile Communication Services conforms to the Brand Guidelines.

4.14 The provisions of paragraphs 4 (Review of Compliance), 5 (Consequences of Late Completion or non-Delivery of Committed Obligations), and 7 (Third Party Consents, Agreement and Conditions) of Part 2 (Special Terms related to Committed Obligations) of Schedule 6.2 (Committed Obligations) shall apply in respect of the obligations of TfWRL specified in this paragraph 4, provided that references to a 'Committed Obligation' in paragraphs 4, 5 and 7 of Part 2 (Special Terms related to Committed Obligations) of Schedule 6.2 (Committed Obligations) shall be construed as references to TfWRL's obligations under this paragraph 4 in respect of the Mobile Communication Services.

5 **PASSENGER'S CHARTER**

5.1 **Content**

TfWRL shall:

- (a) from the Service Commencement Date, adopt the Passenger's Charter published by the Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement;
- (b) review the need for changes to the Passenger's Charter(s) in consultation with the Passengers' Council by the first anniversary of the Service Commencement Date and annually thereafter, and shall submit a draft of any revisions to the Passenger's Charter that it wishes to propose, together with proof of such consultation, to the Authority; and
- (c) state the date of publication clearly on the front cover of the Passenger's Charter.

5.2 TfWRL may not change the Passenger's Charter(s) without the Authority's prior written consent (which is not to be unreasonably withheld).

5.3 Publishing the Passenger's Charter

TfWRL shall publicise its Passenger's Charter(s) by:

- (a) providing copies to the Authority and the Passengers' Council at least seven (7) days before it comes into effect;
- (b) making available copies to passengers, free of charge, at each staffed Station and in the case of any revision thereto, providing such copies at least seven (7) days before such revision comes into effect;
- (c) sending a copy, free of charge, to any person who requests it; and
- (d) displaying it on its website and Communications Platforms at all times and, in the case of any revision thereto, at least seven (7) days before such revision comes into effect,

save in respect of the Passenger's Charter(s) which is effective on the Service Commencement Date, in which case TfWRL shall publicise such Passenger's Charter in the manner contemplated by this paragraph 5.3 on and from the Service Commencement Date, subject to TfWRL not being required to publish the Passenger's Charter(s) on its Communications Platforms until the expiry of the first Reporting Period following the Service Commencement Date.

5.4 TfWRL shall also provide at each staffed Station the then current passenger's charter of any other Train Operator whose trains call there, subject to the provision of such passenger's charter to TfWRL by such other Train Operator.

5.5 TfWRL shall provide copies of its Passenger's Charter(s) to the operators of Rail Services Access Stations to enable such operators to provide it.

5.6 Passenger's Charter Payments and Other Obligations

TfWRL shall:

- (a) make all payments which passengers may reasonably expect to be made or provided from time to time under the terms of the Passenger's Charter(s) (whether or not TfWRL is legally obliged to do so);
- (b) use all reasonable endeavours to make passengers aware of their right to claim compensation, including in relation to Delay Repay and Lowest Available Fare, pursuant to the Passenger's Charter(s) including by:

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- (i) displaying the relevant information on trains and at Stations;
 - (ii) making appropriate announcements to passengers on trains and at Stations when the circumstances giving rise to that right occur;
 - (iii) making compensation claim forms readily available to passengers at Stations and on TfWRL's website and Communications Platforms; and
 - (iv) any other reasonable means to reflect future advancements in technology proposed in writing either by TfWRL or the Authority and agreed by both Parties (acting reasonably); and
- (c) use all reasonable endeavours:
- (i) to comply with any other obligations, statements and representations; and
 - (ii) to meet any other standards or targets of performance, as are comprised in its Passenger's Charter from time to time.

6 STATUTORY NOTICES

If requested by the Authority, TfWRL shall publish and display at Stations (and shall use all reasonable endeavours to procure the publication and display at Rail Services Access Stations of) such statutory notices as the Authority may wish to publish from time to time in the exercise of its functions (including in relation to Closures or any enforcement or penalty orders).

7 TRAIN AND STATION CLEANING

7.1 TfWRL acknowledges that passengers expect clean and well maintained rolling stock and stations as part of their experience of the Rail Services.

7.2 TfWRL shall:

- (a) ensure that the nature and frequency of its planned and reactive programme for maintaining a reasonable standard of train presentation is such that all rolling stock used by it in the provision of the Passenger Services is expected to be kept reasonably clean, appropriately stocked with consumables and free from minor defects;
- (b) use all reasonable endeavours to ensure that a reasonable standard of train presentation is maintained at all times in respect of all rolling stock used by it in the provision of the Passenger Services;

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- (c) ensure that the nature and frequency of its planned and reactive programme for maintaining a reasonable standard of Station condition and passenger environment is such that all of the Stations are expected to be clean, free of litter and graffiti, painted to a reasonable standard and free from minor defects; and
- (d) use all reasonable endeavours to ensure that all Stations are clean, free of litter and graffiti, painted to a reasonable standard and free from minor defects throughout the Rail Services Term.
- 7.3 TfWRL shall perform regular inspection and maintenance of Stations and rolling stock to ensure cleanliness and other aspects of service quality as set out in Schedule 7.3 (Service Quality Regime). TfWRL shall inspect and maintain Stations on a regular basis at the frequency applicable to that category of Station as set out in Schedule 7.3. The plan for such inspection and maintenance visits shall be in accordance with Schedule 7.3.
- 7.4 TfWRL shall maintain an electronic record of all Service Quality Defects concerning station or train quality which shall be available to the Authority. The record shall include the following matters:
- (a) unique identifier of the Service Quality Defect;
- (b) time and date when TfWRL was informed or became aware of the Service Quality Defect;
- (c) location and description of the Service Quality Defect;
- (d) status of Service Quality Defect and planned resolution; and
- (e) the time period between TfWRL becoming aware of the Service Quality Defect and its resolution.
- 7.5 TfWRL shall make available electronic means of reporting the Service Quality Defects to the Authority as well as telephone or in person reporting to:
- (a) Rail Services Employees;
- (b) passengers and public; and
- (c) adopted station volunteers
- 7.6 TfWRL shall utilise automated reporting of Service Quality Defects where available from assets.
- 7.7 TfWRL shall publish to passengers and the public the standards for station and train quality that it is targeting, its targets for resolution for any Service Quality Defects (taking

into account geographic and other relevant factors), and the means of reporting any defects in clear guidance documentation and other communications.

8 PUBLICATION OF PERFORMANCE DATA

8.1 TfWRL shall in accordance with paragraph 8.2 of this Schedule 1.4 (and in such format as the Authority may reasonably require) publish on TfWRL's website and Communications Platforms and otherwise communicate as relevant in relation to each Reporting Period during the Rail Services Term the performance of TfWRL in accordance with Schedule 7 (Operational Performance) or as required by the Authority from time to time, such data to be published by TfWRL within ten (10) Weekdays of it becoming available to TfWRL.

8.2 TfWRL shall ensure that the data published by it pursuant to paragraph 8.1 shall in each case be shown:

- (a) in relation to all Passenger Services;
- (b) disaggregated by reference to Service Groups;
- (c) on a periodic and/or on an average basis (as applicable); and
- (d) include details of:
 - (i) the number of Passenger Services operated by TfWRL during each relevant Reporting Period which are late in arriving at their final scheduled destination in the Plan of the Day by:
 - (A) between fifteen (15) minutes and twenty-nine (29) minutes;
 - (B) between thirty (30) minutes and fifty-nine (59) minutes;
 - (C) between sixty (60) minutes and one hundred and nineteen (119) minutes; and
 - (D) one hundred and twenty (120) minutes or more,

and the percentage that each such category of delayed Passenger Services represents of the total number of Passenger Services scheduled to be provided in the Plan of the Day during such Reporting Period; and

- (ii) the number of Passenger Services formed with fewer vehicles/less Passenger Carrying Capacity than specified in the Train Plan during such Reporting Period and the percentage that this represents of all Passenger Services scheduled to be operated in that Reporting Period.

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- 8.3 As part of each Customer Report (to be published in the format agreed by TfWRL and the Authority from time to time) to be provided by TfWRL pursuant to paragraph 17 of Schedule 7.2 (National Rail Passenger Surveys and Customer Report), TfWRL shall publish (in such format as the Authority may reasonably require, including braille, large print, audio versions, easy read or alternative formats):
- (a) the mean average of each of the Cancellations Figures for the Reporting Periods that have elapsed since the last Reporting Period reported on in the previous Customer Report (or, in the case of the first (1st) Customer Report, since the Service Commencement Date);
 - (b) the latest PTL Figures, Short Formation Figures, Missed Station Stop Figures, PPM Figures, CaSL Figures and Right Time Figures for the last Reporting Period before publication of the relevant Customer Report;
 - (c) from the third (3rd) Customer Report onwards, a summary comparison of the statistics produced pursuant to paragraphs 8.3(a) and 8.3(b) as against the equivalent statistics provided for the same Reporting Period(s) in the previous Service Year;
 - (d) an update on the key activities undertaken by TfWRL to improve its performance in relation to the measures referred to in paragraphs 8.3(a) and 8.3(b);
 - (e) a summary of the key activities planned to be undertaken by TfWRL in the period in relation to which the next Customer Report will report to improve its performance in relation to the measures referred to in paragraphs 8.3(a) and 8.3(b);
 - (f) no later than twelve (12) months from the Service Commencement Date, all or any part of its Sustainable Development Plan including any revisions resulting from an assessment report pursuant to paragraph 4.2(d) of Schedule 13.3 (Sustainability and Ethical Procurement);
 - (g) no later than three (3) months following the end of each Service Year, all or any of its reports showing progress and proposed revisions to the Sustainable Development Plan, pursuant to paragraph 4.2(f) of Schedule 13.3 (Sustainability and Ethical Procurement); and
 - (h) no later than six (6) months following the Service Commencement Date, and every two (2) years thereafter, the latest agreed revision of the Active Travel and Cycling Policy and Strategy.

9 PUBLICATION OF COMPLAINTS AND FAULTS HANDLING DATA

9.1 As part of each Customer Report to be provided by TfWRL pursuant to paragraph 17.1 of Schedule 7.2 (National Rail Passenger Surveys, Customer Report and CCI Scheme), TfWRL shall publish (in such format as the Authority may reasonably require) in relation to the Reporting Periods that have elapsed since the last Reporting Period reported on in the previous Customer Report or, in the case of the first (1st) Customer Report, since the Service Commencement Date:

- (a) a summary of the data published by the ORR from time to time in relation to the handling of passenger complaints regarding TfWRL's operation of the Passenger Services;
- (b) details of the number of faults notified to TfWRL by passengers or station users through specified channels including the website of TfWRL (each a "**Notified Fault**") in each case identifying the total numbers of Notified Faults (by reference to whether such Notified Faults relate to rolling stock or stations), with such numbers further disaggregated by Service Group and broken down into relevant sub-categories of Notified Fault;
- (c) the mean average time taken by TfWRL:
 - (i) to resolve Notified Faults; and
 - (ii) where Notified Faults are not resolved within twenty (20) Weekdays, to provide feedback to applicable passengers and/or station users on its progress in seeking resolution of such Notified Faults; and
- (d) from the third (3rd) Customer Report onwards a summary comparison of:
 - (i) the mean average number of Notified Faults notified to TfWRL;
 - (ii) the mean average time taken by TfWRL to resolve Notified Faults; and
 - (iii) the mean average time taken by TfWRL, where Notified Faults have not been resolved within twenty (20) Weekdays. to provide feedback to applicable passengers and/or station users on its progress in seeking resolution of such Notified Faults,

in each case in comparison with the relevant equivalent mean average statistics provided for the same Reporting Periods in the previous Service Year.

10 MARKETING AND COMMUNICATIONS

10.1 TfWRL shall adhere to the style and brand values for branding and marketing the Rail Services in accordance with the Authority's style requirements and constraints (the

“**Brand**”) and which is and shall remain the Authority’s Intellectual Property Rights. TfWRL shall develop, maintain and agree with the Authority style guidelines for the Brand (the “**Brand Guidelines**”) and ensure that all communications including web pages, printed material and electronic documents related to the Rail Services adhere to the Brand Guidelines. TfWRL shall protect the Brand and improve awareness of the Brand. TfWRL shall propose updates and refreshes to the Brand Guidelines as appropriate for Authority agreement and as a minimum every 3 years from the Service Commencement Date.

- 10.2 The Brand Guidelines shall describe the Brand which TfWRL shall apply to rolling stock interiors and exteriors, signage, Stations, and any other relevant asset.
- 10.3 The Brand Guidelines shall include any categorisation of Rail Services and Stations which may have separate sub-branding for:
- (a) CVL Services;
 - (b) South Wales Metro services;
 - (c) Wales and Cross-Border Lines Services; and
 - (d) any other grouping of Stations or services that the Authority may identify from time to time.
- 10.4 TfWRL shall provide a publicly accessible web site to host marketing and communications materials, the domain name for such site to be registered to the Authority. TfWRL shall also use on-line, social media and mobile channels for marketing and communications as appropriate in addition to other communications channels and as agreed with the Authority and which shall be registered to the Authority as appropriate.
- 10.5 The Marketing and Communications Strategy is set out in Appendix 2 of this Schedule. The Marketing and Communications Strategy, shall be reviewed as part of the Strategic Review and reviewed thereafter on or before each subsequent anniversary of the initial review date.
- 10.6 The Marketing and Communications Strategy shall include as a minimum:
- (a) clearly outlined marketing objectives;
 - (b) the proposed marketing approach, including the proposed segmentation of the market;
 - (c) the plan for development and delivery of the Brand Guidelines;
 - (d) usage, application and roll out of the Brand following the Brand Guidelines;

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- (e) key messages;
 - (f) customer and TfWRL Responsible Stakeholder classification and audience priorities;
 - (g) proposed communications channels to be used for each customer and TfWRL Responsible Stakeholder group;
 - (h) guidelines for description of the Rail Services;
 - (i) process for agreement on collateral and content of the Marketing and Communications Services with the Authority;
 - (j) process for agreement of the Marketing and Communications Plan with the Authority; and
 - (k) a financial and resources budget for the Marketing and Communications Services for each Service Year.

10.7 TfWRL shall develop a plan for the Marketing and Communications Services for each following twelve (12) months to promote usage of the Rail Services and implement the Marketing and Communications Strategy (“**Marketing and Communications Plan**”). From the Service Commencement Date, TfWRL shall adopt the Marketing and Communications Plan agreed between the Authority and the Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement. The Marketing and Communications Plan shall be reviewed as part of the Strategic Review and reviewed thereafter on or before each subsequent anniversary of the initial review date.

10.8 TfWRL shall provide Marketing and Communications Services for customers and potential customers in England.

11 **COMMUNICATIONS TO PASSENGERS**

11.1 TfWRL shall communicate to passengers concerning the Passenger Services through TfWRL’s website and Communications Platforms and in a manner agreed with the Authority in the Marketing and Communications Plan.

11.2 TfWRL shall utilise TfWRL’s website and Communications Platforms for provision of information concerning the Passenger Services including up to date information on:

- (a) timetables and timetable changes;
- (b) service delays and cancellations;
- (c) service changes during perturbation;
- (d) fares, offers and discounts;

- (e) building brand loyalty and encouraging usage of the Passenger Services;
- (f) customer services; and
- (g) any other matters as may be relevant.

11.3 TfWRL shall monitor TfWRL's website and Communications Platforms and shall use all reasonable endeavours to respond to contact from passengers and the public directly and shall set out standards for such response in the Passenger's Charter.

12 **PASSENGER WELL-BEING**

12.1 TfWRL shall use all reasonable endeavours to ensure that the Passenger Services are delivered at all times in a manner which encourages a healthy and secure travelling environment for passengers.

Appendix 1 to Schedule 1.4

Not used

Appendix 2 to Schedule 1.4

Marketing and Communications Strategy

The Marketing and Communications Strategy agreed between the Authority and the Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement.

Appendix 3 to Schedule 1.4

Not Used

Schedule 1.5 - Information About Passengers

1 PASSENGER NUMBERS INFORMATION

1.1 TfWRL shall, as and when reasonably requested by the Authority (and, for these purposes, it shall not be unreasonable to make such a request on a quarterly basis during each Service Year), provide information to the Authority and (where notified to do so by the Authority) the Secretary of State on the extent of the use by passengers of the Passenger Services. Without limitation to the generality of the foregoing, in particular and when so requested, TfWRL shall provide information relating to:

- (a) the number of passengers travelling in each class of accommodation:
 - (i) on each Passenger Service;
 - (ii) on each Route; and/or
 - (iii) at any station or between any stations;
- (b) the times of the day, week or year at which passengers travel; and
- (c) the Actual Consist Data and the Scheduled Consist Data,

(the information referred to in the whole of paragraph 1.1 being referred to together as “**Actual Passenger Demand**”).

1.2 TfWRL shall obtain and collate the information specified in paragraph 1.1 by using the technology specified in paragraph 3. TfWRL shall ensure that any technology for determining the number of passengers travelling in each class of accommodation that is fitted on the Train Fleet remains operational and in good working order from the date that it is fitted throughout the Rail Services Term. TfWRL shall also ensure that, if such technology is not fitted to one hundred percent (100%) of the Train Fleet, the individual rolling stock vehicles that have been fitted with such technology shall be rotated around the Routes as necessary to satisfy such request for data as is made by the Authority pursuant to paragraph 1.1. The Authority acting reasonably shall have the right to obtain such other information that TfWRL has, ought properly to have or could reasonably obtain which may provide a more detailed or accurate view of the extent of use by passengers of the Passenger Services including information about ingress and egress of passengers at ticket gates at Stations.

1.3 TfWRL shall provide to the Authority and (where notified to do so by the Authority) to the Secretary of State all of the information generated by the technology specified in paragraph 3 and/or by using manual counts pursuant to paragraph 2 including the information specified in paragraph 1.1:

-
- (a) promptly following its collation and in any case within the following timescales:
- (i) in the case of data collected automatically by the Count Equipment and capable of being transmitted directly and automatically to the RPC Database or the Preliminary Database (as appropriate), within 48 hours of its collation;
 - (ii) in the case of data collected automatically by the Count Equipment but not capable of direct and automatic transmission to the RPC Database or the Preliminary Database (as appropriate), within one (1) calendar month of its collation; and
 - (iii) in the case of data collected by manual count, within one (1) calendar month of its collation;
- (b) using such systems, in such a format and to such level of disaggregation as the Authority may reasonably require, and in a format which is capable of being read by the RPC Database or the Preliminary Database (as appropriate) (which shall include providing data which is not encrypted);
- (c) either by transmitting such data directly to the RPC Database or the Preliminary Database (as appropriate) or by ensuring that the database provider can pull and transmit such data to the RPC Database or the Preliminary Database (as appropriate), as appropriate according to the nature of TfWRL's Count Equipment from time to time or by providing such data to the Authority by such other means as the Authority notifies to TfWRL from time to time; and
- (d) to the extent required by the Authority, by providing the Authority with direct remote access to the system used by TfWRL to collect such information such that the Authority is able to download such information,

and such information may be used by the Authority for such purposes as it may reasonably require including for the purposes of assisting its decision making on future train service requirements, infrastructure, station and rolling stock investment, the best use of the network and the alleviation of overcrowding.

- 1.4 TfWRL shall use any flagging system contained within the RPC Database to highlight such events and occurrences as the Authority may reasonably specify in writing from time to time.

2 MANUAL PASSENGER COUNTS

- 2.1 The Authority shall have the right to require TfWRL to carry out manual counts in relation to some or all of the Passenger Services at such times as may be required and in such

manner (including as to levels of accuracy and the number of days) as may be specified from time to time by the Authority including if, exceptionally, TfWRL is unable to comply with its obligations to provide data generated by the technology specified in paragraph 3.

- 2.2 The Authority shall be entitled to audit such counts (whether by specimen checks at the time of such counts, verification of proper compliance with the manner approved by it or otherwise). In the event that such audit reveals, in the reasonable opinion of the Authority, a material error, or a reasonable likelihood of material error, in such counts, the Authority may require the counts to be repeated or the results adjusted as it considers appropriate.

3 TECHNOLOGY FOR OBTAINING THE INFORMATION REFERRED TO IN PARAGRAPH 1.2

- 3.1 The technology to be used for the purpose of paragraph 1.2 shall be enhanced video and/or infrared sensors passenger counting systems.

- 3.2 The technology to be used for the purposes of paragraph 1.2 shall be fitted to:

- (a) in the case of any brand new rolling stock which is admitted to the Train Fleet, 100% of it from the date that such rolling stock is properly admitted; and
- (b) in the case of all other rolling stock in the Train Fleet, in accordance with the requirements set out in Appendix 1 to Schedule 1.6 (The Composition of the Train Fleet).

- 3.3 Without limiting the Authority's rights under paragraph 1.1 of this Schedule 1.5, the technology specified in paragraph 3.1 shall be used to provide counts in relation to all Timetabled Services that are provided by rolling stock equipped with the passenger counting technology. TfWRL may only use a method of extrapolation and use extrapolated data to provide a reliable estimate of a full train's count with the Authority's prior written approval of the use of extrapolated data and the method of extrapolation (such approval not to be unreasonably withheld or delayed). TfWRL shall comply with its obligation under this paragraph 3 from the date(s) such rolling stock is incorporated into the Train Fleet.

- 3.4 The Parties acknowledge that the information supplied under paragraph 1.1 above, and any product of it created by the RPC Database or the Preliminary Database (as appropriate), may constitute Confidential Information to which clause 21 (Confidentiality) of this Agreement applies.

4 CRM DATA

- 4.1 TfWRL shall ensure that any CRM System is the property of TfWRL or is licensed to TfWRL on terms which have been approved by the Authority (such approval not to be

unreasonably withheld or delayed) and that any CRM Data obtained by or on behalf of TFWRL shall be:

- (a) obtained on terms such that TFWRL shall be the Controller of such data; and
- (b) the property of TFWRL.

4.2 In relation to any CRM Data obtained by or on behalf of TFWRL, TFWRL shall ensure or procure that at the same time as TFWRL obtains such CRM Data, it shall ensure that Data Subjects are made aware that such CRM Data may be disclosed to any Successor Operator and/or the Authority and processed by any Successor Operator for the same purposes as notified by TFWRL to the Data Subject.

4.3 If TFWRL seeks the consent of the Data Subject to process any CRM Data, TFWRL shall, to the extent permitted by applicable Data Protection Requirements, ensure that it also obtains the consent of the Data Subject for such CRM Data to be processed by any Successor Operator and/or the Authority for the same purposes. Any consent referred to in this paragraph 4.3 shall be sought in such manner as shall from time to time be approved by the Authority (such approval not to be unreasonably withheld or delayed) and shall be on terms such as shall permit, in each case in compliance with the Data Protection Requirements:

- (a) TFWRL to disclose such CRM Data to any Successor Operator and/or the Authority; and
- (b) any such Successor Operator to process such CRM Data in the manner contemplated by paragraph 4.2.

4.4 If TFWRL seeks the consent of the Data Subject to process any CRM Data pursuant to paragraph 4.3 and at such time the Data Protection Requirements do not permit such consent to also be obtained for any Successor Operator and/or the Authority, TFWRL shall inform the Authority in writing of the same. If:

- (a) any changes to the Data Protection Requirements subsequently provide that such consent can be obtained by TFWRL for any Successor Operator and/or the Authority, TFWRL shall promptly inform the Authority; or
- (b) the identity of the Successor Operator becomes known,

the Authority and TFWRL shall in each case agree the timetable for TFWRL to do all such things as necessary to obtain the consent of the Data Subject to process any CRM Data for the same purposes as TFWRL originally obtained such consent.

4.5 Subject to paragraph 4.4, TFWRL shall not be required to:

-
- (a) disclose, publish, share or otherwise provide or make available any Personal Data (including CRM Data) to any person (including a Successor Operator or any participant involved with the re-letting of the Rail Services); or
- (b) provide access to any CRM System,

in each case pursuant to the terms of this Agreement (together, the “**CRM Obligations**”) if and to the extent that TfWRL demonstrates to the satisfaction of the Authority that compliance with such CRM Obligations would put TfWRL, acting as a Controller, in contravention of its duties and/or obligations under any Data Protection Requirements.

- 4.6 In respect of Personal Data processed by the Authority under or in connection with this Agreement, including any CRM Data provided to it, the Parties acknowledge and agree that such Personal Data shall be processed by the Authority as a Controller. The Authority agrees that it shall at all times comply with the Data Protection Requirements in respect of such processing to the extent that such Data Protection Requirements apply to it.

5 **YIELD MANAGEMENT DATA**

- 5.1 TfWRL shall ensure that any Yield Management Data and Yield Management System are the property of TfWRL or are licensed to TfWRL on terms which have been approved by the Authority (such approval not to be unreasonably withheld or delayed).
- 5.2 If and to the extent that the collection, use and/or processing of any Yield Management Data is subject to the Data Protection Requirements then paragraphs 4.1(a), 4.2, 4.3, 4.4 and 6 of this Schedule 1.5 shall apply in respect of Yield Management Data in the same way as they apply to CRM Data.

6 **PERSONAL DATA - GENERAL PROVISIONS**

- 6.1 In respect of any Personal Data processed by TfWRL, including CRM Data, the Parties acknowledge and agree that such Personal Data shall be processed by TfWRL as Controller. TfWRL agrees that it shall at all times comply with the Data Protection Requirements to the extent that such legislation applies to it.
- 6.2 TfWRL shall promptly notify the Authority of any actual or suspected, threatened or ‘near miss’ incident of accidental or unlawful destruction or accidental loss, alteration, unauthorised or accidental disclosure of or access to the CRM Data by itself or by the CRM Processor (a “**Security Breach**”) (TfWRL hereby acknowledges that whilst the Authority is not Controller in respect of the CRM Data, the Authority's legitimate interests given its duties under the Act may be affected in the event of a Security Breach and as such the Authority wishes to be notified of the same).

6.3 TfWRL shall, and shall procure that any CRM Processor which it appoints shall, not cause or permit the CRM Data to be transferred to any location outside the European Economic Area without the prior written permission of:

- (a) (in the case of TfWRL) the Authority; or
- (b) (in the case of any Processor appointed by TfWRL) TfWRL provided that TfWRL shall not give any such consent without the prior written permission of the Authority.

and in any case, where written permission is given by the Authority, TfWRL shall ensure that any transfer is compliant with the Data Protection Requirements and is made on the basis of an adequacy decision given by the European Commission or otherwise subject to the appropriate safeguards as permitted pursuant to the Data Protection Requirements. TfWRL shall provide all such evidence as may be required by the Authority to demonstrate that this paragraph 6.3 has been complied with.

7 **RAIL PASSENGER COUNTS DATABASE**

7.1 Subject to compliance by TfWRL with its obligations set out in this Schedule 1.5, the Authority shall as soon as reasonably practicable following the date of this Agreement:

- (a) use reasonable endeavours to procure that the Secretary of State shall set up and thereafter maintain the RPC Database;
- (b) use reasonable endeavours to procure that the Secretary of State shall populate the RPC Database with such Actual Passenger Demand information as TfWRL shall provide pursuant to TfWRL's obligations contained elsewhere in this Agreement and any other information that the Authority shall desire; and
- (c) use reasonable endeavours to procure that the Secretary of State shall provide TfWRL with log-in details to the RPC Database in order to allow TfWRL to access Actual Passenger Demand information that has been provided by TfWRL, any Network Rail Data, any Third Party Data and to generate reports from the RPC Database.

7.2 The RPC Database is not intended to be used as the sole basis for any business decision. The Authority makes no representation as to the accuracy and/or completeness of:

- (a) any data or information contained in the RPC Database;
- (b) the raw Actual Passenger Demand information provided by TfWRL or any Network Rail Data or any Third Party Data (as inputted to the RPC Database by whatever means); or

-
- (c) any product of that Actual Passenger Demand information, Network Rail Data and/or Third Party Data.

7.3

- (a) The Authority is not liable for:
- (i) any inaccuracy, incompleteness or other error in Actual Passenger Demand information, Network Rail Data, Third Party Data or product of the above provided to the Authority by TfWRL, NR or a third party; or
 - (ii) any failure of the RPC Database to achieve any particular business result for TfWRL. For the avoidance of doubt, it is the responsibility of TfWRL to decide the appropriateness of using the RPC Database to achieve its own business results; or
 - (iii) any loss, destruction, corruption, degradation, inaccuracy or damage of or to the Actual Passenger Demand information following its submission to the RPC Database; or
 - (iv) any loss or damage to the property or assets of TfWRL (tangible or intangible) as a result of a breach of paragraph 7.1 of this Schedule 1.5; or
 - (v) any indirect, special or consequential loss or damage.
- (b) The Authority's total liability for the duration of this Agreement in respect of a breach of its obligations under paragraph 7.1 of this Schedule 1.5 for all other heads of loss or damage which can lawfully be limited shall be limited to the extent to which the Authority is successful in recovering the equivalent loss from such entity to whom the Authority subcontracts its obligations under paragraph 7.1 of this Schedule 1.5 (the "**Subcontractor**"), subject to the following provisions:
- (i) if reasonably requested by TfWRL within three (3) months of incurring such loss or damage, the Authority shall use reasonable endeavours to recover the equivalent losses from the Subcontractor;
 - (ii) it shall not be reasonable for TfWRL to make a request pursuant to paragraph 7.3(b)(i) above if the value of TfWRL's losses does not exceed ten thousand pounds (**£10,000**) x RPI;
 - (iii) prior to accounting to TfWRL for any sums recovered from the Subcontractor pursuant to this paragraph 7.3(b), the Authority shall be entitled to deduct and retain any reasonable costs and expenses

incurred in pursuing such a claim which it does not successfully recover from the Subcontractor; and

(iv) the Authority shall be entitled to deduct from any sums recovered from the Subcontractor pursuant to this paragraph 7.3(b) such sum as it reasonably deems appropriate to take account of the Authority's actual or potential liability to other train operating companies pursuant to equivalent arrangements with them, with a view to distributing any sums received from the Subcontractor fairly between the various operators.

(c) TfWRL shall use all reasonable endeavours to mitigate any losses incurred by it as a result of a breach by the Authority of its obligations contained in paragraph 7.1 of this Schedule 1.5.

7.4 The Parties acknowledge that it is intended that the RPC Database will also contain actual passenger demand information relating to Train Operators other than TfWRL but a Train Operator will have access only to information relating to its own franchise (in the case of TfWRL, via the log on details provided pursuant to paragraph 7.1(c)). For the avoidance of doubt, the licence granted at paragraph 8.6 shall only permit the usage of the RPC Database, Derivative Output and Intellectual Property Rights related to the Actual Passenger Demand information supplied by TfWRL.

7.5 Without prejudice to Schedule 14.4 (Designation of Rail Services Assets), paragraphs 2.1 and 3 of Schedule 15.1 (Reletting Provisions), Schedule 15.4 (Provisions Applying on and after Termination) or any other rights of the Authority, TfWRL agrees that, following the expiry or termination by whatever means of this Agreement and any Continuation Document, the Authority shall be entitled to allow access to TfWRL's Actual Passenger Demand information by way of granting access to that area of the RPC Database or otherwise to any future operator of the Passenger Services (whether or not in direct succession to TfWRL) or to such part of the Actual Passenger Demand information as relates to the part of the Rail Services which is being taken over by such future operator.

8 INTELLECTUAL PROPERTY RIGHTS AND GENERAL PROVISIONS

8.1 All Intellectual Property Rights in the RPC Database and Derivative Output shall at all times remain owned by the Authority and to the extent that any rights in the RPC Database vest in TfWRL by operation of law, TfWRL hereby assigns such rights to the Authority.

8.2 Subject to Schedule 14.4 (Designation of Rail Services Assets) and Schedule 15.4 (Provisions Applying on and after Termination), all Intellectual Property Rights in the Actual Passenger Demand information will at all times remain owned by TfWRL and (subject as previously stated) to the extent that any rights in the Actual Passenger

Demand information vest in the Authority by operation of law, the Authority hereby assigns such rights to TfWRL.

8.3 All Intellectual Property Rights in the Network Rail Data will at all times remain owned by the relevant NR entity and to the extent that any rights in the Network Rail Data vest in the Authority or TfWRL by operation of law, the Authority and/or TfWRL (as applicable) will enter into a separate agreement with the relevant Network Rail entity to assign such rights to it.

8.4 All Intellectual Property Rights in the Third Party Data will at all times remain owned by the third party from whom they have been obtained and to the extent that any rights in the Third Party Data vest in the Authority or TfWRL by operation of law, the Authority and/or TfWRL (as applicable) will enter into a separate agreement with the relevant Third Party to assign such rights to it.

8.5 Subject to Schedule 14.4 (Designation of Rail Services Assets) and Schedule 15.4 (Provisions Applying on and after Termination), each Party:

- (a) acknowledges and agrees that it shall not acquire or claim any title to any of the other Party's Intellectual Property Rights (or those of the other Party's licensors) by virtue of the rights granted to it under this Agreement or through its use of such Intellectual Property Rights; and
- (b) agrees that it will not, at any time, do, or omit to do, anything which is likely to prejudice the other Party's ownership (or the other Party's licensors' ownership) of such Intellectual Property Rights.

8.6 The Authority shall use reasonable endeavours to procure that the Secretary of State shall grant, for the duration of the Rail Services Term, TfWRL a non-exclusive, non-transferrable licence to use:

- (a) the RPC Database;
- (b) any Derivative Output; and
- (c) all Intellectual Property Rights in the same,

in the United Kingdom for the purposes of accessing the Actual Passenger Demand information by using the functionality of the RPC Database.

8.7 Without limiting any other rights the Authority may have, TfWRL hereby grants the Authority a perpetual, non-terminable, non-exclusive licence (which is transferrable and/or capable of being sub-licensed in the circumstances set out in this paragraph 8.7) to use the Actual Passenger Demand information and all Intellectual Property Rights in the same:

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- (a) by including them in the RPC Database; and/or
 - (b) by including them in the Preliminary Database; and/or
 - (c) whether included in the RPC Database, the Preliminary Database or in any other format for such purposes as it may reasonably require including for the purposes of assisting its decision making on future train service requirements, infrastructure, station and rolling stock investment, the best use of the network and the alleviation of overcrowding; and/or
 - (d) to the extent permitted by the other provisions of this Agreement to share, disclose, or publish the same and transfer and/or sub-licence and permit the use and sharing, disclosing or publishing for the purposes it is shared or disclosed; and/or
 - (e) to allow a future operator of the Passenger Services (whether or not in direct succession to TfWRL) to view and access such Actual Passenger Demand information (whether via the RPC Database or otherwise) as directly relates to the services that it will be running,

and such rights to use the Actual Passenger Demand information and all Intellectual Property Rights pursuant to this paragraph 8.7 shall continue following expiry or termination of this Agreement.

- 8.8 Paragraphs 7.2, 7.3, 8.1, 8.2 and 8.7 of this Schedule 1.5 shall continue in force after expiry of this Agreement or any Continuation Document, together with any other provisions which expressly or impliedly continue in force after the expiry of this Agreement or any Continuation Document.
- 8.9 The Parties intend that the provisions of The Contract (Rights of Third Parties) Act 1999 will apply to allow the relevant NR entity to rely on and enforce against a third party the provisions of paragraph 8.3 of this Schedule 1.5.

9 OPEN TRAVEL DATA

- 9.1 TfWRL shall provide to the Authority (and any other third party nominated by the Authority) data concerning the Rail Services to support provision of consistent, accurate and timely information to passengers concerning their 'door to door' journey (the "**Open Travel Data**") both before and during journeys.
- 9.2 The Open Travel Data shall include amongst other information:
- (a) journey planning;
 - (b) real-time arrivals and departures;

- (c) Timetables;
 - (d) passenger loading/count data;
 - (e) real time train locations;
 - (f) available fares and ticket products;
 - (g) Routes and Stations;
 - (h) perturbation and Passenger Service changes;
 - (i) unit/timetable diagrams completed;
 - (j) unit daily mileage;
 - (k) unit defects outstanding and completed;
 - (l) unit planned maintenance (including heavy maintenance);
 - (m) any unit ride or routing monitoring information for systems fitted;
 - (n) Train Fleet MTIN performance
 - (o) delay attributed to the Train Fleet; and
 - (p) Train Fleet availability performance.
- 9.3 TfWRL shall provide the Open Travel Data to the Authority in an open Application Programming Interface (“**API**”) format accessible securely over the internet.
- 9.4 The specification of the Open Travel Data shall be agreed between the parties from time to time.

Schedule 1.6 - The Rolling Stock

1 PURPOSE

- 1.1 This Schedule records the rolling stock vehicles which shall be comprised in the Train Fleet from the Service Commencement Date and further additional rolling stock that will become part of the Train Fleet during the Rail Services Term and the minimum requirements for the rolling stock vehicles applicable to each Service Type. It includes other requirements in relation to the Train Fleet including in relation to rolling stock testing and commissioning, compliance with the requirements of the Authority, vehicle specifications and improvements to be made to vehicles.

2 THE COMPOSITION OF THE TRAIN FLEET

- 2.1 The Train Fleet consists of the rolling stock vehicles shown in Table 1 in Appendix 1 to this Schedule 1.6 between the corresponding dates referred to in Column 3 of Table 1.
- 2.2 The Train Fleet shall consist of the rolling stock vehicles which meet the minimum requirements and specifications shown in Tables 2A to 2E in Appendix 2 to this Schedule 1.6.
- 2.3 Definitions of the minimum requirements and specifications shown in Tables 2A to 2E in Appendix 2 to this Schedule 1.6 are listed in Table 3 in Appendix 2 to this Schedule 1.6.
- 2.4 The Passenger Carrying Capacity of any rolling stock vehicles shall be as set out in Column 2 of Table 1 in Appendix 1 to this Schedule 1.6 or as determined by the Authority in accordance with paragraph 3.4 of this Schedule 1.6 (as applicable).
- 2.5 TfWRL shall procure that the rolling stock vehicles described in the Tables 1 and 2 in Appendix 1 to this Schedule 1.6, with the capacity and other characteristics referred to there, are available for deployment in the provision of the Passenger Services to the extent required by the Timetable and Train Plan during the periods referred to therein.
- 2.6 TfWRL shall procure that the Protected Rolling Stock Leases shall include the right for the lessee to (at no cost):
- (a) novate the Protected Rolling Stock Leases to the Successor Operator on any PRS Termination Date pursuant to the terms of an Agreed Form Deed of Novation (which shall be appended to the Protected Rolling Stock Leases); and
 - (b) sub-lease all or any of the Protected Rolling Stock on substantially the same terms as the relevant Protected Rolling Stock Lease subject to the lessee obtaining the RS Lessor's prior written consent (such consent not to be unreasonably withheld or delayed).

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- 2.7 TfWRL shall procure that the Protected Rolling Stock Leases shall include an obligation on the RS Lessor to use reasonable endeavours to lease the Protected Rolling Stock to another train operator during the PRS Protected Period in the event that the Authority terminates this Agreement and the Authority pays the PRS Termination Fixed Payment to TfWRL pursuant to paragraph 1.1(b) of Schedule 10.1 (Protected Rolling Stock Termination).

3 CHANGES TO THE TRAIN FLEET

- 3.1 TfWRL shall maintain the composition of the Train Fleet during the Rail Services Term, unless the Authority otherwise agrees, such that there are no changes to the Train Fleet, including changes:

- (a) to the classes or types;
- (b) to the interior configurations; or
- (c) which may reduce the journey time capabilities,

of any rolling stock vehicles specified in the Train Fleet.

- 3.2 Not Used

- 3.3 During the Rail Services Term, TfWRL shall advise the Authority of any rolling stock vehicles damaged beyond economic repair or likely to be unavailable for service for a period of three (3) consecutive Reporting Periods or more.

- 3.4 If any change is made to the Train Fleet in accordance with this Schedule 1.6, the Authority may, after consulting TfWRL, notify TfWRL of the Passenger Carrying Capacity of any rolling stock vehicles or class of rolling stock vehicles comprising the Train Fleet following such change.

4 ROLLING STOCK TESTING AND COMMISSIONING

- 4.1 TfWRL shall, to the extent reasonably requested by the Authority and subject to payment of TfWRL's reasonable costs by the relevant third party, co-operate with any third party which the Authority may specify (including a Successor Operator, a rolling stock vehicle manufacturer or Network Rail or the Authority itself in connection with the testing and commissioning of new rolling stock vehicles or any new equipment to be fitted to rolling stock vehicles (whether such rolling stock vehicles are new or otherwise).

- 4.2 The co-operation referred to in paragraph 4.1 shall not unreasonably disrupt the provision and operation of the Rail Services and may include:

- (a) the movement of test trains within and around depots;

- (b) making available suitably qualified personnel to operate test trains along the Routes and provide information on the Routes;
- (c) making Train Slots available for such purposes;
- (d) granting or procuring the grant of access to the third party and its representatives to any relevant facilities; and
- (e) the delivery of rolling stock vehicles to specific locations.

5 CONTROLLED EMISSION TOILETS

- 5.1 TfWRL shall ensure that all rolling stock vehicles which have on board toilets are exclusively fitted with Controlled Emission Toilets.
- 5.2 TfWRL shall ensure that the contents of the toilet retention tanks relating to each Controlled Emission Toilet fitted on rolling stock vehicles are disposed of in a safe and hygienic manner at suitable facilities designed for these purposes including at Depots and stabling points.
- 5.3 Not used.
- 5.4 Not used

6 ROLLING STOCK MINIMUM REQUIREMENTS

- 6.1 TfWRL shall ensure that each rolling stock vehicle in the Train Fleet complies with:
 - (a) each Rolling Stock Minimum Requirement for the applicable Service Type, as set out in rows 11 to 31 of Tables 2A to 2E in Appendix 2 to this Schedule 1.6 by no later than the Minimum Requirement Introduction Date; and
 - (b) the applicable Service Type is the Service Type assigned to each Service Code on which the rolling stock vehicle is operated, as set out in Column 4 of the Train Fleet Service Codes Table under Appendix 3 to this Schedule 1.6.

7 BABY CHANGING FACILITIES

- 7.1 TfWRL shall ensure that each train operated by TfWRL in delivering the Passenger Services that is fitted with toilet facilities is also fitted with such number of baby change facilities as is necessary to be compliant with the requirements of the PRM TSI.

8 MEASUREMENT OF TRACTION ENERGY USAGE

- 8.1 TfWRL shall ensure that all rolling stock units that form part of the Train Fleet are able to measure and monitor fuel use as soon as reasonably practicable, and in the case of

electric traction, enable TfWRL to be a “**Metered Train Operator**” as defined by Network Rail’s Traction Electricity Rules.

Appendix 1 to Schedule 1.6

[REDACTED]

Appendix 2 to Schedule 1.6

Rolling Stock Minimum Requirements Tables

[REDACTED]

Appendix 3 to Schedule 1.6

Train Fleet Service Code Table

Column 1	Column 2	Column 3	Column 4
Service Code	Service code description	WCB/CVL	Service Type
AW4310	Cardiff to Maesteg	WCB	Suburban
AW4320	Swansea to Milford Haven/Pembroke Dock/Fishguard	WCB	Sprinter/Rural
AW4350	Swansea to Shrewsbury	WCB	Sprinter/Rural
AW4380	Cardiff to Swansea	WCB	Sprinter/Rural
AW4290	Cardiff to Cheltenham	WCB	Suburban
AW4440	Cardiff to Ebbw Vale Town	CVL	Suburban
AW2610	Chester-Shrewsbury-Birmingham	WCB	Sprinter/Rural
AW3340	Aberystwyth-Shrewsbury	WCB	Sprinter/Rural
AW3350	Machynlleth-Pwllheli	WCB	Sprinter/Rural
AW4300	Cardiff Queen Street to Cardiff Bay	CVL	CVL
AW4390	Cardiff - Rhoose - Bridgend	WCB	Suburban

AW4400	Cardiff to Radyr	CVL	CVL
AW4410	Cardiff to Aberdare	CVL	CVL
AW4420	Barry Island to Cardiff	WCB	CVL
AW4430	Penarth to Cardiff	WCB	CVL
AW4450	Cardiff to Coryton	CVL	CVL
AW4460	Cardiff to Merthyr Tydfil	CVL	CVL
AW4470	Cardiff to Treherbert	CVL	CVL
AW4480	Cardiff to Rhymney	CVL	CVL
AW2670	Shrewsbury to Crewe	WCB	Sprinter/Rural
AW4340	Cardiff to Manchester	WCB	Long Distance/Express
AW3380	Llandudno - Blaenau Ffestiniog	WCB	Sprinter/Rural
AW3420/8	Wrexham – Bidston	WCB	Suburban

AW3400	Crewe to Holyhead/Llandudno	WCB	Long Distance/Express
AW3450	Manchester to Chester	WCB	Sprinter/Rural
	Chester to Liverpool Lime Street	WCB	Suburban ¹

¹ Applies to through services between Manchester Piccadilly and Cardiff Central and between North Wales and Cardiff Central as specified in the Train Service Requirements under "Through Services". Minimum requirements of the Sprinter/Rural Rolling Stock Service Group apply to other train services operated within Service Codes AW4340 and AW3400.

Schedule 1.7 - Stations

1 STATION ASSET MANAGEMENT

1.1 Not used

1.2 TfWRL shall implement and comply with:

- (a) the Previous ODP's Station Asset Management Plan ("POSAMP") until the date of approval of the Station Asset Management Plan in accordance with paragraph 1.3; and
- (b) from such date of approval, the Station Asset Management Plan.

1.3 By no later than the end of the first Service Year (or such later date as the Authority may reasonably determine) TfWRL shall prepare and provide to the Authority for approval (such approval not to be unreasonably withheld or delayed) the draft Station Asset Management Plan. Where the Authority does not approve the draft Station Asset Management Plan submitted to it, TfWRL shall make:

- (a) such amendments to it as the Authority shall reasonably direct; and
- (b) provide such additional information as the Authority may reasonably require.

1.4 The Station Asset Management Plan shall:

- (a) include the information set out in paragraph 1.5; and
- (b) meet the requirements of paragraph 1.6,

and it shall be reasonable for the Authority to not approve a plan which does not include such information or meet such requirements.

1.5 TfWRL shall ensure that the Station Asset Management Plan shall include in relation to each Station:

- (a) the details of all maintenance, repair, renewal and enhancement activity undertaken by TfWRL since the Service Commencement Date;
- (b) the details of any maintenance, repair, renewal and enhancement activity which TfWRL has not completed or not completed within the specified time frame set out in any Station Asset Management Plan (or the Previous ODP's Station Asset Management Plan, as the case may be) together with reasons;
- (c) the maintenance, repair, renewal and enhancement activity undertaken since the Service Commencement Date or planned by Network Rail, any Local Authority,

any Community Rail Partnership and any other relevant stakeholder, which TfWRL is aware of;

- (d) the assumptions TfWRL has made about the current state and future degradation of assets at the Station at the Service Commencement Date or, if an asset becomes an asset at the Station on a later date, the assumptions of TfWRL about the current state and future degradation of each relevant asset on the date that it becomes such an asset at the Station;
- (e) under and over provision of assets at the Station at the Service Commencement Date given current and projected future customer volumes and reasonable customer demands and planned enhancements or removals to accommodate changing customer volumes and reasonable customer demands;
- (f) plans for improving the environmental performance of Stations, including where appropriate, plans for:
 - (i) energy metering and data management, including measurement and verification plans for measures adopted;
 - (ii) lighting and lighting controls;
 - (iii) heating and heating controls;
 - (iv) auxiliary power uses;
 - (v) other energy efficiency measures;
 - (vi) renewable energy generation; and
 - (vii) water efficiency measures;
- (g) the plans to ensure that delivery of Station Services is resilient to periods of extreme weather and minimises disruption to passengers; and
- (h) how the Principles of Inclusive Design will be taken into account in the maintenance, repair and renewal of the Station.

1.6 In addition, TfWRL shall ensure that the Station Asset Management Plan:

- (a) shall cover a period of no less than forty (40) years from the date that it is created or revised and updated in accordance with this Schedule 1.7, as if TfWRL was to operate each of the Stations for such forty (40) year period; and
- (b) is developed in accordance, and complies, with guidance and policies (including the guidance documents known as "*Subject Specific Guidelines*" published by the Institute of Asset Management (or such appropriate replacement guidance)

which are commensurate with those that would be referred to by a competent, skilled and experienced train operator using an asset management planning approach, in particular in respect of the balance of maintenance and renewal of each asset type.

- 1.7 Any amendments to the Station Asset Management Plan must be agreed by the Authority (such consent not to be unreasonably withheld or delayed).
- 1.8 By the date three (3) months prior to the end of the second Service Year and on each subsequent anniversary of such date TfWRL shall have reviewed the Station Asset Management Plan and shall submit to the Authority for approval (such approval not to be unreasonably withheld or delayed) a draft updated version of the Station Asset Management Plan.
- 1.9 The updated draft Station Asset Management Plan shall include and reflect the following:
- (a) a schedule of any revisions to the current Station Asset Management Plan and a brief summary of the rationale supporting any change for review and approval by the Authority;
 - (b) any changed and developing circumstances and the requirements of the Station Asset Management Plan Accreditation;
 - (c) where relevant, the outcomes of, and TfWRL's responses to the stakeholder consultation process described in paragraph 8; and
 - (d) the information required in accordance with paragraphs 1.4 and 1.5 of this Schedule 1.7 save that the reference to the "*Service Commencement Date*" in paragraph 1.4(a) shall be read as the date on which the Station Asset Management Plan is reviewed and updated by TfWRL in accordance with paragraph 1.8 of this Schedule 1.7.
- 1.10 If:
- (a) the Authority approves an updated draft Station Asset Management Plan submitted to it pursuant to paragraph 1.8, such document shall become the then current Station Asset Management Plan; or
 - (b) the Authority does not approve an updated draft Station Asset Management Plan submitted to it pursuant to paragraph 1.8, then TfWRL shall make:
 - (i) such amendments to it as the Authority shall reasonably direct; and
 - (ii) provide such additional information as the Authority may reasonably require.

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- 1.11 TfWRL shall put in place such arrangements as are necessary (to the reasonable satisfaction of the Authority) to ensure that the Station Asset Management Plan is (and continues to be maintained in) a format acceptable to the Authority which is capable of being transferred to a Successor Operator so that the Successor Operator is able to access, use and amend the Station Asset Management Plan using the same format.
- 1.12 TfWRL shall:
- (a) ensure that it applies for and obtains the Station Asset Management Plan Accreditation by no later than the end of the second (2nd) Service Year;
 - (b) promptly upon receipt by TfWRL, provide to the Authority a certificate of accreditation issued by and organisation accredited by the United Kingdom Accreditation System (UKAS) which has been signed by a director of TfWRL and which confirms that the Station Asset Management Plan Accreditation has been obtained (the “**Station Asset Management Plan Accreditation Certificate**”); and
 - (c) maintain the Station Asset Management Plan Accreditation from the date that it is required to be achieved in accordance with paragraph 1.12 (a) for the remainder of the Rail Services Term.
- 1.13 If the Station Asset Management Plan Accreditation is at any time lost or TfWRL fails to secure such then TfWRL shall report that fact to the Authority as soon as reasonably practicable and in any event within ten (10) Weekdays of TfWRL becoming aware of such fact.
- 1.14 From the date upon which TfWRL notified the Authority pursuant to paragraph 1.13 (or should have notified the Authority having complied with the provisions of this Agreement), TfWRL shall:
- (a) re-secure such accreditation as soon as reasonably practicable and in any case within three (3) months; and
 - (b) report to the Authority every Reporting Period on the measures it is proposing to take, and is taking, to achieve such restoration of the Station Asset Management Plan Accreditation.

1.15 Not used.

2 STATION IMPROVEMENTS

- 2.1 From the Service Commencement Date, TfWRL shall adopt the Station Improvement Plan agreed between the Authority and the Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement.

- 2.2 Not used.
- 2.3 Not used.
- 2.4 Not used.
- 2.5 Not used.
- 2.6 The Station Improvement Plan shall, in relation to each Station, include plans in respect of Station improvement works to be carried out by TfWRL, including:
- (a) a programme of works to improve the standards of presentation and condition of the Stations;
 - (b) a timetable for the delivery of the works referred to in paragraph 2.7(a), including proposed commencement and completion dates for works at each Station and any other key dates and milestones;
 - (c) a breakdown of the costs that TfWRL will incur in delivering the works referred to in paragraph 2.6(a); and
 - (d) the anticipated impact of the completion of the works referred to in paragraph 2.6(a) on the Service Quality Standards, Time To Fix Service Levels and SQ Levels set out in Schedule 7.3.
- 2.7 By no later than the end of the third Service Year (or such later date as the Authority may reasonably determine) and on each third anniversary of such date, TfWRL shall prepare and provide to the Authority for approval (such approval not to be unreasonably withheld or delayed) an updated Station Improvement Plan. Where the Authority does not approve the updated Station Improvement Plan, the Authority shall require TfWRL to:
- (a) make such amendments to the Station Improvement Plan as the Authority shall reasonably direct; and/or
 - (b) provide such additional information as the Authority may reasonably require.
- 2.8 Each updated Station Improvement Plan shall include:
- (a) a schedule of any revisions to the Station Improvement Plan and a brief summary of the rationale supporting any change for review and approval by the Authority; and
 - (b) any changed and developing circumstances.
- 2.9 TfWRL shall put in place such arrangements as are necessary (to the reasonable satisfaction of the Authority) to ensure that the Station Improvement Plan is (and continues to be maintained in) a format acceptable to the Authority which is capable of

being transferred to a Successor Operator as part of the Handover Package so that the Successor Operator is able to access, use and amend the Station Improvement Plan using the same format.

- 2.10 Where the Authority approves an updated Station Improvement Plan TfWRL and the Authority shall work together to agree the Service Quality Standards, Time To Fix Service Levels and SQ Levels that apply in respect of the Stations from the date of such approval for the purposes of Schedule 7.3.
- 2.11 TfWRL shall deliver the Station improvements and provide a profile of committed spend for such Station improvements and incorporate such improvements in the Station Improvement Plan.

3 GREY ASSETS

- 3.1 TfWRL shall use all reasonable endeavours to agree with Network Rail by the date no later than the date two (2) years following the Service Commencement Date the allocation of responsibility under the relevant Station Leases of all the Grey Assets which have been identified during the first eighteen (18) months following the Service Commencement Date.
- 3.2 TfWRL shall, where it discovers any Grey Assets not covered by paragraph 3.1:
- (a) consult with Network Rail and, where reasonably necessary and agreed by Network Rail, carry out a joint inspection of the Grey Asset; and
 - (b) use all reasonable endeavours to agree with Network Rail the allocation of responsibility under the relevant Station Lease of such Grey Asset as soon as reasonably practicable.
- 3.3 Where TfWRL is unable to agree with Network Rail the allocation of responsibility under the relevant Station Lease of any Grey Asset pursuant to paragraph 3.1 then it shall work with Network Rail to resolve the issue, referring the matter to the dispute resolution process under the terms of the relevant Station Lease if required.

4 SOCIAL AND COMMERCIAL USE OF STATIONS

- 4.1 TfWRL shall proactively seek tenants for unused Station premises for use as retail facilities and/or for community use with the aim of encouraging more activity around Stations. TfWRL shall use all reasonable endeavours to procure that commercial or community occupation of unused Station premises increases through the Rail Services Term.

5 STATION SOCIAL AND COMMERCIAL DEVELOPMENT PLAN

- 5.1 From the Service Commencement Date, TfWRL shall adopt the Station Social and Commercial Development Plan agreed between the Authority and the Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement.
- 5.2 Any amendments to the Station Social and Commercial Development Plan must be agreed by the Authority in accordance with this paragraph 5.
- 5.3 TfWRL shall revise the Station Social and Commercial Development Plan as part of the Strategic Review and on each subsequent anniversary of this date by submitting to the Authority an updated version of the Station Social and Commercial Development Plan for approval. TfWRL shall ensure that each revised Station Social and Commercial Development Plan submitted to the Authority shall comply with the following minimum requirements:
- (a) it shall identify schemes to develop currently redundant or under-utilised station buildings and facilities for use by community groups and social enterprise organisation or for commercial development including schemes which sustain and enhance the viability of existing facilities at Stations or lead to the development of new facilities including through appropriate sub leasing of station buildings;
 - (b) appropriately reflect changed and developing circumstances to the extent relevant and appropriate;
 - (c) appropriately reflect the outcome of the consultation which it is required to carry out pursuant to paragraph 6 below in relation to concerns, issues, opportunities and risks relating to the Stations and priorities for investment;
 - (d) effectively evaluate, prioritise and develop such schemes taking account of customer and community views expressed in the consultation carried out by TfWRL;
 - (e) provide for the implementation of schemes specified pursuant to paragraphs 4 and 5.3(a) above in accordance with a plan which allocates a priority between such schemes by reference to specified criteria and includes planned timescales for the delivery of relevant outputs; and
 - (f) be for a period of ten (10) years on the basis that it shall continue to be reviewed on a rolling annual basis.
- 5.4 Subsequent updated versions of the Station Social and Commercial Development Plan shall:

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- (a) incorporate a schedule of any revisions to the Station Social and Commercial Development Plan and a brief summary of the rationale supporting any change for review and approval by the Authority;
- (b) reflect changed and developing circumstances where relevant; and
- (c) reflect the outcomes of, and TfWRL's responses to, the stakeholder consultation process described in paragraph 6.
- 5.5 TfWRL shall ensure that the Station Social and Commercial Development Plan shall be updated so that following each update it continues to cover at least a period of ten (10) years from the date of the update.
- 5.6 If:
- (a) the Authority approves an updated draft Station Social and Commercial Development Plan submitted to it pursuant to paragraphs 5.3 and 5.4, such document shall become the then current Station Social and Commercial Development Plan; or
- (b) the Authority does not approve an updated draft Station Social and Commercial Development Plan submitted to it pursuant to paragraphs 5.3 and 5.4, then TfWRL shall:
- (i) make such amendments to it as the Authority shall reasonably direct; and
- (ii) provide such additional information as the Authority may reasonably require.
- 5.7 TfWRL shall establish and participate in a stations alliance board with the Authority which shall meet at least quarterly and allow the Authority to review jointly with TfWRL priorities, decisions and approvals concerning Station investments, Station improvement measures, operations, strategy and performance through review of the Station Social and Commercial Development Plan, Station Improvement Plan and other activities (the "**Station Alliance Board**").

6 **CONSULTATIONS**

- 6.1 On or before the annual submission of the Station Asset Management Plan or the Station Social and Commercial Development Plan pursuant to the provisions of this Schedule 1.7, TfWRL shall conduct consultations with relevant Stakeholders (including ACoRP, passengers, users of Stations and members of relevant local communities) in relation to the potential risks, opportunities and priorities for investment and operational efficiencies

in relation to Stations. TfWRL shall act reasonably in determining the scope of the specification of such consultations including the Stations to be considered.

7 **PRINCIPLES OF INCLUSIVE DESIGN**

7.1 TfWRL shall ensure that all renewal, enhancement and other building works at Stations are implemented in accordance with the Principles of Inclusive Design.

8 **SECURITY AT STATIONS**

8.1 TfWRL shall during the Rail Services Term, monitor and record all reported and observed incidents of:

- (a) anti-social behaviour; and
- (b) criminality (including assaults on passengers and Rail Services Employees, theft, criminal damage to railway property and graffiti vandalism),

which occur at Stations, and shall use all reasonable endeavours to address, minimise and avoid future instances of anti-social behaviour and criminality at Stations taking account of such data. TfWRL may comply with its obligations to monitor and record incidents under this paragraph 8 by providing copies of relevant information provided by TfWRL to the British Transport Police where such information is relevant.

8.2 TfWRL shall provide to the Authority upon request such information as the Authority may reasonably require from time to time in respect of TfWRL's compliance with the requirements of paragraph 8.1.

8.3 TfWRL shall maintain for the duration of the Rail Services Term the Secure Stations Accreditation for the Stations already achieved by the Train Operator under the Previous ODP Grant Agreement as set out in Appendix 1 to this Schedule 1.7.

8.4 TfWRL shall maintain for the duration of the Rail Services Term the Secure Car Parks Accreditation for the Stations already achieved by the Train Operator under the Previous ODP Grant Agreement as set out in Appendix 1 to this Schedule 1.7.

8.5 In this paragraph 8:

- (a) **“Secure Car Parks Accreditation”** and means car parks at Stations which have achieved accreditation under the Secure Car Parks Scheme;
- (b) **“Secure Car Parks Scheme”** means the certification scheme which is managed by the Department for Transport and British Transport Police and sets car park design and management safety standards for crime reduction at railway station car parks or any successor certification scheme as implemented from time to time;

- (c) **“Secure Stations Accreditation”** and means Stations which have achieved accreditation under the Secure Stations Scheme; and
- (d) **“Secure Stations Scheme”** means the certification scheme which is managed by the Department for Transport and British Transport Police and sets station design and management safety standards for crime reduction at railway stations or any successor certification scheme as implemented from time to time.

9 **INFORMATION ABOUT STATION IMPROVEMENT MEASURES**

- 9.1 TfWRL shall at all times during the Rail Services Term maintain records in relation to the measures taken by it to improve the Station environment at each of the Stations.
- 9.2 The content and format of information to be covered by such records shall be agreed between the Parties.
- 9.3 TfWRL shall, subject to paragraph 9.4, provide to the Authority the Station Improvement Records within one (1) Reporting Period of each anniversary of the Service Commencement Date during the Rail Services Term.
- 9.4 When so requested by the Authority, TfWRL shall, within such reasonable period as the Authority may specify, make such information available for review by the Authority by reference to:
 - (a) such level of disaggregation as is reasonably specified by the Authority; and
 - (b) any particular Station as is reasonably specified by the Authority.
- 9.5 Not used.

10 **NOT USED**

11 **STATION INVESTMENT**

- 11.1 TfWRL shall at all times during the Rail Services Term, co-operate with the Authority and any third party nominated by the Authority and notified to TfWRL in developing opportunities for financing investment at Stations and Rail Services Access Stations in order to improve the station environment at such stations.
- 11.2 In co-operating with the Authority and/or any nominated third party in developing any such financing opportunities, TfWRL shall:
 - (a) attend meetings with the Authority and/or such third party to discuss such opportunities;
 - (b) provide TfWRL's opinion on those opportunities;

- (c) review and comment on implementation timetables and programmes for any such opportunities; and
- (d) where requested by the Authority to do so use all reasonable endeavours to engage with Network Rail for the purposes of ascertaining the feasibility and costs of making amendments to any Station Leases in order to facilitate the implementation of those opportunities.

12 WIRELESS INTERNET ACCESS

- 12.1 TfWRL shall provide free wireless internet access at Stations for all passengers to access online services (including video streaming). TfWRL shall provide a committed data rate which supports reasonable passenger expectations at all times, including during each Peak.

13 MINIMUM STATION STANDARDS

- 13.1 All Stations must have facilities which are at least equivalent to those in place under the Previous ODP Grant Agreement, including:

- (a) a public address and/or a public information display and/or a freephone link/help point communication system. Such communication links shall be maintained in working order and shall be used effectively by the Rail Services Employees to provide, in the event of a delay or cancellation, details of the delay or cancellation and any alternative journey arrangements (and any other relevant information);
- (b) weather proof covered waiting accommodation or other adequate shelter which offers reasonable protection from the weather. Adequate alternative shelter shall be provided by TfWRL when such waiting accommodation is temporarily out of use. Seating shall also be provided, where reasonably practicable, in such waiting accommodation, shelters and on Station platforms; and
- (c) adequate lighting, which shall be switched on throughout the hours of darkness during which trains are scheduled to call at the relevant Station (including for a reasonable period of time before and after the first and last scheduled train in order to allow passengers to await the first scheduled train at the Station or depart from the Station following the departure of the last scheduled train).

- 13.2 Each Station must have information displays and/or signing which provide the following information:

- (a) the name, address and telephone number of the customer services manager (or his equivalent) under whose control the Station rests;

- (b) the location of the nearest public telephone or “freephone” if provided (unless such telephone or “freephone” is located within the Station and is adequately signed);
- (c) the telephone number/s of the National Rail Enquiries (or successor facility), including the telephone number that provides information on rail services for passengers with special needs;
- (d) the telephone number of an alternative location from which current train running information can be obtained if a public address or “freephone” facility is not provided at the Station;
- (e) wherever appropriate, the location and telephone number of the nearest taxi rank or operator, other public transport services, and, for Stations which are not staffed at all times of the day at which passenger trains are scheduled to call, the nearest person authorised to sell tickets for use on the Passenger Services;
- (f) a list of tickets which may be purchased on trains calling at that Station at times at which such Station is not staffed (if at all);
- (g) arrangements for the issue of season tickets, railcards and other facilities relating to trains calling at such Station and which cannot be purchased at the Station;
- (h) for Stations which have two or more platforms, customer information displays or directional signs indicating the destinations served by trains calling at each platform;
- (i) the nearest station with access for mobility-impaired customers if no such access is provided at the Station;
- (j) the location of bicycle storage facilities at the Station;
- (k) the telephone number and text number of Traveline, or such other enquiry line as the Authority may approve for this purpose, to facilitate the ability of passengers to transfer easily to other modes of transport;
- (l) arrangements for the purchase of any tickets when they are not available for purchase from the Station. This shall include arrangements for the issue of season tickets, railcards and other facilities relating to trains calling at such Station which are not normally available for purchase at that station;
- (m) if no access for mobility impaired customers is provided at the Station, a telephone hotline number for such passengers and/or information as to the nearest station with such access; and

- (n) a map of the locality served by that Station.
- 13.3 TfWRL will not reduce the amount of any bicycle storage facilities provided at any Station without the Authority's prior written consent. TfWRL will maintain all such bicycle storage facilities to a reasonable standard.
- 13.4 By no later than 1 December 2023, TfWRL shall provide at each South Wales Metro Station, secure bicycle parking facilities which, as a minimum:
- (a) are in a location which is designed and maintained in a way which, as far as reasonably possible, mitigates the risk of criminal activity. Such mitigation of criminal activity may be achieved by the use of appropriate lighting, low or transparent fencing, landscaping, the removal of concealed areas and the placement of windows, doors, and walkways which provide easy observation of surrounding areas by responsible users of the South Wales Metro Station; and
 - (b) have bicycle parking stands which:
 - (i) are compatible with different sizes and shapes of bicycle; and
 - (ii) which enable the bicycle frame and at least one wheel to be locked.

Appendix 1 to Schedule 1.7**List of Stations and Car Parks with Secure Stations Accreditation and Secure Car Parks Accreditation****1 SECURE STATIONS ACCREDITATION****Current:**

Station Name	Accreditation	Status
ABERYSTWYTH	Secure Station	Accredited
BANGOR	Secure Station	Accredited
BRIDGEND	Secure Station	Accredited
CARDIFF CENTRAL	Secure Station	Accredited
CARDIFF QUEEN STREET	Secure Station	Accredited
CARMARTHEN	Secure Station	Accredited
COLWYN BAY	Secure Station	Accredited
HEREFORD	Secure Station	Accredited
LLANDUDNO	Secure Station	Accredited
MACHYNLLETH	Secure Station	Accredited
NEWPORT HIGH STREET	Secure Station	Accredited
PRESTATYN	Secure Station	Accredited
SWANSEA HIGH STREET	Secure Station	Accredited

Planned:

Station Name	Planned Date	Planned Status
Aber	31st March 2024	Accredited
Abercynon	31st March 2024	Accredited
Aberdare	31st March 2024	Accredited
Aberdovey	31st March 2029	Accredited

Abererch	31st March 2029	Accredited
Abergavenny	31st March 2029	Accredited
Abergele & Pensarn	31st March 2029	Accredited
Ammanford	31st March 2029	Accredited
Baglan	31st March 2029	Accredited
Bargoed	31st March 2024	Accredited
Barmouth	31st March 2029	Accredited
Barry	31st March 2024	Accredited
Barry Docks	31st March 2024	Accredited
Barry Island	31st March 2024	Accredited
Betws-y-Coed	31st March 2029	Accredited
Birchgrove	31st March 2024	Accredited
Blaenau Ffestiniog	31st March 2029	Accredited
Bodorgan	31st March 2029	Accredited
Borth	31st March 2029	Accredited
Brithdir	31st March 2024	Accredited
Briton Ferry	31st March 2029	Accredited
Broome	31st March 2029	Accredited
Buckley	31st March 2029	Accredited
Bucknell	31st March 2029	Accredited
Builth Road	31st March 2029	Accredited
Bynea	31st March 2029	Accredited
Cadoxton	31st March 2024	Accredited
Caergwrle	31st March 2029	Accredited
Caerphilly	31st March 2024	Accredited
Caersws	31st March 2029	Accredited
Caldicot	31st March 2029	Accredited
Cardiff Bay	31st March 2024	Accredited
Cathays	31st March 2024	Accredited
Cefn-Y-Bedd	31st March 2029	Accredited
Chepstow	31st March 2029	Accredited
Chester	31st March 2029	Accredited
Chirk	31st March 2029	Accredited
Church Stretton	31st March 2029	Accredited
Cilmeri	31st March 2029	Accredited
Clarboston Road	31st March 2029	Accredited
Clunderwen	31st March 2029	Accredited
Cogan	31st March 2024	Accredited
Conwy	31st March 2029	Accredited

Coryton	31st March 2024	Accredited
Craven Arms	31st March 2029	Accredited
Criccieth	31st March 2029	Accredited
Crosskeys	31st March 2029	Accredited
Crwys Road	31st March 2024	Accredited
Cwmbach	31st March 2024	Accredited
Cwmbran	31st March 2029	Accredited
Cynghordy	31st March 2029	Accredited
Danescourt	31st March 2029	Accredited
Deganwy	31st March 2029	Accredited
Dinas (Mid Glamorgan)	31st March 2029	Accredited
Dinas Powys	31st March 2024	Accredited
Dingle Road	31st March 2024	Accredited
Dolau	31st March 2029	Accredited
Dolgarrog	31st March 2029	Accredited
Dolwyddelan	31st March 2029	Accredited
Dovey Junction	31st March 2029	Accredited
Dyffryn Ardudwy	31st March 2029	Accredited
Eastbrook	31st March 2024	Accredited
Ebbw Vale Parkway	31st March 2029	Accredited
Ebbw Vale Town	31st March 2029	Accredited
Energlyn & Churchill Park	31st March 2024	Accredited
Fairbourne	31st March 2029	Accredited
Fairwater	31st March 2024	Accredited
Fernhill	31st March 2024	Accredited
Ferryside	31st March 2029	Accredited
Ffairfach	31st March 2029	Accredited
Fishguard & Goodwick	31st March 2029	Accredited
Fishguard Harbour	31st March 2029	Accredited
Flint	31st March 2029	Accredited
Frodsham	31st March 2029	Accredited
Gabalfa	31st March 2026	Accredited
Garth (Mid-Glamorgan)	31st March 2029	Accredited
Garth (Powys)	31st March 2029	Accredited
Glan Conwy	31st March 2029	Accredited
Gobowen	31st March 2029	Accredited
Gowerton	31st March 2029	Accredited
Grangetown (S Glamorgan)	31st March 2029	Accredited

Gwersyllt	31st March 2029	Accredited
Harlech	31st March 2029	Accredited
Haverfordwest	31st March 2029	Accredited
Hawarden	31st March 2029	Accredited
Hawarden Bridge	31st March 2029	Accredited
Heath High Level	31st March 2024	Accredited
Heath Low Level	31st March 2024	Accredited
Helsby	31st March 2029	Accredited
Hengoed	31st March 2024	Accredited
Heswall	31st March 2029	Accredited
Holyhead	31st March 2029	Accredited
Hope (Clwyd)	31st March 2029	Accredited
Hopton Heath	31st March 2029	Accredited
Johnston (Dyfed)	31st March 2029	Accredited
Kidwelly	31st March 2029	Accredited
Kilgetty	31st March 2029	Accredited
Knighton	31st March 2029	Accredited
Knucklas	31st March 2029	Accredited
Lamphey	31st March 2029	Accredited
Leominster	31st March 2029	Accredited
Lisvane and Thornhill	31st March 2029	Accredited
Llanaber	31st March 2029	Accredited
Llanbedr	31st March 2029	Accredited
Llanbister Road	31st March 2029	Accredited
Llanbradach	31st March 2024	Accredited
Llandaf	31st March 2024	Accredited
Llandanwg	31st March 2029	Accredited
Llandecwyn	31st March 2029	Accredited
Llandeilo	31st March 2029	Accredited
Llandovery	31st March 2029	Accredited
Llandrindod	31st March 2029	Accredited
Llandudno Junction	31st March 2029	Accredited
Llandybie	31st March 2029	Accredited
Llanelli	31st March 2029	Accredited
Llanfairfechan	31st March 2029	Accredited
Llanfairpwll	31st March 2029	Accredited
Llangadog	31st March 2029	Accredited
Llangammarch	31st March 2029	Accredited
Llangennech	31st March 2029	Accredited

Llangynllo	31st March 2029	Accredited
Llanharan	31st March 2029	Accredited
Llanhilleth	31st March 2029	Accredited
Llanishen	31st March 2024	Accredited
Llanrwst	31st March 2029	Accredited
Llansamlet	31st March 2029	Accredited
Llantwit Major	31st March 2029	Accredited
Llanwrda	31st March 2029	Accredited
Llanwrtyd	31st March 2029	Accredited
Llwyngwril	31st March 2029	Accredited
Llwynypia	31st March 2024	Accredited
Loudoun Square	31st March 2024	Accredited
Ludlow	31st March 2029	Accredited
Lydney	31st March 2029	Accredited
Maesteg	31st March 2029	Accredited
Maesteg (Ewenny Road)	31st March 2029	Accredited
Manorbier	31st March 2029	Accredited
Merthyr Tydfil	31st March 2024	Accredited
Merthyr Vale	31st March 2024	Accredited
Milford Haven	31st March 2029	Accredited
Minffordd	31st March 2029	Accredited
Morfa Mawddach	31st March 2029	Accredited
Mountain Ash	31st March 2024	Accredited
Nantwich	31st March 2029	Accredited
Narberth	31st March 2029	Accredited
Neath	31st March 2029	Accredited
Neston	31st March 2029	Accredited
Newbridge	31st March 2029	Accredited
Newtown	31st March 2029	Accredited
Ninian Park	31st March 2024	Accredited
North Llanrwst	31st March 2029	Accredited
Pantyyffynnon	31st March 2029	Accredited
Pembrey & Burry Port	31st March 2029	Accredited
Pembroke	31st March 2029	Accredited
Pembroke Dock	31st March 2029	Accredited
Penally	31st March 2029	Accredited
Penarth	31st March 2024	Accredited
Pencoed	31st March 2029	Accredited
Pengam	31st March 2024	Accredited

Penhelig	31st March 2029	Accredited
Penmaenmawr	31st March 2029	Accredited
Penrhiwceiber	31st March 2024	Accredited
Penrhyndeudraeth	31st March 2029	Accredited
Pensarn	31st March 2029	Accredited
Pentre-Bach	31st March 2024	Accredited
Pen-Y-Bont	31st March 2029	Accredited
Penychain	31st March 2029	Accredited
Penyffordd	31st March 2029	Accredited
Pontarddulais	31st March 2029	Accredited
Pontlottyn	31st March 2024	Accredited
Pontyclun	31st March 2029	Accredited
Pont-y-Pant	31st March 2029	Accredited
Pontypool and New Inn	31st March 2029	Accredited
Pontypridd	31st March 2024	Accredited
Port Talbot Parkway	31st March 2029	Accredited
Porth	31st March 2024	Accredited
Porthmadog	31st March 2029	Accredited
Prees	31st March 2029	Accredited
Pwllheli	31st March 2029	Accredited
Pye Corner	31st March 2029	Accredited
Pyle	31st March 2029	Accredited
Quaker's Yard	31st March 2029	Accredited
Radyr	31st March 2024	Accredited
Rhiwbina	31st March 2024	Accredited
Rhoose (Cardiff Airport)	31st March 2029	Accredited
Rhosneigr	31st March 2029	Accredited
Rhyl	31st March 2029	Accredited
Rhymney	31st March 2024	Accredited
Risca and Pontymister	31st March 2029	Accredited
Rogerstone	31st March 2029	Accredited
Roman Bridge	31st March 2029	Accredited
Ruabon	31st March 2029	Accredited
Runcorn East	31st March 2029	Accredited
Sarn	31st March 2029	Accredited
Saundersfoot	31st March 2029	Accredited
Severn Tunnel Junction	31st March 2029	Accredited
Shotton	31st March 2029	Accredited
Shrewsbury	31st March 2029	Accredited

Skewen	31st March 2029	Accredited
Sugar Loaf	31st March 2029	Accredited
Taffs Well	31st March 2024	Accredited
Talsarnau	31st March 2029	Accredited
Talybont	31st March 2029	Accredited
Tal-y-Cafn	31st March 2029	Accredited
Tenby	31st March 2029	Accredited
The Flourish	31st March 2024	Accredited
Tir-Phil	31st March 2024	Accredited
Ton Pentre	31st March 2024	Accredited
Tondu	31st March 2029	Accredited
Tonfanau	31st March 2029	Accredited
Tonypandy	31st March 2024	Accredited
Treforest	31st March 2024	Accredited
Treforest Estate	31st March 2028	Accredited
Trehafod	31st March 2024	Accredited
Treherbert	31st March 2024	Accredited
Treorchy	31st March 2024	Accredited
Troed-Y-Rhiw	31st March 2024	Accredited
Ty Croes	31st March 2029	Accredited
Ty Glas	31st March 2024	Accredited
Tygwyn	31st March 2029	Accredited
Tywyn	31st March 2029	Accredited
Upton	31st March 2029	Accredited
Valley	31st March 2029	Accredited
Waun-gron Park	31st March 2029	Accredited
Welshpool	31st March 2029	Accredited
Wem	31st March 2029	Accredited
Whitchurch (S Glamorgan)	31st March 2029	Accredited
Whitchurch (Salop)	31st March 2029	Accredited
Whitland	31st March 2029	Accredited
Wildmill	31st March 2029	Accredited
Wrenbury	31st March 2029	Accredited
Wrexham Central	31st March 2029	Accredited
Wrexham General	31st March 2029	Accredited
Ynyswen	31st March 2024	Accredited
Yorton	31st March 2029	Accredited
Ystrad Mynach	31st March 2024	Accredited
Ystrad Rhondda	31st March 2024	Accredited

2 **SECURE CAR PARKS ACCREDITATION**

Current:

Station Car park	Accreditation	Status
ABERGAVENNY	Secure Car Park	Accredited
BANGOR	Secure Car Park	Accredited
BRIDGEND	Secure Car Park	Accredited
CARDIFF CENTRAL – PENARTH ROAD	Secure Car Park	Accredited
CARDIFF CENTRAL - RIVERSIDE	Secure Car Park	Accredited
CARDIFF CENTRAL – SAUNDERS ROAD	Secure Car Park	Accredited
CARMARTHEN	Secure Car Park	Accredited
CHESTER EAST	Secure Car Park	Accredited
CHESTER WEST	Secure Car Park	Accredited
COLWYN BAY	Secure Car Park	Accredited
HEREFORD	Secure Car Park	Accredited
LLANDUDNO	Secure Car Park	Accredited
LUDLOW	Secure Car Park	Accredited
NEATH	Secure Car Park	Accredited
NEWPORT	Secure Car Park	Accredited
PORT TALBOT	Secure Car Park	Accredited
SEVERN TUNNEL JCT	Secure Car Park	Accredited
SHREWSBURY	Secure Car Park	Accredited
SWANSEA	Secure Car Park	Accredited

Station Car park	Accreditation	Status
TENBY	Secure Car Park	Accredited
WREXHAM	Secure Car Park	Accredited

Planned:

Station Car Park	Planned Date	Planned Status
Chester	1st April 2025	Accredited
Newport (Gwent)	1st April 2025	Accredited
Bangor (Gwynedd)	1st April 2025	Accredited
Caerphilly	1st April 2025	Accredited
Shrewsbury	1st April 2025	Accredited
Swansea	1st April 2025	Accredited
Abercynon	1st April 2025	Accredited
Port Talbot Parkway	1st April 2025	Accredited
Radyr	1st April 2025	Accredited
Aber	1st April 2025	Accredited
Severn Tunnel Junction	1st April 2025	Accredited
Cwmbran	1st April 2025	Accredited
Barry	1st April 2025	Accredited
Treforest	1st April 2025	Accredited
Milford Haven	1st April 2025	Accredited
Porthmadog	1st April 2025	Accredited
Bridgend	1st April 2025	Accredited
Llandaf	1st April 2025	Accredited
Rhyl	1st April 2025	Accredited
Ebbw Vale Parkway	1st April 2025	Accredited
Llanfairpwll	1st April 2025	Accredited
Ystrad Mynach	1st April 2025	Accredited
Gobowen	1st April 2025	Accredited
Risca and Pontymister	1st April 2025	Accredited
Taffs Well	1st April 2025	Accredited
Bargoed	1st April 2025	Accredited
Lydney	1st April 2025	Accredited
Carmarthen	1st April 2025	Accredited
Lisvane and Thornhill	1st April 2025	Accredited

Tenby	1st April 2025	Accredited
Abergavenny	1st April 2025	Accredited
Llandudno Junction	1st April 2025	Accredited
Colwyn Bay	1st April 2025	Accredited
Newbridge	1st April 2025	Accredited
Betws-y-Coed	1st April 2025	Accredited
Pembroke	1st April 2025	Accredited
Wrexham General	1st April 2025	Accredited
Blaenau Ffestiniog	1st April 2025	Accredited
Rhoose (Cardiff Airport)	1st April 2025	Accredited
Neath	1st April 2025	Accredited
Rogerstone	1st April 2025	Accredited
Cogan	1st April 2025	Accredited
Welshpool	1st April 2025	Accredited
Pwllheli	1st April 2025	Accredited
Hengoed	1st April 2025	Accredited
Conwy	1st April 2025	Accredited
Llanhilleth	1st April 2025	Accredited
Runcorn East	1st April 2025	Accredited
Neston	1st April 2025	Accredited
Llandudno	1st April 2025	Accredited
Holyhead	1st April 2025	Accredited
Wrexham Central	1st April 2025	Accredited
Haverfordwest	1st April 2025	Accredited
Aberdare	1st April 2025	Accredited
Llanharan	1st April 2025	Accredited
Llanishen	1st April 2025	Accredited
Hereford	1st April 2025	Accredited
Morfa Mawddach	1st April 2025	Accredited
Llantwit Major	1st April 2025	Accredited
Penmaenmawr	1st April 2025	Accredited
Merthyr Tydfil	1st April 2025	Accredited
Ludlow	1st April 2025	Accredited
Wem	1st April 2025	Accredited
Prestatyn	1st April 2025	Accredited
Whitchurch (Salop)	1st April 2025	Accredited
Cadoxton	1st April 2025	Accredited
Eastbrook	1st April 2025	Accredited
Machynlleth	1st April 2025	Accredited

Penally	1st April 2025	Accredited
Llansamlet	1st April 2025	Accredited
Chirk	1st April 2025	Accredited
Skewen	1st April 2025	Accredited
Deganwy	1st April 2025	Accredited
Ruabon	1st April 2025	Accredited
Shotton	1st April 2025	Accredited
Ystrad Rhondda	1st April 2025	Accredited
Aberdovey	1st April 2025	Accredited
Frodsham	1st April 2025	Accredited
Tywyn	1st April 2025	Accredited
Johnston (Dyfed)	1st April 2025	Accredited
Gowerton	1st April 2025	Accredited
Baglan	1st April 2025	Accredited
Rhymney	1st April 2025	Accredited
Pontyclun	1st April 2025	Accredited
Aberystwyth	1st April 2025	Accredited
Pyle	1st April 2025	Accredited
Caersws	1st April 2025	Accredited
Pen-Y-Bont	1st April 2025	Accredited
Craven Arms	1st April 2025	Accredited
Newtown	1st April 2025	Accredited
Helsby	1st April 2025	Accredited
Pembroke Dock	1st April 2025	Accredited
Clunderwen	1st April 2025	Accredited
Pontarddulais	1st April 2025	Accredited
Mountain Ash	1st April 2025	Accredited
Llandovery	1st April 2025	Accredited
North Llanrwst	1st April 2025	Accredited
Llanbradach	1st April 2025	Accredited
Llandrindod	1st April 2025	Accredited
Hawarden	1st April 2025	Accredited
Heswall	1st April 2025	Accredited
Penyffordd	1st April 2025	Accredited
Llanfairfechan	1st April 2025	Accredited
Penarth	1st April 2025	Accredited
Leominster	1st April 2025	Accredited
Talsarnau	1st April 2025	Accredited
Llwyngwril	1st April 2025	Accredited

Pontypool and New Inn	1st April 2025	Accredited
Tondu	1st April 2025	Accredited
Buckley	1st April 2025	Accredited
Flint	1st April 2025	Accredited
Chepstow	1st April 2025	Accredited
Dolwyddelan	1st April 2025	Accredited
Maesteg	1st April 2025	Accredited
Llwynypia	1st April 2025	Accredited
Gwersyllt	1st April 2025	Accredited
Trehafod	1st April 2025	Accredited
Llanwrtyd	1st April 2025	Accredited
Whitland	1st April 2025	Accredited
Llandeilo	1st April 2025	Accredited
Dinas (Mid Glamorgan)	1st April 2025	Accredited
Fairbourne	1st April 2025	Accredited
Pontlottyn	1st April 2025	Accredited
Knighton	1st April 2025	Accredited
Llandybie	1st April 2025	Accredited
Treorchy	1st April 2025	Accredited
Abergele & Pensarn	1st April 2025	Accredited
Sarn	1st April 2025	Accredited
Cwmbach	1st April 2025	Accredited

Appendix 2 to Schedule 1.7

Not Used

Appendix 3 to Schedule 1.7

Not used

Appendix 4 to Schedule 1.7

Not used

Appendix 5 to Schedule 1.7

Not used

Appendix 6 to Schedule 1.7South Wales Metro Stations

Aber	Fairwater	Pontypridd
Abercynon	Fernhill	Porth
Aberdare	Garth Mid Glam	Pye Corner
Abergavenny	Gilfach Fargoed	Quakers Yard
Bargoed	Grangetown (Cardiff)	Radyr
Barry	Heath High Level	Rhiwbina
Barry Docks	Heath Low Level	Rhoose Cardiff International Airport
Barry Island	Hengoed	Rhymney
Birchgrove	Lisvane and Thornhill	Risca & Pontyminster
Bridgend	Llanbradach	Rogerstone
Brithdir	Llandaf	Sarn
Cadoxton	Llanharan	Severn Tunnel Junction
Caerphilly	Llanhilleth	Taffs Well
Caldicot	Llanishen	Tir phil
Cardiff Bay	Llantwit Major	Ton Pentre
Cardiff Central	Llwynypia	Tondu
Cardiff Queen St	Maesteg	Tonypanyd
Cathays	Maesteg Eweny Rd	Treforest
Chepstow	Merthyr Tydfil	Treforest Estate
Cogan	Merthyr Vale	Trehafod
Coryton	Mountain Ash	Treherbert
Crosskeys	Newbridge	Treorchy
Cwmbach	Newport Gwent	Troed Y Rhiw
Cwmbran	Ninian Park	Ty Glas
Danescourt	Penarth	Waungron Park
Dinas Mid Glam	Pencoed	Whitchurch (Cardiff)

Dinas Powys	Pengam	Wildmill
Dingle Road	Penrhiwceiber	Ynyswen
Eastbrook	Pentre bach	Ystrad Mynach
Ebbw Vale Parkway	Pontlottyn	Ystrad Rhondda
Ebbw Vale Town	Pontyclun	
Energlyn & C Pk	Pontypool New Inn	

Schedule 2**Assets, Leases, Other Train Operators and Schemes**

Schedule 2.1:	Asset Vesting and Transfer
Schedule 2.2:	Security of Access Agreements, Rolling Stock Leases, Stations and Depot Leases
Schedule 2.3:	Other Train Operators
Schedule 2.4:	NOT USED
Schedule 2.5:	Transport, Travel and Other Schemes
	Appendix 1: List of Transport, Travel and Other Schemes

Schedule 2.1 - Asset Vesting and Transfer

1 VESTING OF PROPERTY LEASES AT THE SERVICE COMMENCEMENT DATE

1.1 TfWRL shall not without the prior written consent of the Authority (such consent not to be unreasonably withheld), whether generally or on a case-by-case basis:

- (a) enter into any new Property Lease; or
- (b) effect any amendment to any Property Lease, except to the extent that TfWRL is required to do so by virtue of any station or depot access conditions to which it is a party.

1.2 In respect of any new Property Leases with Network Rail, TfWRL shall enter into such Property Leases:

- (a) with the intent that section 31 of the Act shall apply to such leases; and
- (b) on terms approved by the Authority.

1.3 TfWRL shall enter into the following leases with Network Rail:

- (a) a lease of each Station, on or before the expiry of the Station Lease relating to each Station (each such lease, once granted, shall be a Station Lease for the purposes of this Agreement);
- (b) a lease of each Depot, on or before the expiry of the Depot Lease relating to each such Depot (each such lease, once granted, shall be a Depot Lease for the purposes of this Agreement);
- (c) a supplemental lease relating to any Station or Depot, as soon as practicable following the successful completion of any procedure (including obtaining any requisite approval from the ORR) for including additional land within the demise of each Station or Depot (as the case may be) and each such supplemental lease, once granted, shall be a Station Lease or a Depot Lease (as the case may be) for the purposes of this Agreement; and
- (d) a lease of any Network Rail owned station or depot, which:
 - (i) the Secretary of State or the Authority consents to or requires TfWRL to be party to;
 - (ii) TfWRL was not a party to on the date hereof, but which has been contemplated by this Agreement,

and TfWRL shall enter into such lease as soon as practicable after its terms and form have been agreed and all applicable preconditions to its granting have been

satisfied or waived (including obtaining any requisite approval of the ORR). Any such supplemental lease, once granted, shall be a Station Lease or Depot Lease (as the case may be) for the purposes of this Agreement and any such station or depot (as the case may be) shall be a Station or Depot for the purposes of this Agreement.

- 1.4 Not used
- 1.5 TfWRL shall not be in contravention of paragraph 1.3 if and to the extent that Network Rail refuses to enter into any such leases specified therein.
- 1.6 In respect of any assignment or amendment of any Property Lease(s) to which section 31 of the Act applied on its grant, each of the Authority and TfWRL acknowledge that it is their intention that section 31 of the Act shall continue to apply to such assigned or amended lease.
- 1.7 TfWRL shall use all reasonable endeavours to ensure that any Station Lease that it enters into accurately records all fixtures and fittings in relation to such Station Lease.

Schedule 2.2 - Security of Access Agreements, Rolling Stock Leases, Station and Depot Leases

1 NOVATION OF ACCESS AGREEMENTS DURING THE RAIL SERVICES TERM

1.1 TfWRL shall, to the extent so requested by the Authority (other than on termination of this Agreement for which the provisions of paragraph 1 of Schedule 15.4 (Provisions Applying on and after Termination) apply):

- (a) following receipt of a notice purporting to terminate any Access Agreement to which it is a party, in relation to such Access Agreement; or
- (b) following receipt of a notice purporting to terminate a Station Lease or Depot Lease in whole or in part or on becoming aware of any proceedings or any other steps having or purporting to have similar effect, in relation to any Access Agreement under which it is a Facility Owner by virtue of such Station Lease or Depot Lease,

novate its interest under any such relevant Access Agreement (and any related Collateral Agreement) to the Authority or as it may direct.

1.2 Such obligation to novate shall be subject to the agreement of any counterparty to such Access Agreement or Collateral Agreement and, to the extent applicable the ORR.

1.3 Such novation shall be on such terms as the Authority may reasonably require, including:

- (a) that TfWRL shall not be released from any accrued but unperformed obligation, the consequences of any breach of the relevant agreement which is the subject of arbitration or litigation between the Parties thereto or any liability in respect of any act or omission under or in relation to the relevant agreement prior to, or as at the date of, any such novation (except to the extent that the Authority or the Authority's nominee agrees to assume responsibility for such unperformed obligation, such liability or the consequences of such breach in connection with the relevant novation); and
- (b) that neither the Authority nor the Authority's nominee shall be obliged, in connection with the novation, to agree to assume responsibility for any unperformed obligation, liability or consequences of a breach referred to in paragraph 1.3(a),

but shall not, unless TfWRL otherwise agrees, be on terms which release any counterparty to the relevant agreement from any liability to TfWRL arising prior to the date of such novation.

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- 1.4 TfWRL shall, on the occurrence of any of the circumstances specified in paragraph 1.1 in relation to any other Train Operator who is a party to an Access Agreement to which TfWRL is also party, agree to the novation of the relevant Train Operator's interest under the relevant Access Agreement to the Authority or as the Authority may direct, subject, to the extent applicable, to the consent of the ORR. The provisions of paragraph 1.3 shall apply to any such novation.
- 1.5 TfWRL shall notify the Authority on becoming aware of any circumstances which might lead to the Authority being able to require TfWRL to novate its interest or agree to the novation of another Train Operator's interest under this paragraph 1.

2 **ROLLING STOCK RELATED CONTRACTS AND INSURANCE ARRANGEMENTS**

- 2.1 TfWRL shall not:
- (a) execute any Rolling Stock Related Contract;
 - (b) exercise any option or other discretion in any Rolling Stock Related Contract that would result in any increased payment or delay in delivery being made by or to TfWRL or the relevant counterparty or which may result in it being reasonably likely to be unable to comply with the terms of this Agreement; or
 - (c) amend or waive the terms of any Rolling Stock Related Contract,
- without, in each case, the prior written consent of the Authority (not to be unreasonably withheld).
- 2.2 TfWRL shall supply to the Authority a copy of all draft Rolling Stock Related Contracts at key stages of their drafting, and, immediately following execution, all executed Rolling Stock Related Contracts (including any agreement amending any Rolling Stock Related Contract) together with:
- (a) such other information or documentation relating to such Rolling Stock Related Contract and/or the relevant rolling stock as the Authority may request (which may include offer letters (original and final));
 - (b) the terms proposed by any person providing finance in relation to the relevant rolling stock (including cash flows);
 - (c) any agreement (in whatever form) to which TfWRL (or an Affiliate of TfWRL) is a party and which relates to the relevant rolling stock;
 - (d) information relating to capital allowances, details of any changes in the terms (including rentals) on which the relevant rolling stock is proposed to be leased compared to the terms on which such rolling stock was previously leased; and

- (e) a detailed justification of TfWRL's proposed maintenance strategy for the relevant rolling stock and/or TfWRL's analysis of the whole life costs of the relevant rolling stock.
- 2.3 Where the information or documentation required in paragraphs 2.2(a), 2.2(b) and 2.2(d) is not held by TfWRL, TfWRL shall use reasonable endeavours to obtain the relevant information or documentation from a third party (including any person from whom TfWRL leases rolling stock).
- 2.4 TfWRL shall not, without the prior written consent of the Authority:
 - (a) amend the terms of any insurance arrangements which relate to rolling stock vehicles used by it in the provision of the Passenger Services to which it is a party on the Service Commencement Date; or
 - (b) enter into any new insurance arrangements after the Service Commencement Date which relate to rolling stock vehicles used or to be used by it in the provision of the Passenger Services (“**New Insurance Arrangements**”).
- 2.5 TfWRL shall, in addition, if it enters into any New Insurance Arrangements, use all reasonable endeavours to ensure that the relevant insurers waive their rights of subrogation against any Train Operator which may have equivalent insurance arrangements providing for a similar waiver of rights of subrogation against TfWRL, whether on a reciprocal basis or otherwise.
- 2.6 NOT USED.
- 2.7 The Authority provided an undertaking to the relevant ROSCO in respect of the New CVL Rolling Stock in accordance with Section 54 of the Act to enable the Previous ODP to obtain the best value for money from third party financiers. The undertaking referred to in this paragraph 2.7 included a commitment to the relevant ROSCO that the New CVL Rolling Stock would be leased until the date which is 25 years after the earlier of:
 - (a) the date on which the last of such New CVL Rolling Stock unit enters passenger service; and
 - (b) 31 December 2023.
- 2.8 NOT USED.

3 **CASCADED ROLLING STOCK AND DELAYED CASCADE MITIGATION PLAN**

- 3.1 For the purpose of this paragraph 3:
 - (a) “**Cascaded Rolling Stock**” means rolling stock proposed to be used by TfWRL in the provision of the Passenger Services the availability of which is, in the

opinion of the Authority, directly or indirectly dependent upon the successful introduction into service of any Relevant Rolling Stock by any other Train Operator;

- (b) **“Prior Train Operator”** means the Train Operator which used or is using the Cascaded Rolling Stock immediately prior to its proposed use by TfWRL;
- (c) **“Relevant Delay”** means any delay to the successful introduction into service of any Relevant Rolling Stock; and
- (d) **“Relevant Rolling Stock”** means rolling stock to be acquired by another Train Operator which, when acquired, will initiate the **“cascade”** of rolling stock that directly or indirectly makes the Cascaded Rolling Stock available for use by TfWRL.

3.2 Without limiting paragraph 2.1 (*Rolling Stock Related Contracts and Insurance Arrangements*), where the rolling stock to be leased by TfWRL under any Rolling Stock Lease is Cascaded Rolling Stock the Authority may:

- (a) as a condition of giving consent to TfWRL executing such Rolling Stock Lease, require that such Rolling Stock Lease contains a provision whereby, in the event of a Relevant Delay, the Authority may require that such Cascaded Rolling Stock can continue to be used by the Prior Train Operator during such period as the Authority shall specify. Without limitation this may include TfWRL subleasing the Cascaded Rolling Stock back to the Prior Train Operator and/or a delay to the date on which the Cascaded Rolling Stock is required to be delivered to TfWRL under such Rolling Stock Lease; and
- (b) where the Authority requires such a provision to be included in the relevant Rolling Stock Lease, if a Relevant Delay occurs, require TfWRL to make the Cascaded Rolling Stock available for use by the Prior Train Operator during such period as the Authority may require.

3.3 NOT USED.

3.4 NOT USED.

3.5 NOT USED.

3.6 Where the Authority exercises its rights pursuant to paragraph 3.2(b) to require TfWRL to make the Cascaded Rolling Stock available for use by the Prior Train Operator during a specified period, TfWRL shall not be liable for any failure to comply with its obligations under this Agreement to the extent that:

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- (a) such failure to comply arises directly as a result of TfWRL being unable to use the Cascaded Rolling Stock; and
- (b) TfWRL uses all reasonable endeavours to comply with the relevant obligations notwithstanding the unavailability of the Cascaded Rolling Stock.
- 3.7 TfWRL shall notify the Authority as soon as reasonably practicable if it becomes aware of any material risk that a Relevant Delay will occur. If a Relevant Delay does occur TfWRL shall use all reasonable endeavours to mitigate the impact on the delivery of the Rail Services of the unavailability of the Cascaded Rolling Stock at the expected time including by identifying and proposing value for money alternative sources of replacement rolling stock.
- 3.8 If a Relevant Delay has occurred or the Authority believes that there is a material risk that a Relevant Delay will occur the Authority may serve a notice on TfWRL requiring it to produce a plan to a reasonable specification provided with the notice to remedy or mitigate the impact of the delayed availability of the Cascaded Rolling Stock (“**Delayed Cascade Mitigation Plan**”). Such specification may include measures to be implemented by TfWRL to mitigate the direct or indirect impact of the Relevant Delay on the Prior Train Operator or any other affected Train Operator. The Delayed Cascade Mitigation Plan shall provide a comprehensive analysis backed by relevant data and assumptions of:
- (a) all cost and revenue and other financial implications of options contained within it including the potential implications for the Rail Services Payments;
- (b) the implications (if any) for the Benchmarks; and
- (c) the likely impact of options within it for existing and future passenger journeys and journey opportunities.
- 3.9 TfWRL shall meet with the Authority to discuss the Delayed Cascade Mitigation Plan and provide such further information or analysis and further iterations of the Delayed Cascade Mitigation Plan as the Authority shall reasonably require.
- 3.10 Where any rolling stock vehicles cease to be part of the Train Fleet but are acquired by another Train Operator for use in delivering passenger services TfWRL shall:
- (a) ensure that:
- (i) such rolling stock is in an acceptable redelivery condition consistent with the hand back terms agreed with the lessor;
- (ii) a complete set of maintenance and mileage records are handed over in a suitable format; and

- (iii) the Train Operator is given reasonable access to the relevant rolling stock prior to handover to assist with an effective hand over in relation to both operation and maintenance; and
- (b) use reasonable endeavours to ensure that:
 - (i) the Train Operator is offered 'knowledge transfer' sessions to enable recipient engineers and operational personnel to learn from informed peers;
 - (ii) the Train Operator is offered on-train development programmes to train their maintenance staff to an appropriate level of competence; and
 - (iii) it offers medium-term support and advice in relation to such rolling stock including technical and operational support.

4 ASSIGNMENT OF PROPERTY LEASES DURING THE RAIL SERVICES TERM

4.1 TfWRL shall (other than on expiry of this Agreement for which the provisions of paragraph 4.5 of Schedule 15.4 (Provisions Applying on and after Termination) shall apply) following receipt of a notice purporting to terminate a Property Lease or on becoming aware of any proceedings or any other steps having or purporting to have similar effect, if requested by the Authority, assign its interest under all or any Property Leases to the Authority or as the Authority may direct, subject where applicable to the agreement of any other party to such Property Lease or the ORR.

4.2 Such assignment shall be on such terms as the Authority may reasonably require, including:

- (a) that TfWRL shall not be released from any accrued but unperformed obligation, the consequences of any antecedent breach of a covenant or obligation in the Property Leases or any liability in respect of any act or omission under or in relation to the Property Lease prior to, or as at the date of, any such assignment (except to the extent that the Authority or the Authority's nominee agrees to assume responsibility for such unperformed obligation, such liability or the consequences of such antecedent breach in connection with the relevant assignment); and
- (b) that neither the Authority nor the Authority's nominee shall be obliged, in connection with such assignment, to agree to assume responsibility for any unperformed obligation, liability or consequences of a contravention referred to in paragraph 4.2(a).

4.3 TfWRL shall, on the occurrence of any of the circumstances specified in paragraph 4.1 in relation to any other Train Operator who is a party to a Property Lease to which TfWRL is also party, agree to the assignment of the relevant Property Lease to the Authority or as the Authority may direct, subject to the interest of such other Train Operator and, where applicable, to the consent of Network Rail. The provisions of paragraph 4.2 shall apply to any such assignment.

4.4 TfWRL shall notify the Authority on becoming aware of any circumstances which might lead to the Authority being able to require TfWRL to assign its interest or agree to the assignment of another Train Operator's interest under this paragraph 4.

5 **STATION AND DEPOT LEASES**

5.1 TfWRL shall at all times enforce its rights under each Station Lease and Depot Lease.

5.2 TfWRL shall not:

- (a) terminate or agree to terminate in whole or in part, or take or omit to take any other action which might result in the termination of any Station Lease or Depot Lease;
- (b) assign all or part of its interest under any Station Lease or Depot Lease; or
- (c) sublet the whole or substantially the whole of the property comprised in any Station Lease or Depot Lease,

except to the extent that the Authority may otherwise agree from time to time (such agreement not to be unreasonably withheld if TfWRL has made arrangements, reasonably satisfactory to the Authority, for the continued operation of such Station or Depot (as the case may be) for the remainder of the Rail Services Term or if consent to the Closure of the relevant Station or Depot has been granted).

6 **STATION SUBLEASES**

6.1 Unless the Authority agrees otherwise, TfWRL shall not sublet to any of its Affiliates any part of the property comprised in any Property Lease except on terms that any such subletting:

- (a) (other than any subletting to any Affiliate which is a Train Operator) is terminable without compensation immediately upon the expiry of this Agreement; and
- (b) is excluded from the provisions of Part II of the Landlord and Tenant Act 1954.

6.2 If so requested by the Authority, TfWRL shall:

- (a) extend each Station Sublease on the same terms for such period as the Authority may request (including a period equivalent to the Rail Services Term of the Train Operator who is the lessee under such Station Sublease, subject to such extension not being beyond a date which is 2 days before the last day of the term of the relevant Station Lease); and
- (b) if such Station Sublease terminates (which for the purposes of this paragraph 6.2(b) shall include the termination, at or around the time of termination of the Previous ODP Grant Agreement, of a station sublease in respect of which TfWRL was the lessor), grant a new Station Sublease on the same terms to such Train Operator and for such period as the Authority may request (including a period equivalent to the franchise term of the Train Operator who is the lessee under such Station Sublease, subject to such re-grant not being beyond a date which is 2 days before the last day of the term of the relevant Station Lease),

subject, where required, to the consent of Network Rail (and, if required, the relevant sub-lessee).

- 6.3 TfWRL shall notify the Authority immediately on it becoming aware of any event which might give TfWRL a right to forfeit or terminate any Station Sublease. TfWRL shall notify the Authority if it wishes to forfeit or terminate any such Station Sublease but shall not (without the Authority's prior written consent) effect such forfeiture or termination until the date which occurs three (3) months after the date of such notice.

Schedule 2.3 - Other Train Operators

1 OTHER TRAIN OPERATORS

- 1.1 If the franchise agreement of another Train Operator terminates or a railway administration order is made in respect of another Train Operator, TfWRL shall co-operate with any reasonable request of the Authority to ensure:
- (a) that the services provided or operated by such other Train Operator may continue to be provided or operated by any successor Train Operator or the railway administrator; and
 - (b) that the benefit of any arrangements between TfWRL and such other Train Operator which were designated as a key contract under such franchise agreement immediately prior to its termination or to a railway administration order being made will continue to be provided to any successor Train Operator or to the railway administrator.
- 1.2 The benefit of any arrangements of the type referred to in paragraph 1.1(b) shall be provided on substantially the same terms as previously obtained by the relevant Train Operator, subject to clause 14.8 (Arm's length dealings) and paragraph 1.3 of this Schedule 2.3, provided that the Authority may exclude or modify any terms agreed or amended by such Train Operator in the twelve (12) months preceding the date on which such Train Operator's franchise agreement was terminated or the date on which the relevant railway administration order was made which were, in the Authority's reasonable opinion, to the material detriment of such Train Operator's business. The benefit of such arrangements shall be provided for such period as the Authority may reasonably require to allow the relevant Train Operator or railway administrator to renegotiate such arrangements or make alternative arrangements.
- 1.3 TfWRL shall notify the Authority of its intention to terminate any contract with any other Train Operator which is designated as a Key Contract under that Train Operator's franchise agreement and shall give that Train Operator sufficient notice to enable it to make suitable alternative arrangements for its passengers without causing disruption to the railway passenger services provided by such Train Operator.
- 1.4 If the franchise agreement of another Train Operator terminates in contemplation of the entry into or entry into effect of a new franchise agreement with the same Train Operator in respect of all or a material part of the relevant railway passenger services, TfWRL shall waive any event of default or other right it may have to terminate any agreement with such franchisee arising out of such termination, provided that the entry into or entry into effect of such new franchise agreement takes place.

Schedule 2.4 - Not used

Schedule 2.5 - Transport, Travel and Other Schemes

1 LOCAL AUTHORITY CONCESSIONARY TRAVEL SCHEMES

1.1 TfWRL shall:

- (a) subject to paragraph 1.2, participate in and comply with its obligations under:
 - (i) the concessionary travel schemes listed in Appendix 1 (List of Transport, Travel and Other Schemes) to this Schedule 2.5; and
 - (ii) any other concessionary travel scheme which TfWRL is required to participate in during the Rail Services Term pursuant to paragraph 1.1(b); and
- (b) subject to paragraph 1.3, if so requested by the Authority, participate in and comply with its prospective obligations under:
 - (i) any concessionary travel scheme listed in this Agreement the terms of which have been amended since the date of this Agreement; and
 - (ii) such other concessionary travel schemes as any relevant Local Authority may require or request it to participate in.

1.2 Subject to the terms of the relevant concessionary travel scheme, TfWRL shall be entitled to cease to participate in any scheme referred to in paragraph 1.1(a) where, in the reasonable opinion of the Authority:

- (a) TfWRL's continuing participation in such scheme; and/or
- (b) the obligations assumed by the relevant Local Authority in connection therewith, each pursuant to Part II of the Travel Concession Schemes Regulations 1986 (SI 1986/77) (the "**Regulations**"), would fail to leave TfWRL financially no worse off (following consideration of the application of the reimbursement test in paragraph 5(2) of the Regulations) than it was immediately following the Service Commencement Date.

1.3 The Authority shall not require TfWRL to participate in any scheme referred to in paragraph 1.1(b) where the Authority is reasonably satisfied that:

- (a) the reimbursement arrangements with respect to TfWRL's participation in any such scheme; and/or
- (b) the obligations to be assumed by such Local Authority in connection therewith,

each pursuant to the Regulations would fail to leave TfWRL financially no worse off (following consideration of the application of the reimbursement test in paragraph 5(2) of the Regulations) as a result of such participation.

- 1.4 The Authority shall consult TfWRL before making any request of TfWRL to participate in any amended or new concessionary travel scheme pursuant to paragraph 1.1(b) and shall allow TfWRL a reasonable opportunity to make representations to the Authority with respect to any such participation.
- 1.5 TfWRL shall supply to the Authority, in respect of any concessionary travel schemes referred to in paragraph 1.1(b), such information within such period as the Authority may reasonably require for the purposes of determining whether or not TfWRL is or will be financially no worse off (following consideration of the application of the reimbursement test in paragraph 5(2) of the Regulations) as a consequence of its participation in any such scheme, and/or the obligations assumed by such Local Authority in connection therewith.
- 1.6 If the Authority and TfWRL are unable to agree whether TfWRL will be financially no worse off (following consideration of the application of the reimbursement test in paragraph 5(2) of the Regulations), the Authority and TfWRL may resolve such dispute in accordance with the Dispute Resolution Rules.

2 MULTI-MODAL FARES SCHEMES

2.1 TfWRL shall:

- (a) subject to paragraph 2.2, participate in and comply with its obligations under:
- (i) the multi-modal fares schemes set out in paragraph 2 of Appendix 1 (List of Transport, Travel and Other Schemes) to this Schedule 2.5; and
 - (ii) any other multi-modal fares scheme which TfWRL is required to participate in during the Rail Services Term pursuant to paragraph 2.1(b);

including by co-operating in the implementation of any smart card technology pursuant to any such multi modal fares schemes; and

- (b) subject to paragraph 2.3, if so requested by the Authority, participate in and comply with its prospective obligations under:
- (i) any multi-modal fares scheme set out in paragraph 2 of Appendix 1 (List of Transport, Travel and Other Schemes) to this Schedule 2.5; and

- (ii) such other multi-modal fares schemes as any relevant Local Authority may require or request it to participate in.

2.2 Subject to the terms of the relevant multi-modal fares scheme, TfWRL shall be entitled to cease to participate in any scheme referred to in paragraph 2.1(a) where, in the reasonable opinion of the Authority:

- (a) TfWRL's continuing participation in such scheme; and/or
- (b) the obligations assumed by the relevant Local Authority in connection therewith, would fail, by way of distribution of income or otherwise, to render TfWRL financially no worse off.

2.3 The Authority shall not require TfWRL to participate in any scheme referred to in paragraph 2.1(b) where the Authority is reasonably satisfied that TfWRL's participation in any such scheme and/or the obligations to be assumed by the relevant Local Authority in connection therewith, would fail, by way of distribution of income or otherwise, to render TfWRL financially no worse off.

2.4 In determining whether TfWRL shall, pursuant to paragraph 2.2, continue to participate or, pursuant to paragraph 2.3, participate in any multi-modal fares scheme, the Authority shall construe the term “**financially no worse off**” to mean:

- (a) in respect of any multi-modal fares scheme set out in paragraph 2 of Appendix 1 (List of Transport, Travel and Other Schemes) to this Schedule 2.5, that TfWRL incurs no greater financial loss than the financial loss (if any) incurred by TfWRL at the Service Commencement Date under that scheme, as adjusted by reference to any change in the level of prices according to the Retail Prices Index since such date;
- (b) in respect of any multi-modal fares scheme which replaces and (in the Authority's reasonable opinion) is reasonably similar to any such scheme as may be set out in paragraph 2 of Appendix 1 (List of Transport, Travel and Other Schemes) to this Schedule 2.5, that TfWRL incurs no greater financial loss than the financial loss (if any) incurred by TfWRL at the Service Commencement Date under the replaced scheme, as adjusted by reference to any change in the level of prices according to the Retail Prices Index since such date; and
- (c) in respect of any multi-modal fares scheme which does not replace or which does replace but which is not (in the Authority's reasonable opinion) reasonably similar to any such scheme or schemes as may be set out in paragraph 2 of Appendix 1 (List of Transport, Travel and Other Schemes) to this Schedule 2.5, such

reimbursement arrangements as agreed by the relevant parties to such multi-modal fares schemes (or on failure to agree, as determined by the Authority).

- 2.5 The Authority shall consult TfWRL before making any request of TfWRL to participate in any amended or new multi-modal fares scheme pursuant to paragraph 2.1(b) and shall allow TfWRL a reasonable opportunity to make representations to it with respect to any such participation.
- 2.6 TfWRL shall supply to the Authority, in respect of any multi-modal fares schemes referred to in paragraph 2.1 such information within such period as the Authority may reasonably require for the purposes of determining whether or not TfWRL is or will be financially no worse off as a consequence of its participation in any such scheme and/or the obligations to be assumed by the relevant Local Authority in connection therewith.
- 2.7 If the Authority and TfWRL are unable to agree whether TfWRL will be financially no worse off, the Authority and TfWRL may resolve such dispute in accordance with the Dispute Resolution Rules.
- 2.8 TfWRL shall monitor the number, start points and destinations, date and times of travel, Fares and other relevant information of journeys made through concessionary travel schemes and multi-modal fares schemes and shall provide such information to the Authority each Reporting Period. TfWRL shall conduct an annual review of the concessionary travel schemes and multi-modal fares schemes and shall provide an annual report each Reporting Year to the Authority to include patronage, future marketing plans, risks, issues and any proposed changes to the concessionary travel schemes and multi-modal fares schemes for the following Service Year. In each annual report TfWRL shall consider extension to the scope and coverage of the concessionary travel schemes to utilise available unused capacity or to otherwise offer value to the Authority.

3 DISCOUNT FARE SCHEMES

- 3.1 The Secretary of State and/or the Authority may:
- (a) effect, or propose to effect, an amendment to a Discount Fare Scheme;
 - (b) introduce any new Discount Fare Scheme; or
 - (c) cease to approve a Discount Fare Scheme,
- for the purposes of section 28 of the Act.
- 3.2 The Authority shall use reasonable endeavours to procure that the Secretary of State shall provide a reasonable opportunity to TfWRL to make representations to the Authority or the Secretary of State (as applicable) before amending, introducing or ceasing to approve a Discount Fare Scheme pursuant to paragraph 3.1.

3.3 TfWRL shall supply to the Secretary of State and/or the Authority, in respect of any Discount Fare Scheme referred to in paragraph 3.1, such information within such period as the Secretary of State and/or the Authority may reasonably require for the purposes of determining the financial effect of any such amendment, intended amendment, introduction or cessation of approval.

4 INTER-OPERATOR SCHEMES

4.1 TfWRL shall participate in and comply with its obligations under the terms of each of the Inter-Operator Schemes.

4.2 Without limiting paragraphs 4.1 and 4.3, TfWRL agrees to be bound by Parts IV and V of Chapter 4 of the Ticketing and Settlement Agreement and shall not amend, or agree or propose to amend, the Ticketing and Settlement Agreement without the prior written consent of the Secretary of State.

4.3 TfWRL shall not amend, or agree or propose to amend, any Inter-Operator Scheme other than in accordance with its terms.

4.4 TfWRL shall:

(a) provide reasonable notice to the Authority of any proposal to amend any Inter-Operator Scheme which it intends to make or of which it receives notification and which, in its opinion, is reasonably likely to materially affect the provision of the Rail Services; and

(b) have regard to the Authority's views in respect of any such proposal.

4.5 Not used.

Appendix 1 to Schedule 2.5

List of Transport, Travel and Other Schemes

1 LOCAL AUTHORITY CONCESSIONARY TRAVEL SCHEMES

1.1 Each of the following schemes:

- (a) Welsh Concessionary Travel – Cerdyn Cymru (Local authority issued pass for buses which can be used with trains with Welsh Government’s Concessionary Rail schemes) and/or any successor scheme for the Cardiff and Valley Lines, Conwy Valley Line, Wrexham to Hawarden Bridge, Cambrian Coast, the Heart of Wales Line and any other included routes as set out in Table 1 (Concessionary Travel Schemes) to this Appendix 1; and
- (b) any other concessionary travel scheme which TfWRL is required to participate in during the Rail Services Term pursuant to paragraph 1.1(b) to this Schedule 2.5.

1.2 In the event of any amendment to a Timetabled Service set out below in Column 2 (*Where can it be used*) of Table 1 (*Concessionary Travel Schemes*) to this Appendix 1, Column 3 (*Validity and Restrictions*) and Column 4 (*Other Information*) of Table 1 (*Concessionary Travel Schemes*) to this Appendix 1 shall apply equally to the amended Timetabled Service.

Table 1 – Concessionary Travel Schemes

Column 1	Column 2	Column 3	Column 4
Concessionary Scheme	Where can it be used	Validity and Restrictions	Other Information
Conwy Valley Line	Blaenau Ffestiniog-Llandudno	Free travel to any holder of a pass issued by any Welsh Local Authority	Journey Llandudno-Llandudno Junction can also use the services on the mainline (to Manchester Piccadilly)
Cambrian Coast Line	Pwllheli-Machynlleth	Free travel between 01/10-31/03 only. For holders of a pass issued by any Welsh Local Authority.	Not valid on the following during school terms - 06.10 Barmouth to Tywyn 07.34 Penrhyndeudraeth to Harlech

			12.56 Harlech to Penrhyndeudraeth 14.56 Tywyn to Barmouth
Heart of Wales Line	Shrewsbury-Swansea (via Heart of Wales Line)	Free travel between 01/10-31/03 only. For holders of a pass issued by any Welsh Local Authority	Passengers cannot use for stations between Shrewsbury-Bucknell or Llanelli-Swansea only, they must tag this onto either end of a journey within Knighton- Llanelli
Borderlands Line	Wrexham-Hawarden Bridge	Free Travel for holders of a pass issued by any Welsh Local Authority	Passengers may not use the service due 07.53 Wrexham-Hawarden Bridge for free travel.
WAGC (Cardiff and Local)	Cardiff Valleys and Local routes	1/3 off any day ticket issued by any Welsh Local Authority	After 09.30 Mon-Fri, anytime weekends and Bank Holidays. 1 discounted ticket per pass.
West Midlands Combined Authority (Centro)	Birmingham-Wolverhampton	Free Travel for holders of passes issued by WMCA/Centro	Free travel only permitted after 09.30 Mon-Fri, anytime weekends and Bank Holidays
Merseytravel	Newton Le Willows-Earlestown	Free travel after 09.30 to holders of passes issued by Merseytravel.	Free travel is only permitted between these stations. Passes valid into Chester from Merseyside but not beyond.

2 MULTI-MODAL FARES SCHEMES

2.1 Each of the following schemes:

- (a) SailRail (train with ship - national offer);
- (b) PlusBus (train with bus - national offer);

- (c) North Wales Rover (bus and trains in North Wales);
- (d) Explore Wales Pass which includes the two cheaper derivatives of North Wales and South Wales passes (bus and trains);
- (e) Valley Lines Day Explorer (bus and trains)
- (f) Ffestiniog Round Robin (train with private railway);
- (g) Explore Gower (bus and trains);
- (h) Rail Link Bus Ystrad Mynach to Blackwood (dedicated bus funded by Caerphilly County Borough Council into/out of trains at Ystrad Mynach);
- (i) Rail link bus from Rhoose Cardiff International Airport station to Cardiff International Airport;
- (j) other airports' rail link buses including Heathrow Railair link (national offer);
- (k) the schemes detailed in Appendix 2 to this Schedule 2.5; and
- (l) any other multi-modal fares travel scheme which TfWRL is required to participate in during the Rail Services Term pursuant to paragraph 2.1(b) to this Schedule 2.5.

3 DISCOUNT FARE SCHEMES

3.1 Each of the following schemes:

- (a) RDG Disabled Persons Railcard Scheme dated 23 July 1995 between the participants therein;
- (b) RDG Young Persons Railcard Scheme dated 23 July 1995 between the participants therein;
- (c) RDG Senior Railcard Scheme dated 23 July 1995 between the participants therein;
- (d) 16-17 Railcard;
- (e) Two Together Railcard;
- (f) Family and Friends Railcard;
- (g) Network Railcard;
- (h) HM Forces Railcard;
- (i) Veteran's Railcard;

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- (j) Heart of Wales Railcard which is valid for journeys between Swansea/Llanelli to Shrewsbury via Llandrindod Wells. The railcard provides a thirty-four percent (34%) discount on local rail travel and allows the bearer to take up to two children aged 5-15 with them for £2.00 each. The railcard is available to residents, aged sixteen (16) or over, living in selected postcodes along the route of the Heart of Wales line. Travel must be via Heart of Wales Line;
 - (k) Valleys Seniors' Railcard for people aged sixty (60) or over, which gives a fifty percent (50%) discount on 'Anytime' or 'Off Peak Day Return' fares on the Cardiff and Valleys network valid to arrive into Cardiff after 09.29 excluding weekends and Bank Holidays. Valid for travel on Cardiff Valleys and Local routes. Not valid between Cardiff, Newport and Cheltenham;
 - (l) Student Railcard Valleys and Cardiff Local Routes, which gives thirty four percent (34%) off all day tickets and ten percent (10%) of all 'Season' tickets on ATW's services on certain Cardiff and Valleys network. Valid for travel on Valleys and selected local routes only;
 - (m) Student Railcard, which gives thirty four percent (34%) discount to 'Standard Class' fares and ten percent discount (10%) to 'Standard Class' season tickets on Passenger Services within a specified area of validity;
 - (n) Cambrian Railcard, which offers at least one third off most individual 'Standard Class' rail fares on the Cambrian Lines and allows the bearer to take up to two children aged 5-15 with them for £2.00 each. Valid for travel between Pwllheli, Aberystwyth, Machynlleth, Newtown, Shrewsbury and all stops in between;
 - (o) Pembrokeshire Railcard, which is available on all journeys within Pembrokeshire and extends to Swansea via Carmarthen. The railcard provides a thirty-four percent (34%) discount on local rail travel and allows the bearer to take up to two children aged 5-15 with them for £2.00 each. The railcard is available to residents, aged sixteen (16) or over, living in selected postcodes in Pembrokeshire Valid for travel between Fishguard Harbour and Swansea;
 - (p) 18 Saver Railcard, which gives fifty percent (50%) discount to 'Standard Class' fares on Passenger Services within a specified area of validity; or
 - (q) any other discount fare scheme approved from time to time by the Authority or by the Secretary of State for the purposes of section 28 of the Act,

in each case until such time as it may cease to be approved by the Authority or by the Secretary of State for the purposes of section 28 of the Act.

4 **INTER-OPERATOR SCHEMES**

4.1 Each of the following schemes which relate to arrangements between TfWRL and other participants in the railway industry:

- (a) RDG Staff Travel Scheme dated 23 July 1995 between the participants named therein;
- (b) Ticketing and Settlement Agreement;
- (c) RDG LRT Scheme dated 23 July 1995 between the participants named therein;
- (d) Travelcard Agreement dated 15 October 1995 between London Regional Transport and the parties named therein;
- (e) Through Ticketing (Non-Travelcard) Agreement dated 15 October 1995 (as amended and restated) between London Regional Transport and the parties named therein;
- (f) National Rail Enquiry Scheme dated 11 June 1996 between the participants named therein;
- (g) InterRail Pass;
- (h) Britrail Pass;
- (i) any other scheme, agreement and/or contract of a similar or equivalent nature as may from time to time during the Rail Services Term amend, replace or substitute, in whole or in part, any of such schemes, agreements and/or contracts; and
- (j) any Discount Fare Scheme.

Appendix 2 to Schedule 2.5

H043	CAERPHILLY BUS	Stagecoach	Stagecoach in South Wales C9, C16, C17, 50, 120, A,B,C,D,E,F
H717	CARDIFF AIR BUS	First Bus Cymru	Service operates every 20 minutes to/from the airport starting at 04.10 until 23.40.
H759	CAERNARFON BUS	Arriva Bus Wales	Journey Time: Approximately 28 minutes.
J684	LPOOL AIRPRT BUS	Merseytravel	Merseytravel: 0151 236 7676
J729	TREDEGAR BUS CDF	Stagecoach	Route X4
K275	CARDIFF CAP CRD	Cardiff Bus	From Valleys Lines Zones 1 to 6 Days of operation: Mondays to Saturdays - regular service between 0800 and 1800, with additional services outside these hours. Limited service operates on Sundays.
K342	OSWESTRY BUS	Arriva Midlands	
K500	BUCKLEY CTR BUS	Cymru Connect (Arriva Cymru)	Service Nos – 3, 4, X44, X55
K501	DENBIGH BUS	Cymru Connect (Arriva Cymru)	Service Nos – X52
K502	RUTHIN BUS	Cymru Connect (operated by GHA)	Service No's – x50, x52
K504	MOLD BUS	Cymru Connect (operated by P&O Lloyd)	Service No's – X18
K507	LAMPETER BUS	AYW Cymru Connect (operated by Arriva Cymru)	
K530	PONTARDAWE BUS	Cymru Connect (operated by First Bus Cymru)	Service No's – 120, 125

K531	BRECON LLO BUS		Cymru Connect (operated by Stagecoach in South wales)	Service No's – 704
K532	BRECON NWT BUS		Cymru Connect (operated by Stagecoach in South wales)	Service No's – 704
K534	CARDIGAN BUS	AYW	Cymru Connect operated by Richards Brothers	Service No's: X50/550
K602	RUTHIN WRX BUS		Cymru Connect (operated by GHA)	
K604	RUTHIN WXC BUS		Cymru Connect (operated by GHA)	
K625	DENBIGH WRX BUS		Cymru Connect (operated by GHA).	
K626	DENBIGH WXC BUS		Cymru Connect (operated by GHA).	
K726	CHESTER ZOO&BUS		(Arriva Buses) from Chester Bus Exchange and the X8 (Stagecoach Buses) from Chester Station.	

Schedule 3A – NOT USED

Schedule 3B – Not Used

Schedule 4

Accessibility and Inclusivity

Schedule 4:	Accessibility and Inclusivity
	Appendix 1: Minor Works
	Appendix 2: Accessible Transport Arrangements

Accessibility and Inclusivity

1 RELATIONSHIP WITH OTHER OBLIGATIONS RELATING TO PERSONS WITH DISABILITIES

1.1 TfWRL acknowledges that its obligations in this Schedule 4 are in addition to and do not limit its obligations to comply with:

- (a) the EA and any regulations imposed by it;
- (b) any applicable condition(s) in any of its Licences (including in respect of persons with disabilities); and
- (c) any other requirements of this Agreement.

1.2 This Schedule 4 sets out:

- (a) specific arrangements which apply in respect of physical alterations to stations to facilitate accessibility and use by Disabled Persons; and
- (b) specific obligations of TfWRL directed at meeting the needs of persons with disabilities including those persons with learning disabilities.

2 PHYSICAL ALTERATIONS AND ACCESSIBILITY OF STATIONS

2.1 In respect of physical alteration works at stations to facilitate accessibility and use by Disabled Persons, it is acknowledged by TfWRL that:

- (a) there is limited funding available to the Authority to assist TfWRL and/or rail passenger operators with the carrying out of those works;
- (b) consequently, there is a need for such works to be carried out over a period of time to reflect the availability of funding, and for such works to be prioritised with regard to where there is the greatest need and/or where physical alterations can have the greatest effect; and
- (c) the Secretary of State's national programme of works of physical alterations at stations and any subsequent Authority programme of works address these issues in a structured way.

2.2 TfWRL shall:

- (a) co-operate reasonably with and assist the Authority in the development and furtherance by the Authority of the programmes described in paragraph 2.1(c) by providing to the Authority:

-
- (i) information concerning the usage of Stations (including, where and to the extent reasonably practicable, usage of Stations by Disabled Persons); and
 - (ii) advice as to the most economical way in which accessibility for Disabled Persons could, in TfWRL's reasonable opinion, be improved at Stations;
 - (b) co-operate reasonably with other Train Operators and/or Network Rail to seek to ensure that, where it would be advantageous to do so, having regard to the needs of Disabled Persons, any planned work on the Stations to facilitate accessibility and use by Disabled Persons is, so far as reasonably practicable, co-ordinated with other work to be carried out at the Stations and/or other parts of the network; and
 - (c) use all reasonable endeavours to secure sources of grant funding (other than from itself or an Affiliate) for improving accessibility for Disabled Persons at Stations (in addition to any funding secured through the Authority pursuant to paragraph 2.5); including from Local Authorities, local development agencies and the National Lottery Commission. TfWRL shall notify the Authority of:
 - (i) any such additional funding which it secures; and
 - (ii) the terms on which such additional funding has been granted.

2.3 In participating in any multi-modal fares scheme, TfWRL shall use all reasonable endeavours to secure, through the planning and development of such scheme, improvements in disabled access to the entrances of any relevant station, including within and in the immediate proximity of such station and improvements in disabled access to any transport interchange at that station and in the immediate proximity of such transport interchange.

2.4 If, during the Rail Services Term:

- (a) TfWRL has complied with its obligations in Section 20(4) and Section 20(9), as varied by paragraph 2(3) of Schedule 2, of the EA (to take such steps as are reasonable to provide a reasonable alternative method of making services at a Station accessible to a Disabled Person to avoid a Disabled Person being placed at a substantial disadvantage by a physical feature at a Station) and its obligations in paragraph 2.7 concerning Minor Works; and
- (b) notwithstanding such compliance, TfWRL reasonably considers it is still required to carry out or procure physical works of alteration at a Station in order to comply with the EA Requirements in respect of that Station, and, in so carrying out or

procuring, would incur expenditure which it would not otherwise have an obligation to incur,

TfWRL may seek funding from the Authority in respect of that expenditure.

2.5 If TfWRL seeks funding from the Authority under paragraph 2.4, and demonstrates to the Authority's satisfaction that the criteria in paragraph 2.4 have been satisfied, then the Authority may agree to adjust the amount of any Rail Services Payments in respect of some or all of the works and/or expenditure. In considering its response to any such request, the Authority will have regard to the availability of funding and the priorities set out in the national programme described in paragraph 2.1(c), together with any other available sources of funding described in paragraph 2.2(c). If and to the extent the Authority agrees to adjust any Rail Services Payment in accordance with this paragraph 2.5 in any Service Year:

- (a) the Authority shall make such adjustment to the Rail Services Payments; and
- (b) TfWRL shall spend such additional funds:
 - (i) in order to comply with the EA Requirements referred to in paragraph 2.4(b); and
 - (ii) in accordance with any conditions the Authority may notify TfWRL of.

2.6 Not used.

2.7 TfWRL shall:

- (a) establish and manage the Minor Works' Budget to fund the carrying out of Minor Works. For the purposes of this paragraph 2.7, Minor Works means small scale physical alterations or additions to improve accessibility of Stations to Disabled Persons, not involving substantial works of construction or reconstruction. The Minor Works:
 - (i) may include, but not be limited to, the Minor Works described in Appendix 1 (Minor Works) to this Schedule 4;
 - (ii) shall not include any works which Network Rail, TfWRL or any other person has a separate obligation to carry out, except where:
 - (A) such obligation is an obligation of TfWRL under the EA; or
 - (B) the inclusion of such works would lead to the acceleration of the timescale for their completion and the Authority gives its consent pursuant to paragraph 2.7(a)(iii);

-
- (iii) shall only include works other than those permitted by paragraphs 2.7(a)(i) and 2.7(a)(ii) with the prior consent of the Authority; and
 - (iv) must comply with the standards provided for in the Code of Practice, unless otherwise agreed with the prior consent of the Authority;
 - (b) as soon as reasonably practicable (and in any event within four (4) months) after the Service Commencement Date and thereafter before the start of each Service Year:
 - (i) develop a Minor Works' Programme and consult with the Disabled Persons Transport Advisory Committee and Transport Focus in relation thereto;
 - (ii) in conjunction with its activities in paragraph 2.7(b)(i), and, consistent with its obligations under paragraph 2.2(b), liaise with Network Rail and other Train Operators as necessary with regard to the determination and implementation of each Minor Works' Programme; and
 - (iii) following the consultation and liaison described in paragraphs 2.7(b)(i) and 2.7(b)(ii), obtain the Authority's prior approval (such approval not to be unreasonably withheld) of each Minor Works' Programme;
 - (c) carry out or procure the carrying out of the Minor Works' Programme in each Service Year and in doing so, spend at least the amount of the Minor Works' Budget for the relevant Service Year in such Service Year (unless otherwise agreed by the Authority);
 - (d) report progress to the Authority in determining and carrying out the Minor Works' Programme no less than once every three (3) Reporting Periods; and
 - (e) co-operate, as the Authority may reasonably require, with Network Rail or any other person seeking to carry out or procure Minor Works at the Stations or any other stations.

3 DEALING WITH CLAIMS RELATING TO STATIONS

3.1 If TfWRL receives notification of a claim under the EA in respect of any alleged non-compliance with the EA Requirements or otherwise in respect of any Station (an "**EA Claim**") then TfWRL shall:

- (a) notify the Authority within seven (7) days of receiving notification of the EA Claim. TfWRL shall at the same time notify the Authority of any reasonable alternative methods of making services at the Station accessible to Disabled Persons that it

has considered and/or put in place pursuant to Section 20(4) and Section 20(9), as varied by paragraph 2(3) of Schedule 2, of the EA;

- (b) if required by the Authority, defend the EA Claim or any aspect of the EA Claim (which may include appealing the judgment). The Authority will, subject to paragraph 3.4, pay TfWRL's reasonable costs of:
 - (i) any defence or appeal required by the Authority; and/or
 - (ii) compliance with the Authority's instructions in accordance with paragraph 3.1(c); and
 - (c) act in accordance with the reasonable instructions of the Authority to defend the EA Claim (or any aspect of it) as required under paragraph 3.1(b) and shall not (without the prior consent of the Authority) settle or enter into any compromise in relation to the EA Claim (or the relevant aspect of it), including by entering into mediation.
- 3.2 If, in the reasonable opinion of TfWRL, it will be more cost effective to settle the EA Claim rather than act in accordance with the Authority's requirement under paragraph 3.1, it shall produce for the Authority's approval a settlement proposal, setting out the terms of TfWRL's proposals to make an offer to the Disabled Person making the EA Claim and its reasons for making such offer (the "**Settlement Proposal**").
- 3.3 If the Authority does not accept the Settlement Proposal and still requires TfWRL to defend the EA Claim (or any aspect of it) then TfWRL shall defend the EA Claim in accordance with paragraph 3.1.
- 3.4 If TfWRL is required to defend an EA Claim where it has submitted a Settlement Proposal to the Authority and an award is made in respect of the EA Claim in favour of the person bringing it which is higher than the figure set out in the Settlement Proposal, then, subject to paragraph 3.5, the Authority shall pay to TfWRL:
- (a) the difference between such an award and the figure set out in the Settlement Proposal; and
 - (b) the further reasonable costs incurred or payable by TfWRL in defending the EA Claim, to the extent that such costs have not already been paid by the Authority under paragraph 3.1(b).
- 3.5 The Authority shall not have any obligation to make the payments described in paragraphs 3.1(b) or 3.4 where it is determined or, if no declaration or determination by the court on this point has been sought or made, the Authority, in its reasonable opinion, considers that TfWRL has not taken such steps as it is reasonable, in all the

circumstances of the case, for it to take to provide a reasonable alternative method of making services at the Station accessible to Disabled Persons.

4 SPECIFIC ADDITIONAL OBLIGATIONS RELATING TO PERSONS WITH DISABILITIES

4.1 TfWRL shall establish and implement procedures necessary to:

- (a) record the making of reservations for seating accommodation for and/or the provision of assistance to, persons with disabilities which are made through the Passenger Assistance (or whatever service may replace it from time to time for the purposes of ORR's most recent guidance on Disabled People's Protection Policies);
- (b) record whether such seating accommodation and/or assistance is actually provided; and
- (c) provide such records to the Authority on its request.

4.2 Any helpline established by TfWRL for the purposes of making reservations for seating accommodation for and/or the provision of assistance to, persons with disabilities shall be provided free of charge.

4.3 TfWRL shall provide and maintain a Disabled People's Protection Policy (DPPP) for the duration of the Rail Services Term. The DPPP shall address, amongst other matters, the following:

- (a) availability of travel assistance for persons with disabilities to support origin to destination travel;
- (b) availability of intermodal ticketing for persons with disabilities to support origin to destination travel;
- (c) availability, support and development of existing and new reduced price and free travel schemes for Disabled Persons;
- (d) sufficient priority seating is available for persons with disabilities or persons that experience restricted mobility or other seating needs;
- (e) accessibility at Stations in respect of physical access (and any identified enhancements to such accessibility), including step free access as well as measures to ensure accessibility that meets the needs of persons with sensory loss and people with learning difficulties;
- (f) Station and Train Fleet safety to reduce the risk of trips and falls for persons with disabilities, elderly persons and persons who experience restricted mobility;

- (g) access to suitable toilet and changing facilities for persons with disabilities;
- (h) support for and improvement of the passenger assistance programme enabling persons with disabilities to travel using Rail Services without the need to book twenty-four (24) hours in advance of travel at all staffed Stations and to ensure where reasonably practicable that TfWRL has arrangements in place to ensure that onward travel is also supported by other Train Operators;
- (i) support for and extension of schemes to allow Disabled Persons or other persons with specific travel needs to identify themselves to Rail Services Employees, including the existing "Orange Wallet" scheme;
- (j) support for equality and diversity training for Rail Services Employees;
- (k) recognition of the role that TfWRL should play in changing public attitudes towards Disabled Persons; and
- (l) the inclusion of and engagement with equality groups (including "Disability Wales") and other representatives of Disabled Persons and their interests in the development of Rail Services and in customer panels, user groups and other relevant fora.

4.4 Where TfWRL's Disabled People's Protection Policy:

- (a) has been established before the date of this Agreement; and
- (b) has not been revised and approved by the ORR to take into account the ORR's most recent published guidance on Disabled People's Protection Policies as at the date of this Agreement,

TfWRL shall within six (6) months of the date of this Agreement revise its Disabled People's Protection Policy such that it complies with that guidance, and obtain the ORR's approval of the revised version.

4.5 TfWRL shall comply with the requirements set out in Appendix 2 (Accessible Transport Arrangements) to this Schedule 4 in respect of the provision of accessible transport arrangements for persons with disabilities.

4.6 TfWRL shall ensure that accessibility measures include support for the needs of persons with additional learning needs.

4.7 TfWRL shall ensure that accessibility measures include support for the needs of persons with mental health impairments that require support to access the Rail Services.

Appendix 1 to Schedule 4 - Minor Works

- 1 Providing additional signage, where it does not currently exist, to allow better way finding around the Station by Disabled Persons.
- 2 Removing:
 - (a) thresholds (above 15 millimetres) which do not comply with the Code of Practice; or
 - (b) fewer than three steps,from the entrances to booking halls or platforms to enable those facilities to have step-free access.
- 3 Providing contrasting manifestations on glazed areas where contrasting manifestations do not currently exist.
- 4 Providing additional handrails around the Station where handrails do not currently exist and where TfWRL reasonably believes they may be required by a Disabled Person.
- 5 Providing new accessible stair nosings where stair nosings do not currently exist.
- 6 Providing new tactile surfaces, including at the top and bottom of flights of steps (but excluding at platform edges) where tactile surfaces do not currently exist.
- 7 Providing additional seating that is accessible to Disabled Persons, but not replacing existing seating.
- 8 Providing induction loops for ticket office windows where induction loops do not currently exist.
- 9 Replacing non-standard fittings with fittings that are compliant with the Code of Practice in existing disabled toilets, which would include replacing non-standard fittings in respect of toilet bowls and sinks, but would not include making major changes to plumbing or to the dimensions of the toilet area.
- 10 Providing dropped kerbs at drop off/set down points or Station car parks to enable access/egress thereto where dropped kerbs do not currently exist.
- 11 Marking out existing car-parking bays for use by persons with disabilities which comply with the Code of Practice, where such car parking bays do not currently comply.

Appendix 2 to Schedule 4 - Accessible Transport Arrangements

- 1 References in this Appendix 2 to Schedule 4 (Accessibility and Inclusivity) to passengers are references to passengers with disabilities who are wheelchair users or otherwise severely mobility impaired.
- 2 Subject to paragraph 4, where:
 - (a) a passenger wants to travel on a Passenger Service; and
 - (b) the design of the station at which the passenger's journey on such Passenger Service is to start (the "**Departure Station**") or finish (the "**Destination Station**") prevents the passenger from using that station to access or disembark from that Passenger Service,TfWRL shall provide accessible transport arrangements for that passenger in accordance with paragraph 3.
- 3 TfWRL shall provide accessible transport arrangements for the passenger referred to in paragraph 2:
 - (a) from the Departure Station to the next station at which the Passenger Service is scheduled to call and at which it is possible for the passenger to access that Passenger Service;
 - (b) to the Destination Station, from the station closest to such station at which the Passenger Service is scheduled to call and which it is possible for the passenger to use to disembark from that Passenger Service; and/or
 - (c) to or from such other station as TfWRL may, having regard to the journey and the needs of the passenger, agree,and, in any case, at no cost additional to the price of the Fare which would otherwise be payable for the passenger's rail journey.
- 4 TfWRL's obligations under this Appendix 2 to Schedule 4 (Accessibility and Inclusivity) are subject to:
 - (a) reasonable prior notice of the passenger's requirement for accessible transport arrangements; and
 - (b) the availability of suitable accessible transport arrangements (provided that TfWRL has used all reasonable endeavours to ensure that it has arrangements in place to meet requirements for the provision of such accessible transport arrangements).

Schedule 5**Fares and Smart Ticketing**

Schedule 5.1:	Purpose, Structure and Construction
Schedule 5.2:	TfWRL's Obligation to Create Fares
Schedule 5.3:	Allocation of Fares to Fares Baskets
Schedule 5.4:	Regulation of Fares Basket Values
Schedule 5.5:	Regulation of Individual Fares
Schedule 5.6:	Exceeding the Regulated Value or Regulated Price
Schedule 5.7:	Changes to Fares and Fares Regulation
Schedule 5.8:	Fares Regulation Information and Monitoring
Schedule 5.9:	Smart Ticketing

Schedule 5.1 - Purpose, Structure and Construction

1 PURPOSE OF SCHEDULE 5

Purpose of provisions relating to Creating Fares

- 1.1 The purpose of Schedule 5.2 (TfWRL's Obligation to Create Fares) is to ensure that Commuter Fares and Protected Fares are created in accordance with the Ticketing and Settlement Agreement and to place appropriate restrictions on TfWRL's ability to create Fares.

Purpose of Fares Regulation

- 1.2 The purpose of Schedule 5.3 (Allocation of Fares to Fares Baskets) to Schedule 5.8 (Fares Regulation Information and Monitoring) (inclusive) is to provide for the regulation of Fares by the Authority pursuant to section 28 of the Act.

- 1.3 For the purpose of regulating Fares, each Fare that is to be regulated shall be allocated in accordance with this Schedule 5.1 to one of the following Fares Baskets:

- (a) the Commuter Fares Basket;
- (b) the Protected Fares Basket B; or
- (c) the Protected Fares Basket C.

- 1.4 The Authority's regulation of Fares places a limit on the Price of each Fare that is allocated by the Authority to a Fares Basket. The limit on the Price of each Fare is set by reference to:

- (a) the overall increase of the Prices of all Fares in a Fares Basket; and
- (b) the individual increase in the Price of each Fare in a Fares Basket.

- 1.5 Subject to the more detailed provisions of Schedule 5.4 (Regulation of Fares Basket Values) and Schedule 5.5 (Regulation of Individual Fares):

- (a) the overall increase of the Prices of all Fares in a Fares Basket may not exceed the Retail Prices Index + k percent per annum in respect of each Fare Year; and
- (b) save for any Fares that are subject to Fares Flex pursuant to paragraph 9.5(a) of Schedule 5.7 (Changes to Fares and Fares Regulation), the increase in the Price of any individual Fare in a Fares Basket may not exceed the Retail Prices Index + k percent + f percent per annum in respect of each Fare Year.

For the purposes of paragraph 1.5(a), "k" has the meaning given to it in paragraph 4.2 of Schedule 5.4 (Regulation of Fares Basket Values) and for the purposes of paragraph

1.5(b) “k” and “f” shall each have the meaning given to each such term in paragraph 2.2 of Schedule 5.5 (Regulation of Individual Fares).

1.6 The Authority may alter these limits, and other aspects of the regulation of Fares, in accordance with the more detailed provisions of Schedule 5.7 (Changes to Fares and Fares Regulation).

2 STRUCTURE OF SCHEDULE 5

2.1 Schedule 5.2 (TfWRL’s Obligation to Create Fares) sets out or refers to TfWRL’s obligations to create Fares.

2.2 Schedule 5.3 (Allocation of Fares to Fares Baskets) sets out the allocation of Fares to Fares Baskets.

2.3 Schedule 5.4 (Regulation of Fares Basket Values) sets out the limits applicable to the overall increase in Prices of all Fares in a Fares Basket.

2.4 Schedule 5.5 (Regulation of Individual Fares) sets out the limits applicable to the increase in the Price of any individual Fare in a Fares Basket.

2.5 Schedule 5.6 (Exceeding the Regulated Value or Regulated Price) sets out the consequences of TfWRL exceeding:

(a) the Regulated Value of any Fares Basket; or

(b) the Regulated Price of any Fare.

2.6 Schedule 5.7 (Changes to Fares and Fares Regulation) sets out the Authority’s ability to vary the foregoing provisions.

2.7 Schedule 5.8 (Fares Regulation Information and Monitoring) sets out Fares regulation information and monitoring provisions.

2.8 Schedule 5.9 (Smart Ticketing) sets out provisions relating to the introduction of smart ticketing.

3 CONSTRUCTION

References to "Fare"

3.1 For the purposes of:

(a) Schedule 5.2 (TfWRL’s Obligation to Create Fares), Fare has the wide meaning given to it in paragraph (a) of that definition; and

- (b) Schedule 5.3 (Allocation of Fares to Fares Baskets) to Schedule 5.8 (Fares Regulation Information and Monitoring) (inclusive), Fare shall have the narrow meaning given to it in paragraph (b) of that definition.

3.2 References in this Schedule 5 to a Fare shall, except to the extent the context otherwise requires, be construed as references to the Fare which is or can be created by the Lead Operator for the Flow to which the Fare relates or, if such Flow is not a Compulsory Inter-available Flow, any Fare which TfWRL has created or can create in respect of that Flow as the Authority may specify.

Fares Documents

3.3 In the event that, in the Authority's reasonable opinion, there is an immaterial inconsistency between the Fares or the maximum Price (as the case may be) for any Fare recorded by RSP in 2010 or the 2010 Nominal Ticket Sales:

- (a) described in or determined in accordance with this Schedule 5; and
- (b) described in the relevant Fares Document,

the relevant Fares Document shall prevail.

3.4 In the event that, in the Authority's reasonable opinion, there is a material inconsistency between the Fares or the maximum Price (as the case may be) for any Fare recorded by RSP in 2010 or the 2010 Nominal Ticket Sales:

- (a) described in or determined in accordance with this Schedule 5; and
- (b) described in the relevant Fares Document,

this Schedule 5 shall prevail.

Setting of Child Prices

3.5 Any requirement under this Schedule 5 to set a Child Price in respect of a Fare shall be satisfied by TfWRL Creating either:

- (a) a Fare which is only valid for use by persons under the age of 16; or
- (b) a Fare which is valid for use:
 - (i) by any person at a price; and
 - (ii) by persons under the age of 16 at a discounted price relative to the price set pursuant to paragraph 3.5(b)(i).

New Stations

3.6 Subject to paragraph 3.2, the Authority may include within the definitions of:

- (a) Fares Basket;
- (b) Commuter Fare; and
- (c) Protected Fare,

Fares to or from any New Station, on such basis as the Authority may, after consultation with TfWRL, reasonably determine and references in this Schedule 5 to Fares Basket, Commuter Fare, Protected Fare and Fares and other relevant definitions shall be construed accordingly.

Schedule 5.2 - TfWRL's Obligation to Create Fares

1 CREATION OF COMMUTER FARES AND PROTECTED FARES

TfWRL shall ensure that each Commuter Fare and each Protected Fare has been created, to the extent it is entitled or obliged to do so under the terms of the Ticketing and Settlement Agreement.

2 RESTRICTIONS ON CREATION OF FARES

2.1 TfWRL shall set the Child Price for any Fare that it creates so that that Fare may be purchased by or for a person under the age of 16 for an amount which is no greater than fifty percent (50%) of the Price of the relevant Fare.

2.2 TfWRL shall not create or agree to create any Fare or Discount Card with a validity of thirteen (13) or more months without the consent of the Authority (such consent not to be unreasonably withheld).

Schedule 5.3 - Allocation of Fares to Fares Baskets

1 ALLOCATION OF FARES TO FARES BASKETS

- 1.1 On or prior to the Service Commencement Date, the Authority shall allocate each Commuter Fare and each Protected Fare to the relevant Fares Basket in accordance with this Schedule 5.3.
- 1.2 Subject to paragraph 2, each:
- (a) Commuter Fare shall be allocated by the Authority to the Commuter Fares Basket;
 - (b) Protected Fare identified as a Fare to be allocated to the Protected Fares Basket B in the Protected Fares Document shall be allocated by the Authority to the Protected Fares Basket B; and
 - (c) Protected Fare identified as a Fare to be allocated to the Protected Fares Basket C in the Protected Fares Document shall be allocated by the Authority to the Protected Fares Basket C.

2 DESIGNATION OF NON FARES BASKET FARES

- 2.1 On or prior to the Service Commencement Date, the Authority shall:
- (a) separately (or in aggregate with other Fares of the same type in the opposite direction or for similar journeys that have the same Price) rank, in descending order according to their Gross Revenue for the period of twelve (12) months which ended on 31 March 2010:
 - (i) all Commuter Fares; and
 - (ii) all Protected Fares;
 - (b) aggregate, following such ranking;
 - (i) those Commuter Fares with the lowest Gross Revenue until the total of the aggregated Gross Revenue of such fares accounts for up to five percent (5%) of the aggregate Reference Revenue of all Commuter Fares; and
 - (ii) those Protected Fares with the lowest Gross Revenue, until the total of the aggregated Gross Revenue of such fares accounts for up to five percent (5%) of the aggregate Reference Revenue of all Protected Fares; and
 - (c) designate, following such aggregation;

- (i) those Commuter Fares referred to in paragraph 2.1(b)(i) as Non Fares Basket Fares; and
- (ii) those Protected Fares referred to in paragraph 2.1(b)(ii) as Non Fares Basket Fares.

2.2 Without prejudice to the Authority's right to require the content of a Fares Basket to change at any time prior to the Service Commencement Date, or, thereafter, prior to the commencement of any Fares Setting Round, pursuant to paragraph 1 of Schedule 5.7 (Changes to Fares and Fares Regulation), any Commuter Fare or Protected Fare that is also designated as a Non Fares Basket Fare shall not be allocated to the relevant Fares Basket.

2.3 The Authority may de-designate any Non Fares Basket Fare pursuant to paragraph 1.1(d) (iii) of Schedule 5.7 (Changes to Fares and Fares Regulation).

Schedule 5.4 - Regulation of Fares Basket Values

1 VALUE OF FARES BASKET NOT TO EXCEED REGULATED VALUE

Subject to paragraph 1.3 of Schedule 5.6 (Exceeding the Regulated Value or Regulated Price), TfWRL shall procure that the Value of a Fares Basket at any time in any Fare Year does not exceed its Regulated Value for that Fare Year.

2 VALUE

The Value of a Fares Basket at any time shall be the aggregate of the Projected Revenue of each Fare in that Fares Basket at that time.

3 PROJECTED REVENUE

The Projected Revenue of any Fare at any time shall be an amount equal to:

P x 2010 Nominal Ticket Sales				
Where:				
P	is the Price or Child Price (as the case may be) of that Fare at that time; and			
2010 Nominal Ticket Sales	is the number of nominal ticket sales of that Fare for 2010, ascertained as follows:			
	$\frac{A}{B}$			
	where:			
	<table border="1"> <tr> <td>A</td> <td>is the aggregate Gross Revenue recorded by RSP as attributable to sales of that Fare and any other Fare with which it was aggregated under paragraph 2.1(a) of Schedule 5.3 (Allocation of Fares to Fares Baskets) for the period of twelve (12) months which ended 31 March 2010; and</td> </tr> <tr> <td>B</td> <td>is the Price or Child Price (as the case may be) for that Fare recorded by RSP in February 2010.</td> </tr> </table>	A	is the aggregate Gross Revenue recorded by RSP as attributable to sales of that Fare and any other Fare with which it was aggregated under paragraph 2.1(a) of Schedule 5.3 (Allocation of Fares to Fares Baskets) for the period of twelve (12) months which ended 31 March 2010; and	B
A	is the aggregate Gross Revenue recorded by RSP as attributable to sales of that Fare and any other Fare with which it was aggregated under paragraph 2.1(a) of Schedule 5.3 (Allocation of Fares to Fares Baskets) for the period of twelve (12) months which ended 31 March 2010; and			
B	is the Price or Child Price (as the case may be) for that Fare recorded by RSP in February 2010.			

4 REGULATED VALUE

4.1 The Regulated Value of a Fares Basket for any Fare Year shall be an amount equal to:

2010 Ticket Revenue x PPAI	
Where:	
2010 Ticket Revenue	is the aggregate Gross Revenue recorded by RSP as attributable to sales of all Fares in that Fares Basket for the period of twelve (12) months which ended 31 March 2010;
PPAI	is:
	where:
	(a) in respect of the Fare Year commencing in 1 January 2010, the Permitted Aggregate Increase for that Fare Year; and
	(b) in respect of each Fare Year commencing on or after 2010, the product of the Permitted Aggregate Increase for each Fare Year between that Fare Year and the Fare Year which began 1 January 2010 (inclusively).

4.2 The Permitted Aggregate Increase in any Fare Year shall be an amount equal to:

PAI =	$PAI = \frac{(100 \times RPI) + k}{100}$
Where:	
PAI	is the Permitted Aggregate Increase in that Fare Year;
RPI	is an amount equal to:
	<u>RPI_1</u>
	RPI_2
	where:

	RPI₁	is the Retail Prices Index for the July of the calendar year preceding that Fare Year; and
	RPI₂	is the Retail Prices Index for the July of the calendar year preceding the calendar year referred in the definition of RPI ₁ ; and
k		is equal to zero (0) for each Fare Year until the Fare Year commencing on 1 January 2021 where it will be equal to plus one (+ 1) per annum for any Fare Year thereafter.

Schedule 5.5 - Regulation of Individual Fares

1 PRICE NOT TO EXCEED REGULATED PRICE

1.1 Subject to paragraph 9 of Schedule 5.7 (Changes to Fares and Fares Regulation), TfWRL shall procure that the Price of:

- (a) each Commuter Fare included in the Commuter Fares Basket; and
- (b) each Protected Fare included in the Protected Fares Basket B or the Protected Fares Basket C,

in any Fare Year does not exceed the Regulated Price for such Fare in that Fare Year.

1.2 TfWRL shall procure that the Price of any Season Ticket Fare shall be the same in both directions.

2 REGULATED PRICE

2.1 The Regulated Price for any Fare in any Fare Year shall be an amount equal to the greater of:

(a)	Preceding Year Ticket Price + £0.10p; and
(b)	Preceding Year Ticket Price x PII
Where:	
Preceding Year Ticket Price	for the Fare Year commencing 1 January 2010, is the maximum Price for that Fare recorded by RSP in 2010 and, for any subsequent Fare Year, is the maximum Price recorded by RSP in the Fare Year preceding that Fare Year, provided that such maximum Price complied with the requirements of this Schedule 5. If such maximum Price did not so comply, then such maximum Price shall be the last Price recorded by RSP which did so comply; and
PII	is the Permitted Individual Increase in any Fare Year, as determined in accordance with paragraph 2.2.

2.2 The Permitted Individual Increase in any Fare Year shall be an amount equal to:

PII =	$\frac{(100 \times RPI) + k + f}{100}$
--------------	--

Where:				
PII	is the Permitted Individual Increase in that Fare Year;			
RPI	is an amount equal to:			
	$\frac{RPI_1}{RPI_2}$			
	where:			
	<table border="1"> <tr> <td>RPI₁</td> <td>is the Retail Prices Index for the July of the calendar year preceding that Fare Year; and</td> </tr> <tr> <td>RPI₂</td> <td>is the Retail Prices Index for the July of the calendar year preceding the calendar year referred in the definition of RPI₁;</td> </tr> </table>	RPI₁	is the Retail Prices Index for the July of the calendar year preceding that Fare Year; and	RPI₂
RPI₁	is the Retail Prices Index for the July of the calendar year preceding that Fare Year; and			
RPI₂	is the Retail Prices Index for the July of the calendar year preceding the calendar year referred in the definition of RPI ₁ ;			
k	is equal to zero (0) for each Fare Year until the Fare Year commencing on 1 January 2021 where it will be equal to plus one (+ 1) per annum for any Fare Year thereafter; and			
f	is equal to zero (0) unless otherwise agreed pursuant to paragraph 9 of Schedule 5.7 (Changes to Fares and Fares Regulation) .			

2.3 Where:

- (a) TfWRL sets the Price of any Commuter Fare or Protected Fare in any Fare Year; and
- (b) the Authority reasonably determines that the Price of such Commuter Fare or Protected Fare was set solely for the purpose of increasing the value of the Preceding Year Ticket Price in the next Fare Year,

the Preceding Year Ticket Price for the purposes of determining the Regulated Price pursuant to paragraph 2.1 in the next Fare Year shall be the maximum Price prior to such setting that complied with the requirements of this Schedule 5, as recorded by RSP in the relevant preceding Fare Year.

3 COMPULSORY INTER-AVAILABLE FLOWS

3.1 Where TfWRL:

(a) as Lead Operator for a Compulsory Inter-available Flow, is responsible for setting the Price of a Commuter Fare for that Flow; and

(b) has notified RSP of the Price of that Commuter Fare in any Fares Setting Round,

TfWRL shall not increase the Price of that Commuter Fare in the same Fares Setting Round without the consent of either the Authority or each other Train Operator which provides railway passenger services for such Flow.

Schedule 5.6 - Exceeding the Regulated Value or Regulated Price

1 EXCEEDING THE REGULATED VALUE

1.1 If TfWRL is in contravention of paragraph 1 of Schedule 5.4 (Regulation of Fares Basket Values) in respect of the Commuter Fares Basket, the Protected Fares Basket B or the Protected Fares Basket C:

(a) it shall reduce the Price of Fares in the relevant Fares Basket at the next available opportunity and, in any event, at the next Fares Setting Round, so as to comply with the requirements of paragraph 1 of Schedule 5.4 (Regulation of Fares Basket Values) from such date; and

(b) the Authority may adjust the Rail Services Payments by an amount equivalent in its opinion to the sum of:

(i) any additional gross revenue accruing to TfWRL or any person selling Fares on its behalf as a result of the Value of any Fares Basket exceeding its Regulated Value permitted under Schedule 5.4 (Regulation of Fares Basket Values); and

(ii) any costs incurred by the Authority in determining the amount of such additional gross revenue.

1.2 Any adjustment to the Rail Services Payments by the Authority pursuant to paragraph 1.1:

(a) not used; and

(b) shall be without prejudice to any other rights or remedies of the Authority under the Act or this Agreement in respect of such contravention.

1.3 It shall not be a contravention of paragraph 1 of Schedule 5.4 (Regulation of Fares Basket Values) if and to the extent that:

(a) the Value of the Commuter Fares Basket exceeds its Regulated Value in any Fare Year;

(b) such excess is caused by the Price of any relevant Commuter Fare being set pursuant to the terms of the Ticketing and Settlement Agreement by another person (other than an Affiliate); and

(c) TfWRL does not have a reasonable opportunity, under any procedure for consulting or notifying Train Operators of alterations to the Prices of Fares under the Ticketing and Settlement Agreement or otherwise, to alter some or all of the

other Commuter Fares in the Commuter Fares Basket so as to avoid the Value of the Commuter Fares Basket exceeding its Regulated Value.

1.4 If and to the extent that the circumstances described in paragraph 1.3 prevail in any Fare Year, TfWRL shall not subsequently increase during that Fare Year, or any subsequent Fare Year, the Price of any Commuter Fare in the Commuter Fares Basket which it is entitled to set pursuant to the terms of the Ticketing and Settlement Agreement, unless, following such increase, TfWRL would, otherwise than under paragraph 1.3, comply with the provisions of paragraph 1 of Schedule 5.4 (Regulation of Fares Basket Values) in relation to the Commuter Fares Basket.

1.5 Where circumstances described in paragraph 1.3 prevail in any Fare Year, TfWRL shall not be required to reduce the Price of any other Commuter Fare at any time during that Fare Year, or any subsequent Fare Year, where such Price has previously been set in a Fares Setting Round.

2 **EXCEEDING THE REGULATED PRICE**

2.1 If TfWRL is in contravention of paragraph 1 of Schedule 5.5 (Regulation of Individual Fares):

(a) it shall reduce the Price of any relevant Fare at the next available opportunity and, in any event, at the next Fares Setting Round, so as to comply with the requirements of paragraph 1 of Schedule 5.5 (Regulation of Individual Fares) from such date; and

(b) the Authority may adjust the Rail Services Payments by an amount equivalent in its opinion to the sum of:

(i) any additional gross revenue accruing to TfWRL or any person selling Fares on its behalf as a result of the sale of Fares at Prices in excess of the relevant amounts permitted under Schedule 5.5 (Regulation of Individual Fares); and

(ii) any costs incurred by the Authority in determining the amount of such additional gross revenue.

2.2 Any adjustment to the Rail Services Payments by the Authority pursuant to paragraph 2.1:

(a) not used; and

(b) shall be without prejudice to any other rights or remedies of the Authority under the Act or this Agreement in respect of such contravention.

Schedule 5.7 - Changes to Fares and Fares Regulation

1 CHANGES TO FARES BASKETS

1.1 The Authority may require the content of the Commuter Fares Basket, Protected Fares Basket B or Protected Fares Basket C (as the case may be) to change in accordance with the following:

(a) where the Authority is not satisfied that the Price of any Non Fares Basket Fare is reasonably constrained by the Price of other Fares which:

(i) have been set in respect of the same, or part of the same, Flow as such Non Fares Basket Fare, or a Flow which is reasonably proximate to the Flow on which such Non Fares Basket Fare has been set; and

(ii) have been included in the relevant Fares Basket,

the Authority may de-designate any Non Fares Basket Fare and include such Non Fares Basket Fare in the relevant Fares Basket;

(b) where any Commuter Fare for a Flow has been included in the Commuter Fares Basket, the Authority may require the inclusion in the Commuter Fares Basket of any Weekly Season Ticket, Monthly Season Ticket, Quarterly Season Ticket, Annual Season Ticket, unrestricted Single Fare or unrestricted Return Fare that existed on that Flow in February 2010;

(c) where any Protected Fare for a Flow has been included in the Protected Fares Basket B or the Protected Fares Basket C, the Authority may require the inclusion in the Protected Fares Basket B or the Protected Fares Basket C of any Protected Return Fare or Protected Weekly Season Ticket that existed on that Flow in February 2010; and/or

(d) where the Authority changes the Reference Revenue and/or the Gross Revenue of any Fare pursuant to paragraphs 3.1(a) and/or 3.1(b) then, in relation to the Fares Basket in which such Fare is or would be included, and without limiting paragraphs 1.1(a) to (c) inclusive, the Authority may also:

(i) make any of the changes to such Fares Basket contemplated by this paragraph 1.1;

(ii) designate any Fare as a Non Fares Basket Fare in accordance with the provisions (other than the requirement that such designation occurs on or prior to the Service Commencement Date) of paragraph 2 of Schedule 5.3 (Allocation of Fares to Fares Baskets); and/or

- (iii) de-designate any Non Fares Basket Fare and include such Non Fares Basket Fare in the relevant Fares Basket.

1.2 The Authority shall serve notice in writing on TfWRL:

- (a) at any time prior to the Service Commencement Date; and
- (b) thereafter, no later than the commencement of any Fares Setting Round, to require any Fare to be included in a Fares Basket or to designate any Fare as a Non Fares Basket Fare pursuant to paragraph 1.1.

2 **CHANGES TO THE 2010 NOMINAL TICKET SALES**

2.1 TfWRL may, in the event of any significant change to the pattern of travel on the Passenger Services during the Rail Services Term, apply to the Authority for the **value of factors A and/or B** in the formula for determining 2010 Nominal Ticket Sales in paragraph 3 of Schedule 5.4 (Regulation of Fares Basket Values) to be adjusted to take account of such changes, such that:

- (a) the **value of factor A** is re calculated by using the Gross Revenue in respect of the sales of the relevant Fares for the most recently completed period of twelve (12) months ending 31 March; and/or
- (b) the **value of factor B** is recalculated by using the Price of the relevant Fares recorded by RSP in the month of February during such period.

2.2 The Authority shall act reasonably in relation to any such application but shall not under any circumstances be obliged to accept any such application in whole or in part. The Authority shall be entitled to impose conditions upon any such acceptance, including conditions requiring that the **value of both factors A and B** are adjusted and/or are adjusted in respect of any or all Fares in the relevant Fares Basket.

3 **CHANGES TO THE REFERENCE REVENUE, GROSS REVENUE, 2010 NOMINAL TICKET SALES AND/OR 2010 TICKET REVENUE**

3.1 The Authority may, by notice in writing served on TfWRL no later than the date of commencement of any Fares Setting Round, require:

- (a) the Reference Revenue of any Fares Basket to be calculated by reference to a different reference period for the purpose of paragraph 2 of Schedule 5.3 (Allocation of Fares to Fares Baskets) than the period of twelve (12) months ended 31 March 2010; and/or
- (b) the Gross Revenue of all Commuter Fares and Protected Fares to be recalculated for the purpose of paragraph 2 of Schedule 5.3 (Allocation of Fares to Fares

Baskets) by reference to a different reference period than the period of twelve (12) months ended 31 March 2010; and/or

- (c) the value of factor A in the formula for determining the 2010 Nominal Ticket Sales in paragraph 3 of Schedule 5.4 (Regulation of Fares Basket Values) to be recalculated in respect of any Fare by reference to a different reference period than the period of twelve (12) months ended 31 March 2010; and/or
 - (d) the value of factor B in the formula for determining the 2010 Nominal Ticket Sales in paragraph 3 of Schedule 5.4 (Regulation of Fares Basket Values) to be recalculated in respect of any Fare by reference to a different reference date other than February 2010; and/or
 - (e) the 2010 Ticket Revenue in respect of any Fares Basket to be recalculated for the purpose of paragraph 4 of Schedule 5.4 (Regulation of Fares Basket Values) by reference to a different reference period than the period of twelve (12) months ended 31 March 2010.
- 3.2 Where, in accordance with paragraph 3.1(e), the 2010 Ticket Revenue in respect of any Fares Basket is recalculated by reference to a different reference period, the value of **"PPAI"** in paragraph 4 of Schedule 5.4 (Regulation of Fares Basket Values) shall be determined solely by reference to the product of the Permitted Aggregate Increase for each Fare Year beginning after the end of such reference period.
- 3.3 Any revision pursuant to paragraphs 3.1 or 3.2 shall take effect upon commencement of the next Fare Year to commence after the Fares Setting Round referred to in paragraph 3.1.

4 **CHANGES TO PRICES**

TfWRL may request permission from the Authority from time to time to increase any Prices beyond the levels permitted under Schedule 5.4 (Regulation of Fares Basket Values) and Schedule 5.5 (Regulation of Individual Fares) in connection with any proposed or actual improvement in any aspect of the Passenger Services relating to such Fares. The Authority shall act reasonably in relation to any such request but shall not, under any circumstances, be obliged to accept any such request in whole or in part.

5 **CHANGES TO FARES REGULATION**

The Parties agree that the Authority shall have the power at any time and on more than one occasion during the Rail Services Term to alter the obligations of, and restrictions on, TfWRL under Schedule 5.1 (Purpose, Structure and Construction) to Schedule 5.8 (Fares Regulation Information and Monitoring) inclusive for any Fare Year, or part thereof (including alteration of the **value of "k"** and/or the applicable index under paragraph 4.2

of Schedule 5.4 (Regulation of Fares Basket Values) and/or paragraph 2.2 of Schedule 5.5 (Regulation of Individual Fares) and/or alteration of the **value of "f"** under paragraph 2.2 of Schedule 5.5 (Regulation of Individual Fares)).

6 **CHANGES TO COMPULSORY INTER-AVAILABLE FLOWS**

6.1 Where:

- (a) pursuant to Clause 4 to 7 of the Ticketing and Settlement Agreement, the consent of the Authority is requested for the abolition of a Compulsory Inter-available Flow (the **"Reference Flow"**) in respect of which any Fare created would be a Commuter Fare or a Protected Fare (the **"Reference Fare"**); and
- (b) a Flow exists, which, in the Authority's opinion, is substantially similar to the Reference Flow (the **"Equivalent Flow"**),

the Authority may, as a condition of granting its consent to the abolition of the Reference Flow, by written notice to TfWRL, require any Fare created in respect of the Equivalent Flow which has substantially the same characteristics as the Reference Fare to be included in a Fares Basket (**"Equivalent Fare"**).

6.2 The Authority shall not issue any such notice in respect of an Equivalent Fare unless the provisions of such notice have first been approved by the Ticketing and Settlement Scheme Council (as defined in the Ticketing and Settlement Agreement) or a delegate of such council.

6.3 The Price of any Equivalent Fare in the first Fare Year in which it is to be introduced shall be no greater than the maximum permitted Price in that Fare Year of the relevant Reference Fare, as if such Reference Fare had not been abolished.

7 **CHANGE OF LEAD OPERATOR/MAJOR FLOW OPERATOR**

7.1 TfWRL shall not without the Authority's prior approval, agree to any request under the Ticketing and Settlement Agreement that it cease to be Lead Operator in respect of any Flow.

7.2 TfWRL shall inform the Authority if it becomes the Lead Operator in respect of any Flow. Upon TfWRL becoming the Lead Operator in respect of any Flow, the Authority may without limiting paragraph 3, exercise its rights pursuant to paragraph 3 in relation to the relevant Fares Basket.

7.3 TfWRL shall inform the Authority if it ceases to be a Major Flow Operator in respect of any Flow.

8 CHANGES TO FARES DOCUMENTS

8.1 Following:

- (a) any allocation of Fares to any Fares Basket pursuant to Schedule 5.3 (Allocation of Fares to Fares Baskets); or
- (b) any subsequent adjustment thereof pursuant to this Schedule 5.7,

the Authority shall set out in the Commuter Fares Document and/or Protected Fares Document (as the case may be) all Fares then included in the relevant Fares Basket and, as soon as reasonably practicable thereafter, the Authority shall issue or reissue (as the case may be) such Fares Document(s) to TfWRL.

9 FARES FLEX

9.1 For the purposes of this paragraph 9, the “**Fares Flex Objectives**” shall be to:

- (a) encourage use of travel on Off-Peak Passenger Services and lightly-used routes where capacity is available;
- (b) encourage travel on Passenger Services operating to, from and within economically disadvantaged areas as determined by the Authority, with reference to the Welsh Index of Multiple Deprivation, from time to time as notified to TfWRL by the Authority;
- (c) provide clear and consistent pricing to all passengers, enabling them to buy tickets more easily, thereby encouraging them to do so;
- (d) promote use of the Rail Services by part time workers;
- (e) promote flexible and innovative Fares; and
- (f) encourage the adoption of smart ticketing.

9.2 Not less than three (3) months in advance of the start of each Fare Year or at the request of the Authority, TfWRL shall submit to the Authority a written proposal setting out the Fares that it wishes to implement in that Fare Year and any subsequent Fare Year in order to achieve one or more of the Fares Flex Objectives or alternative proposals to achieve the Fare Flex Objectives (the “**Fares Flex Proposal**”). The Fares Flex Proposal may include increases to the Price of individual Fares within a Fares Basket in excess of the limits set out in paragraph 1 of Schedule 5.5 (Regulation of Individual Fares) provided that in no circumstances shall the aggregate increase of the Price of all Fares within a Fares Basket exceed the limits set out in paragraph 1 of Schedule 5.4 (Regulation of Fares Basket Values).

- 9.3 TfWRL shall:
- (a) provide any supporting information requested by the Authority in connection with the Fares Flex Proposal; and
 - (b) confirm in writing to the Authority that the Fares Flex Proposal can be implemented in that Fare Year in accordance with the terms of the Ticketing and Settlement Agreement.
- 9.4 As soon as reasonably practicable following receipt of the Fares Flex Proposal, the Authority shall confirm in writing to TfWRL whether it accepts the Fares Flex Proposal. The Authority shall not in any circumstances be obliged to accept the Fares Flex Proposal in whole or in part.
- 9.5 Where the Authority accepts the Fares Flex Proposal in accordance with paragraph 9.4:
- (a) the Fares set out in such proposal shall be deemed to be subject to “Fares Flex” and the value of “f” in paragraph 2.2 of Schedule 5.5 (Regulation of Individual Fares) shall be updated accordingly; and
 - (b) TfWRL shall ensure that the Fares that are subject to Fares Flex are created (to the extent applicable) in accordance with the Ticketing and Settlement Agreement and made available for sale in the next Fare Year.

Schedule 5.8 - Fares Regulation Information and Monitoring**1 INFORMATION**

- 1.1 TfWRL shall provide to the Authority by no later than week twelve (12) of each Fares Setting Round, a summary (to such level of detail or generality as the Authority may reasonably require) of the Prices of the Commuter Fares or Protected Fares it is intending to set.
- 1.2 TfWRL shall notify, or procure the notification to, the Authority of any proposed increase to the Price of any Commuter Fare or Protected Fare and shall provide such details of any such proposal at such times (including before and during each Fares Setting Round) and in such form (including by electronic data transfer) as the Authority may reasonably request from time to time.
- 1.3 TfWRL shall make available, or procure that RSP makes available, to the Authority, for any Fares Setting Round during the Rail Services Term, such details (including the proposed Prices or Child Prices) of the Initial Permanent Fare of any Commuter Fare or Protected Fare for each such Fares Setting Round as the Authority may reasonably request from time to time.

2 MONITORING

- 2.1 TfWRL shall provide to the Authority:
- (a) such access as the Authority may require to information pertaining to the Prices of Commuter Fares and Protected Fares from time to time; and
 - (b) such further information as the Authority may require for the purpose of determining the Gross Revenue of TfWRL in relation to any particular Fare or Fares or any particular period.
- 2.2 By no later than week seventeen (17) of each Fares Setting Round, TfWRL will provide to the Authority written confirmation from a statutory director of TfWRL of whether TfWRL has complied with its obligations under this Schedule 5 (Fares and Smart Ticketing) during each such Fares Setting Round. It shall be a contravention of this Agreement if any such written confirmation from a statutory director of TfWRL is, in the reasonable opinion of the Authority, in any material respect, untrue, inaccurate and/or misleading.
- 2.3 TfWRL shall take such action as the Authority may require following receipt of any details from TfWRL pursuant to paragraph 1 in order to ensure that TfWRL will comply with the provisions of Schedule 5.2 (TfWRL's Obligation to Create Fares) to this Schedule 5.8 (inclusive).

Schedule 5.9 - Smart Ticketing

1 SMART TICKETING

1.1 For the purposes of this Schedule 5.9, the following words and expressions shall have the following meanings unless otherwise set out in clause 3 (*Definitions*):

“ITSO Operating Licence” means the licence granted to operators by ITSO which, among other things, permits them to issue ITSO-compliant cards and issue, sell and accept ITSO products;

“ITSO Smartmedia Ticketing Scheme” means a Smart Ticketing Scheme that utilises ITSO Certified Smartmedia;

“Previous ODP ITSO Smartmedia Ticketing Scheme” means any ITSO Smartmedia Ticketing Scheme operated by the Previous ODP prior to the Service Commencement Date; and

“Smart Ticketing Scheme” means an electronic based system (not including the current “magstripe system”) that evidences the purchase of a Fare by a passenger.

1.2 TfWRL shall:

- (a) join and comply with any RDG approved Smart Ticketing Schemes relevant to some or all of the Passenger Services;
- (b) fully and effectively co-operate with Network Rail, other Train Operators and relevant Local Authorities, including in relation to the provision any required equipment, to implement and operate Smart Ticketing Schemes;
- (c) fully and effectively co-operate with other Train Operators and relevant Local Authorities in relation to proposals to apply Smart Ticketing Schemes to new or existing multi modal fares schemes including in the implementation of any smart card technology pursuant to any multi-modal fares schemes that it may participate in pursuant to its obligations under paragraph 2.1 of Schedule 2.5 (Transport, Travel and Other Schemes); and
- (d) prepare and submit a report to the Authority in advance of each Rail Services Performance Meeting (in such form as the Authority may reasonably require) setting out:

- (i) the level of take-up and usage of Smart Ticketing Schemes by users of the Passenger Services, for each completed Reporting Period during the Rail Services Term; and
 - (ii) the steps that TfWRL is taking to increase take-up of Smart Ticketing Schemes operated by TfWRL and increase usage of Smart Ticketing Schemes by users of the Passenger Services,
- and TfWRL shall present the report at the Rail Services Performance Meeting.

1.3 TfWRL shall ensure, with effect from the Service Commencement Date in relation to any Previous ODP ITSO Smartmedia Ticketing Scheme and from the date of commissioning in relation to any ITSO Smartmedia Ticketing Scheme introduced by it, that from such relevant date until the end of the Rail Services Term, or until any such date as agreed between TfWRL and the Authority:

- (a) it continues to provide, make available and promote (and where applicable effectively maintain) such ITSO Smartmedia Ticketing Scheme (including any associated infrastructure);
- (b) all components of the ITSO Smartmedia Ticketing Scheme (and any amendment, extension or replacement thereof) inherited, used or introduced by TfWRL (whether on a permanent or a trial basis) are at all times compliant with:
 - (i) version 2.1.4 of ITSO and the ITSO Operating Licence; and
 - (ii) the RSPS3002,or such subsequent versions as TfWRL and the Authority may agree;
- (c) any ITSO Certified Smartmedia readers introduced by TfWRL (whether on a permanent or temporary basis) shall conform to EMV level 1 certification (Hardware) and be capable of being upgraded whilst in operation to EMV level 2 (Application);
- (d) it pays all costs of participating in the relevant ITSO Smartmedia Ticketing Scheme including the costs of maintaining all required scheme components to the standards specified in this Schedule 5.9; and
- (e) the RSP owned product set is used.

1.4 Where the Previous ODP was a participant in any RDG approved Smart Ticketing Scheme, TfWRL shall take such action as may be required to ensure that there is an orderly handover process so that TfWRL participates in such Smart Ticketing Scheme from the Service

Commencement Date without any disruption to the continuity of service received by passengers.

- 1.5 Without prejudice to its other obligations pursuant to this Schedule 5.9, TfWRL shall undertake such further actions as the Authority may reasonably require in connection with the introduction of Smart Ticketing Schemes.
- 1.6 The Authority shall reimburse the reasonable costs incurred by TfWRL in complying with any such requirement of the Authority pursuant to paragraph 1.5 subject to TfWRL obtaining the prior written approval of the Authority to the incurring of any such cost and provided that TfWRL shall not have the right to be reimbursed any costs to the extent that:
 - (a) it has already been reimbursed for such costs pursuant to any other provision of this Agreement or other arrangements with the Authority; and/or
 - (b) it has the right or ability to recover such costs from any third party.
- 1.7 TfWRL shall ensure that as part of its Smart Ticketing Scheme, it implements revenue protection technology that is capable of hotlisting and blocking Welsh Government concessionary travel cards across the network, where such cards are invalid.

Schedule 6**Rail Services Specific Obligations and Committed Obligations**

Schedule 6.1:	Rail Services Specific Obligations
Schedule 6.2:	Committed Obligations
	Part 1: Committed Obligations
	Part 2: Special Terms related to Committed Obligations
Schedule 6.3:	Service Improvements
	Part 1: Not used
	Part 2: Special Terms related to Service Improvements

Schedule 6.1 - Rail Services Specific Obligations

Part 1 – Previous Franchisee's Committed Obligations

1 **NOT USED**

Part 2 – Rail Services Specific Obligations

1 **NOT USED**

2 **DIGITAL RAILWAY PROGRAMME**

2.1 TfWRL shall co-operate in good faith with Network Rail, any relevant ROSCO and any other relevant third party in connection with the development by Network Rail of a plan for the implementation and operational introduction on the routes of:

- (a) the Connected Driver Advisory System ("**C-DAS**");
- (b) the Combined Performance and Safety System ("**COMPASS**");
- (c) such similar system(s) which may be developed to succeed C-DAS or COMPASS; or
- (d) any system which is intended to provide interconnectivity between the European Train Control System ("**ETCS**"), C-DAS and COMPASS for the purposes of improving capacity management, performance, and safety.

2.2 In respect of any plan developed by Network Rail pursuant to paragraph 2.1 above, TfWRL shall:

- (a) use all reasonable endeavours to provide assistance to Network Rail, any relevant ROSCO and any other relevant third party in connection with the development of the elements of the plan relating to:
 - (i) C-DAS;
 - (ii) COMPASS; and/or
 - (iii) such similar system(s) which may be developed to succeed C-DAS or COMPASS; and
- (b) use reasonable endeavours to provide assistance to Network Rail, any relevant ROSCO and any other relevant third party in connection with the development of the elements of the plan relating to any system which is intended to provide interconnectivity between ETCS, C-DAS and COMPASS for the purposes of improving capacity management, performance, and safety.

3 **NOT USED**

4 **BORDERS BUSINESS UNIT**

4.1 It is acknowledged that prior to the Service Commencement Date, a dedicated business unit in the form of the Borders Business Unit was established by the Previous ODP. TfWRL shall maintain such Borders Business Unit throughout the Rail Services Term.

4.2 The Borders Business Unit shall in relation to the English Services and those Stations served by English Services:

- (a) consult with DfT, passengers, Local Authorities, and other relevant Stakeholders in England;
- (b) provide Marketing and Communication Services for Stakeholders in England; and
- (c) undertake any other relevant activities as the Authority may reasonably specify from time to time.

4.3 In addition to any other reporting obligations contained within this Agreement (including without limitation Schedule 11 (Rail Services Performance Meetings and Management Information)), TfWRL shall provide in relation to the English Services and those Stations served by English Services the following operational information for each Reporting Period:

- (a) the number of actual Passenger Services per Reporting Period and on a moving annual average basis;
- (b) the percentage of: Passenger Services achieving the Right Time Measure; up to 4 minutes 59 seconds late; Passenger Services that are subject to a Cancellation;; or over 20 Minutes Delay each on a per Reporting Period basis and on a moving annual average basis;
- (c) the most recent National Rail Passenger Surveys results and details of any other additional survey relating to customer satisfaction carried out; and
- (d) a report in relation to ticket office opening hours containing a record of actual hours opened against the planned hours of opening for each ticket office at each Station.

4.4 In addition to any other reporting obligations contained within this Agreement, where TfWRL is required to provide reporting and operational information to the Authority where practicable such information shall be provided in respect of the English Services and those Stations served by English Services, including as a minimum:

- (a) the amount of money spent in carrying out or procuring the carrying out of the Minor Works' Programme no less than once every three (3) Reporting Periods;
 - (b) the information required pursuant to and in accordance with the provisions of Schedule 1.5 (Information about Passengers);
 - (c) where operationally efficient, the management information required pursuant to and in accordance with Schedule 11.2 (Management Information); and
 - (d) any other information as the Authority may reasonably specify from time to time.
- 4.5 If so requested by the Authority TfWRL shall upon reasonable notice, attend meetings with the Authority and/or Secretary of State to discuss and provide an opinion on any relevant issues.

Schedule 6.2 - Committed Obligations**Part 1 - Committed Obligations**

Committed Obligation Reference (CO)	Committed Obligation	
Stations		
CO1	1	NOT USED
CO2	2	NOT USED
CO3	3	<p>STATION GATES AND INFORMATION SCREENS</p> <p>3.1 TfWRL shall:</p> <p>(a) by no later than 31 March 2022, incur a minimum expenditure of [REDACTED] to install seventeen (17) new gates at Stations, including a new gateline at Bangor Station;</p> <p>(b) by no later than 31 March 2021, incur a minimum expenditure of [REDACTED] to install the following screens, all of which shall provide bi-lingual content in Wales:</p> <p>(i) a minimum of one hundred and seventy six (176) new industry-leading digital passenger information screens at WCB Stations to be used to impart specific messages, including real time information, calling patterns and portion</p>

	<p>working information. TfWRL shall maintain the full operation of such screens for the duration of the Rail Services Term; and</p> <p>(ii) a minimum of ten (10) mobile passenger information screens at Hub Stations which can be used to support special events and at times of significant disruption at selected locations.</p> <p>3.2 Where TfWRL is unable to deliver the new gateline at Bangor because the cost exceeds [REDACTED], TfWRL shall incur expenditure of such amount on a minimum of [REDACTED] additional Revenue Protection Officers for the North Wales area.</p>
CO4	<p>4 STATION IMPROVEMENT FUND</p> <p>4.1 TfWRL shall incur expenditure of [REDACTED] such expenditure to be incurred in accordance with its Station Improvement Plan.</p>
CO5	<p>5 FLAGSHIP PROGRAMME</p> <p>5.1 As part of the amount set out in 4.1 above, TfWRL shall deliver the “Flagship” programme (Type F) to improve station capacity and customer facilities by committing to spend a minimum of [REDACTED] with the intention to seek further funding from external parties:</p> <p>(a) Cardiff Central: [REDACTED]</p> <p>(b) Chester : [REDACTED]</p> <p>(c) Shotton: [REDACTED]</p> <p>(d) Llanelli: [REDACTED]</p>

	<p>(e) Wrexham General: [REDACTED]</p> <p>(f) Abergavenny: [REDACTED]</p> <p>(g) Blaenau Ffestiniog: [REDACTED]</p> <p>(h) Carmarthen: [REDACTED]</p> <p>(i) Chepstow: [REDACTED]</p> <p>(j) Machynlleth: [REDACTED]</p> <p>(k) Merthyr Tydfil: [REDACTED]</p>
CO6	<p>6 GREEN STATIONS AND ART WORK</p> <p>6.1 As part of the amount set out in 4.1 above, from the beginning of the 4th Service Year until the Expiry Date, TfWRL shall incur expenditure of [REDACTED] in Green Stations and Art Work to ensure stations are characterful, and promote reflect their local landmarks.</p>
CO7	<p>7 STATION ACCESSIBILITY</p> <p>7.1 As part of the amount set out in 4.1 above, TfWRL shall incur a minimum expenditure of [REDACTED] throughout the Rail Services Term in enhancements approved by the Authority to make Stations more accessible.</p>

CO8	8	STATION WI-FI
	8.1	As part of the amount set out in 4.1 above, by such date as is agreed between the Authority and TfWRL in writing as part of the Strategic Review, TfWRL shall ensure that its Wi-Fi delivery solution delivers Wi-Fi coverage to all stations and shall invest, as a minimum, [REDACTED] in these deployment works.
CO9	9	PASSENGER INFORMATION SCREENS
	9.1	By no later 1 April 2021, TfWRL shall augment the existing CIS with DIS at all category A, B and C1 WCB Stations, which provides a large format screen (either 32" or 46" screen) using a content management system to deliver relevant, timely information to customers, be more flexible than the existing display screens and will be able to be used in different 'modes'.
CO10	10	NOT USED
CO11	11	GABALFA STATION
	11.1	TfWRL shall, no later than 31 March 2027, deliver a new Gabalfa station or commit to spend a minimum of [REDACTED] on other assets to be agreed with the Authority at the time (if planning permission for the new station is not granted).
CO12	12	NOT USED
Service Quality		
CO13	13	HOT SPOT MITIGATION FUND
	13.1	From the Service Commencement Date, TfWRL shall in each Service Year (such sum pro-rated in Service Year 1) incur a minimum expenditure of [REDACTED] from a fund (being the " Hot Spot Mitigation Fund ") on initiatives, agreed in

		collaboration with Network Rail, to improve infrastructure performance, prevent external incidents and delays. The Hot Spot Mitigation Fund shall be assigned and spent at hot spot locations on the networks serving only the WCB Services.
CO14	14	NOT USED
CO15	15	RAIL SERVICES PERFORMANCE MANAGEMENT AND BUSINESS INTELLIGENCE
	15.1	TfWRL shall incur expenditure of [REDACTED] during the Rail Services Term on measures designed to improve Rail Services performance management and business intelligence.
Train Performance		
CO16	16	ROLLING STOCK RELIABILITY
	16.1	By such date as is agreed between the Authority and TfWRL in writing as part of the Strategic Review, TfWRL shall carry out the works in relation to class 150, 153 and 158 units as agreed with the Authority.
	16.2	Throughout the Rail Services Term, TfWRL shall incur expenditure of [REDACTED] (nominal, not to be indexed) in respect of the works set out in 11.1 above.
CO17	17	CLEANING AND REFURBISHMENT PROGRAMME
	17.1	By such date as is agreed between the Authority and TfWRL in writing as part of the Strategic Review, TfWRL shall spend no less than [REDACTED] on initiatives including: <ul style="list-style-type: none"> (a) exterior and interior initial deep cleans of all rolling stock; (b) replace faulty PIS/PA, faulty CCTV and lamps;

	<p>(c) repairs to floors and upholstery; and</p> <p>(d) removal of all outstanding graffiti and etching.</p> <p>17.2 In addition, TfWRL shall spend no less than:</p> <p>(a) [REDACTED] (nominal, not to be indexed) on PRM modifications; and</p> <p>(b) [REDACTED] (nominal, not to be indexed) on a refurbishment programme as agreed with the Authority,</p> <p>to be carried out to all units (excluding Pacers).</p>
CO18	18 NOT USED
CO19	<p>19 FLEET FUTURE PROOFING</p> <p>19.1 From 1 April 2025 until the Expiry Date, TfWRL shall incur a minimum expenditure of [REDACTED] each and every Service Year to implement performance improvement and future proofing modifications across all fleets over and above modifications that have positive business cases shall be delivered through interventions jointly developed with the TMMs.</p>
CO20	<p>20 NEW ROLLING STOCK</p> <p>20.1 TfWRL shall, subject to the availability of such product, on or after 31 December 2028 and prior to the Expiry Date, replace class 67 locomotives with locomotives that produce less emissions (such as the Class 68 Eurolight), and TfWRL shall incur expenditure of at least [REDACTED] (nominal, not to be indexed) for this purpose.</p>

CO21	<p>21 INSTALLATION OF WI-FI ON ROLLING STOCK</p> <p>21.1 TfWRL shall ensure that the on train Wi-Fi system is installed on all newly built and cascaded rolling stock and that an expenditure of at least [REDACTED] (nominal, not to be indexed) is incurred for this purpose.</p>
CO22	<p>22 FIRST CLASS AND PREMIER MEAL OFFERING</p> <p>22.1 TfWRL shall ensure that:</p> <ul style="list-style-type: none"> (a) Not used; (b) by no later than 1 January 2025, there is the provision of first class carriage and facilities to enable provision of hot and cold meals on all Cardiff – Manchester services operated by long distance DMUs. <p>22.2 For the avoidance of doubt this Committed Obligation does not include an obligation on TfWRL to deliver the catering on these services.</p>
CO23	<p>23 TRAIN PLAN</p> <p>23.1 By such date as is agreed between the Authority and TfWRL in writing as part of the Strategic Review, TfWRL shall remove all Class 142s and Class 143s from the Train Plan.</p>
CO24	<p>24 CLASS 170 REFURBISHMENT</p> <p>24.1 By no later than 31 December 2027, TfWRL shall complete refurbishment of Class 170 fleet as agreed with the Authority.</p>

CO25	25	BUSINESS INTELLIGENCE SUITE
	25.1	TfWRL shall procure and maintain the licences required to access the business intelligence suite delivered by the Previous ODP and shall ensure that such suite also acts as short formation monitoring system.
CO26	26	NOT USED
CO27	27	ISO 55001 ACCREDITATION
	27.1	By no later than 31 October 2021, TfWRL shall obtain ISO 55001 certification for rolling stock asset management and shall maintain such accreditation for the remainder of the Rail Services Term.
CO28	28	SELECTIVE DOOR OPENING
	28.1	By no later than 31 December 2024, TfWRL shall incur a minimum expenditure of [REDACTED] deploying the selective door opening beacons system to enable the operation of both 4-car and 5-car trains between Manchester and West Wales.
Stakeholder and Supplier		
CO29	29	NOT USED
CO30	30	SCDP
	30.1	Throughout the Rail Services Term, TfWRL shall incur a minimum expenditure of [REDACTED] in respect of SCDP annual review and consultation costs.
CO31	31	NOT USED

CO32	<p>32 REBRAND OF CLASS 150, 153, 158, 175 AND 769</p> <p>32.1 By no later than 31 March 2021, TfWRL shall have completed the full rebrand (interior and exterior) of CI150, CI153, CI158, CI175 and CI769 in accordance with the Brand Guidelines.</p>
CO33	<p>33 HUB STATIONS REBRAND</p> <p>33.1 By no later than 31 March 2021, TfWRL shall have completed the activities required to rebrand all Hub Stations and Interchange Stations in accordance with the Brand Guidelines.</p>
CO34	<p>34 CATEGORY C STATION REBRAND</p> <p>34.1 By no later than 31 March 2024, TfWRL shall have completed the activities required to rebrand all Category C Stations in accordance with the Brand Guidelines.</p>
CO35	<p>35 CATEGORY D STATION REBRAND</p> <p>35.1 By no later than 31 March 2024, TfWRL shall have completed the activities required to rebrand all Category D Stations in accordance with the Brand Guidelines.</p>
CO36	<p>36 NEW ROLLING STOCK BRANDING</p> <p>36.1 By no later than 31 March 2024, TfWRL shall have completed the activities to brand all new and cascaded trains coming into service in accordance with the Brand Guidelines and TfWRL rolling stock strategy.</p>
Car park	

CO37	<p>37 CAR PARK CAPACITY EXPANSION</p> <p>37.1 By no later than 31 March 2025, TfWRL shall incur a minimum expenditure of [REDACTED] on car park capacity expansions across all Stations of a minimum 1,500 car parking spaces, including, by no later 31 March 2021, completion of a decked car park expansion at Newport station, as agreed with the Authority.</p>
Ticketing	
CO38	<p>38 TICKET OFFICES</p> <p>38.1 By no later than 31 March 2021, TfWRL shall invest a minimum of [REDACTED] in refreshing the [REDACTED] (or equivalent) desktop ticketing system used by the Rail Services Employee and, by 31 March 2023, providing tablet versions so that the Rail Services Employee can serve customers from any area of the concourse.</p>
CO39	<p>39 TICKET OFFICE REDEVELOPMENT</p> <p>39.1 By no later than 31 March 2022, TfWRL shall incur a minimum expenditure of [REDACTED] to redevelop ticket offices at a minimum of six (6) Stations, being:</p> <ul style="list-style-type: none"> (a) Cardiff Queen Street; (b) Cardiff Central; (c) Chester; (d) Swansea; (e) Newport; and

	<p>(f) Shrewsbury,</p> <p>in accordance with the Station Improvement Plan.</p> <p>39.2 By no later than 31 March 2022, TfWRL shall replace all existing ticket vending machines (as at date of this Agreement) with new ticket vending machines.</p>
CO40	<p>40 TICKET VENDING MACHINES</p> <p>40.1 By no later than such date as is agreed between the Authority and TfWRL in writing as part of the Strategic Review:</p> <p>(a) TfWRL shall install a minimum of sixty-four (64) new ticket vending machines at Stations which as at the date of this Agreement do not have ticket vending machines; and]</p> <p>(b) Not used.</p>
CO41	<p>41 SMART TICKETING SCHEME</p> <p>41.1 Not used.</p> <p>41.2 By no later than such date as is agreed between the Authority and TfWRL in writing as part of the Strategic Review, TfWRL shall introduce a pay as you go facility for smart card users in the South Wales Metro area.</p> <p>41.3 By no later than 1 April 2021, TfWRL shall launch a pay as you go facility for mobile ticket users on WCB Services.</p> <p>41.4 Throughout the Rail Services Term, TfWRL shall incur a minimum expenditure of [REDACTED] in developing smart ticketing.</p>

CO42	<p>42 PARTNERSHIP WITH CONVENIENCE STORES</p> <p>42.1 By no later than such date as is agreed between the Authority and TfWRL in writing as part of the Strategic Review, TfWRL shall incur a minimum expenditure [REDACTED]:</p> <ul style="list-style-type: none"> (a) establishing a partnership with a network of convenience store retailers to introduce rail ticket sales including entering into contracts with [REDACTED] to provide retail services to a network of over seven hundred (700) (or similar coverage if similar company) convenience stores in Wales, to offer a rail ticket retail and fulfilment service; and (b) ensuring customers will be able to purchase tickets on line and pick them up at a store, buy in store (barcode retail and collection) and fulfil ticket to smartcards.
Traffic and Disruption Management	
CO43	<p>43 TRAFFIC AND DISRUPTION MANAGEMENT SYSTEMS</p> <p>43.1 TfWRL shall during the Rail Services Term, incur expenditure in [REDACTED] in aggregate:</p> <ul style="list-style-type: none"> (a) on new systems and processes designed to increase the speed of response to disruptive incidents, as agreed with the Authority; and (b) between the Service Commencement Date and 31 March 2024, on disruption management improvements, including an accelerated rollout of traffic management systems in South Wales and on the Marches up to Crewe.
Infrastructure	
CO44	44 NOT USED

CO45	<p>45 AUDIT OF UNUSED SITES</p> <p>45.1 Not used</p> <p>45.2 TfWRL shall incur a minimum expenditure of [REDACTED] carrying out subsequent audits every two years until the expiry of the Rail Services Term.</p>
CO46	<p>46 RESILIENCE AND SECURITY STRATEGY</p> <p>46.1 TfWRL shall incur a minimum [REDACTED] each Service Year on its Resilience and Security Strategy. TfWRL shall create a number of new roles and associated budget to reduce and manage business risks in the second Service Year:</p> <p style="padding-left: 40px;">1. A full time Head of Business Resilience who will provide and deliver a strategic approach to organisational risks including: Environmental, Criminal, Political instability, Terrorism and people. Liaise and develop strategies with stakeholders such as BTP & Police Services, RSSB, DfT, Resilience Forums, TfW and NR.</p> <p style="padding-left: 40px;">2. A full time Operational Resilience Manager, who will manage the SSA approval and accreditation programme, working with the British Transport Police (BTP) and community stakeholders to investigate crime and anti-social behaviour around stations.</p> <p style="padding-left: 40px;">3. A full time Business Resilience Manager to fully manage business continuity and crisis management of the infrastructure, OpCo and Fleet operations. Develop and liaise with Incident Care Team, manage the requirements of the Civil Contingencies Act 2004 and ensure compliance to National Security and Emergency planning management.</p> <p style="padding-left: 20px;">(a) within the total Budget [REDACTED] per year is to be spent on body worn cameras. This full programme proposal should be presented to the Authority for approval.</p>
Website, Customer App and Phones	

CO47	47	WEBSITE AND PASSENGER APP DEVELOPMENT
	47.1	Throughout the Rail Services Term, TfWRL shall incur a minimum expenditure of [REDACTED] in web and Passenger app development that shall improve the presentation of fares to customers, specifically the information on the validity of fares.
CO48	48	DATA MANAGEMENT
	48.1	During the Rail Services Term, TfWRL shall incur a minimum expenditure of [REDACTED] in: <ul style="list-style-type: none"> (a) providing an API software platform for use by third parties; (b) integrating the data sources required under Schedule 1.5, paragraph 9, and additional relevant data sources; and (c) engaging with communities to drive usage of such data collected.
CO49	49	NOT USED
CO50	50	PHONE CONNECTIVITY IMPROVEMENTS
	50.1	Throughout the Rail Services Term, TfWRL shall incur a minimum expenditure of [REDACTED] in total to improve mobile phone connectivity to reduce not spots across the network.
Innovation		
CO51	51	NOT USED
CO52	52	NOT USED

CO53	53	ACTIVE TRAVEL FUND
	53.1	TfWRL shall incur a minimum expenditure of [REDACTED] on activities to promote active travel.
CO54	54	PASSENGER INFORMATION INNOVATION FUND
	54.1	By 1 April 2025, TfWRL shall create a dedicated Passenger Information Innovation Fund and from this date spend [REDACTED] each Service Year to promote innovative technologies.
Staff Location		
CO55	55	NOT USED
CO56	56	NOT USED
CO57	57	NOT USED
CO58	58	NOT USED
CO59	59	SERVICE CENTRES
	59.1	Not used.
	59.2	By no later than 31 March 2024, TfWRL shall establish a customer service contact centre in Cardiff Valleys employing a minimum of ten (10) persons (the " Customer Service Contact Centre ").
Fares		
CO60	60	NOT USED

Depots		
CO61	61	NEW WHEEL LATHES
	61.1	By no later than such date as is agreed between the Authority and TfWRL in writing as part of the Strategic Review, TfWRL shall procure and put into operation use a new wheel lathe at a location to be agreed between the Parties.
	61.2	By no later than 31 March 2024, TfWRL shall procure and put into operation use a second new wheel lathe at a location to be agreed between the Parties.
CO62	62	NOT USED
CO63	63	ADDITIONAL DMUS
	63.1	By no later than 28 February 2025, TfWRL shall have completed testing, commissioning and introduction of seven (7) additional DMUs (Rural Lot2a).

Part 2 - Special Terms Related to Committed Obligations

This Part 2 of Schedule 6.2 sets out further provisions which shall apply to the Committed Obligations contained in this Agreement and these provisions shall be construed as supplemental to the related provisions set out in Part 1 of this Schedule 6.2 and elsewhere in this Agreement.

1 CONTINUATION OF AVAILABILITY

1.1 Where TfWRL is obliged under this Schedule 6.2 to provide, implement or install something (whether a service, facility or otherwise) TfWRL shall ensure that once the same is provided, implemented or installed that it continues to be provided and made available (and where relevant, effectively maintained) for the remainder of the Rail Services Term unless the contrary is expressly stated.

1.2 Where Part 1 to Schedule 6.2 (Committed Obligations) includes a commitment:

- (a) regarding the maintenance of certain facilities or activities or other similar analogous matters which are the subject of the Committed Obligations, TfWRL shall not be regarded as having contravened the relevant obligation due to any temporary non-availability of the facility or activity (as the case may be) due to accidental damage or vandalism or maintenance, repair or replacement activities; or
- (b) regarding staffing requirements or particular appointments TfWRL is required to make and maintain, the obligation of TfWRL 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 TfWRL is recruiting for that post,

providing always that TfWRL is using all reasonable endeavours to keep the duration of:

- (c) any non-availability of a facility or activity; or
- (d) vacant or unfulfilled post or appointment

(as the case may be) as short as reasonably practicable.

2 EXPENDITURE COMMITMENTS

2.1 Annual Expenditure

Where Part 1 to Schedule 6.2 (Committed Obligations) provides for the expenditure of an annual amount (or an amount over some other period) by TfWRL, that amount:

-
- (a) is assessed net of Value Added Tax; and
 - (b) is the amount required to be expended by TfWRL itself or procured by TfWRL to be expended.

2.2 Expenditure Commitments in real amounts

All expenditure commitments set out in Part 1 to Schedule 6.2 (Committed Obligations), to the extent they have not already been incurred by TfWRL, shall be indexed by the Retail Prices Index.

2.3 Expenditure by Network Rail

All amounts which TfWRL has committed (whether unconditionally or otherwise) pursuant to Part 1 to Schedule 6.2 (Committed Obligations) to expend in connection with improvements to track or Stations shall be in addition to any expenditure made by Network Rail as part of its infrastructure improvements or maintenance programme to the extent such expenditure is not directly funded or reimbursed by TfWRL.

2.4 Underspend

- (a) Where in relation to any Committed Obligation that is expressed in terms of a requirement to spend not less than a specified sum in fulfilling its stated objective, TfWRL is able to achieve that stated objective without incurring the full amount referred to in that Committed Obligation, whether because of cost savings or otherwise, TfWRL shall notify the Authority, together with a statement of the costs it has incurred (excluding any third party funding) in delivering the relevant obligations and a reconciliation against the amount it had committed to spend (excluding any third party funding) ("**Underspend**").
- (b) The Parties shall, acting reasonably, seek to agree an additional scheme or schemes which would give rise to benefits to passengers using the Passenger Services to be funded using one or more Underspends and, once agreed, TfWRL shall apply such relevant Underspend to the delivery of the agreed scheme(s). In circumstances only where, despite having used reasonable endeavours, the Parties fail to agree additional scheme in relation to which relevant Underspend will be applied within three (3) months of notification of such Underspend, the aggregated amount of such Underspend shall be repaid to the Authority as soon as reasonably practicable.

3 NATURE OF COMMITMENT

- 3.1 Any commitment in terms of Part 1 to Schedule 6.2 (Committed Obligations) shall be in addition to any obligation of TfWRL elsewhere in this Agreement and nothing in this

Schedule 6.2 (Committed Obligations) shall limit or restrict an obligation imposed on TfWRL elsewhere in this Agreement.

- 3.2 Save as expressly provided in Part 1 to Schedule 6.2 (Committed Obligations), each Committed Obligation is a separate obligation from any other Committed Obligation and satisfaction of or steps taken towards the satisfaction of one Committed Obligation will not amount to or contribute towards satisfaction of any other Committed Obligation.
- 3.3 Where in Part 1 to Schedule 6.2 (Committed Obligations), references are made to particular manufacturers or suppliers of equipment or services, TfWRL may fulfil its relevant commitment by using reasonable equivalents.

4 **REVIEW OF COMPLIANCE**

- 4.1 Progress with Committed Obligations shall be considered and discussed at Rail Services Performance Meetings.
- 4.2 In addition to its obligation under paragraph 4.1, TfWRL shall from time to time promptly provide such evidence of its compliance with any Committed Obligation as the Authority may reasonably request.

5 **NOT USED**

5.1 **SPECIMEN SCHEMES**

- 5.2 TfWRL has proposed certain schemes as set out in the Service Improvement Plan in respect of the future development of certain Rail Services.
- 5.3 The parties acknowledge and agree that the Specimen Schemes shall only be committed to by TfWRL following receipt of instructions by the Authority to implement the relevant Specimen Scheme.

6 **THIRD PARTY CONSENTS, AGREEMENT AND CONDITIONS**

- 6.1 A Committed Obligation may be expressed to be conditional upon the satisfaction of any condition (including the occurrence of any event or the obtaining of any third party consent and/or entering into any agreement or arrangement with a third party) ("**Committed Obligation Pre-condition**"). Where a Committed Obligation is subject to a Committed Obligation Pre-condition and, despite having used all reasonable endeavours, TfWRL is not able to satisfy such Committed Obligation Pre-condition within such timescales (if any) as are required to enable TfWRL to deliver such Committed Obligation in accordance with its terms then the Authority and TfWRL shall agree (or on failure to agree, the Authority shall reasonably determine) such modifications to such Committed Obligation as may be necessary to allow TfWRL to deliver a scheme which would give rise to benefits to passengers using the Passenger Services similar to (but not necessarily

the same as) those benefits which would have arisen if TfWRL had delivered such Committed Obligation.

6.2 Not used.

7 **NOT USED**

8 **OBLIGATIONS ON DELIVERY OF A COMMITTED OBLIGATION**

8.1 By no later than thirty (30) days after the date of delivery of a Committed Obligation TfWRL shall provide to the Authority a certificate (in such form as may be specified by the Authority from time to time) signed by a statutory director of TfWRL or other authorised representative of TfWRL as agreed by the Authority confirming that such Committed Obligation has been delivered in full and in accordance with its terms, together with such supporting information as may be requested by the Authority from time to time.

9 **ADJUSTMENT TO COMMITTED OBLIGATIONS**

9.1 The Parties acknowledge and agree that:

- (a) the Committed Obligations reflect the committed obligations set out in Part 1 of Schedule 6.2 (Committed Obligations) to the Previous ODP Grant Agreement to the extent that such obligations have not been completed by the Previous ODP prior to the Service Commencement Date;
- (b) the COVID-19 pandemic has had a significant impact on the operation of the Rail Services and in order to address such impact, the Parties shall review the Committed Obligations as part of the Strategic Review and consider whether each Committed Obligation represents value for money and should continue “as is”, be delayed, be suspended or be amended; and
- (c) the Committed Obligations shall be reviewed at the Strategic Review Meeting and where the Authority concludes following such meeting that amendments are required to the Committed Obligations, a variation shall be agreed in accordance with clause 20 (Variations) of this Agreement.

9.2 The Authority shall have the right to instruct TfWRL not to proceed with any Committed Obligations at any time prior to their delivery subject to such instruction not to proceed:

- (a) not being made by the Authority after the date identified in such Committed Obligation as the commencement of incurred costs for the relevant Committed Obligation; and
- (b) not being made to a Committed Obligation which other Committed Obligations that are not adjusted are dependent upon.

9.3 Where the Authority requires such removal of the Committed Obligations:

- (a) The Rail Services Payments shall be adjusted by the amount of the Rail Services Payment associated with such Committed Obligation; and
- (b) the obligation to deliver such Committed Obligation shall be removed from the Rail Services.

Schedule 6.3

Part 1 – Not Used

Part 2 - Special Terms Related to Service Improvements

This Part 2 of Schedule 6.3 sets out provisions which shall apply to the Service Improvements contained in the Service Improvement Plan.

1 CONTINUATION OF AVAILABILITY

1.1 Where TfWRL is obliged under the Service Improvement Plan to provide, implement or install something (whether a service, facility or otherwise) TfWRL shall ensure that once the same is provided, implemented or installed that it continues to be provided and made available (and where relevant, effectively maintained) for the remainder of the Rail Services Term unless the contrary is expressly stated.

1.2 Where any Service Improvement includes a commitment:

- (a) regarding the maintenance of certain facilities or activities or other similar analogous matters which are the subject of the Service Improvements, TfWRL shall not be regarded as having contravened the relevant obligation due to any temporary non-availability of the facility or activity (as the case may be) due to accidental damage or vandalism or maintenance, repair or replacement activities; or
- (b) regarding staffing requirements or particular appointments TfWRL is required to make and maintain, the obligation of TfWRL 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 TfWRL is recruiting for that post,

providing always that TfWRL is using all reasonable endeavours to keep the duration of:

- (c) any non-availability of a facility or activity; or
- (d) any vacant or unfulfilled post or appointment

(as the case may be) as short as reasonably practicable.

2 EXPENDITURE COMMITMENTS

2.1 Annual Expenditure

Where any Service Improvement provides for the expenditure of an annual amount (or an amount over some other period) by TfWRL, that amount:

- (a) is assessed net of Value Added Tax; and

(b) is the amount required to be expended by TfWRL itself or procured by TfWRL to be expended.

2.2 **Expenditure Commitments in real amounts**

All expenditure commitments set out in the Service Improvement Plan, to the extent they have not already been incurred by TfWRL, shall be indexed by the Retail Prices Index.

2.3 **Expenditure by Network Rail**

All amounts which TfWRL has committed (whether unconditionally or otherwise) pursuant to the Service Improvement Plan to expend in connection with improvements to track or Stations shall be in addition to any expenditure made by Network Rail as part of its infrastructure improvements or maintenance programme to the extent such expenditure is not directly funded or reimbursed by TfWRL.

2.4 **Not used**

3 **NATURE OF COMMITMENT**

3.1 Any commitment under the Service Improvement Plan shall be in addition to any obligation of TfWRL elsewhere in this Agreement and nothing in this Schedule 6.3 (Special Terms Related to Service Improvements) shall limit or restrict an obligation imposed on TfWRL elsewhere in this Agreement.

3.2 Save as expressly provided in any Service Improvement, each Service Improvement is a separate obligation from any other Service Improvement and satisfaction of or steps taken towards the satisfaction of one Service Improvement will not amount to or contribute towards satisfaction of any other Service Improvement.

3.3 Where, in any Service Improvements, references are made to particular manufacturers or suppliers of equipment or services, TfWRL may fulfil its relevant commitment by using reasonable equivalents.

4 **REVIEW OF COMPLIANCE**

4.1 Progress with Service Improvements shall be considered and discussed at Rail Services Performance Meetings.

4.2 In addition to its obligation under paragraph 4.1, TfWRL shall, from time, to time promptly provide such evidence of its compliance with any Service Improvement as the Authority may reasonably request.

5 **THIRD PARTY CONSENTS, AGREEMENT AND CONDITIONS**

5.1 A Service Improvement may be expressed to be conditional upon the satisfaction of any condition (including the occurrence of any event or the obtaining of any third party consent and/or entering into any agreement or arrangement with a third party) ("**Service Improvement Pre-condition**"). Where a Service Improvement is subject to a Service Improvement Pre-condition and, despite having used all reasonable endeavours, TfWRL is not able to satisfy such Service Improvement Pre-condition within such timescales (if any) as are required to enable TfWRL to deliver such Service Improvement in accordance with its terms then the Authority and TfWRL shall agree (or on failure to agree, the Authority shall reasonably determine) such modifications to such Service Improvement as may be necessary to allow TfWRL to deliver a scheme which would give rise to benefits to passengers using the Passenger Services similar to (but not necessarily the same as) those benefits which would have arisen if TfWRL had delivered such Service Improvement.

5.2 If TfWRL and the Authority agree (or on failure to agree, the Authority reasonably determines) a modification to a Service Improvement pursuant to paragraph 5.1 then to the extent that TfWRL delivers such modified Service Improvement by the date agreed by the Parties (or, on failure to agree reasonably determined by the Authority) then TfWRL shall not be in breach of this Agreement.

6 **NOT USED**

7 **SERVICE IMPROVEMENT PLAN REVIEW**

7.1 The Parties shall review the Service Improvement Plan and the Service Improvements contained therein as part of the Strategic Review.

Schedule 7

Schedule 7.1 - Operational Performance

1 **DEFINITIONS, CHARGING REVIEW, TRACK ACCESS AGREEMENT, CHANGES TO BENCHMARKS AND ANNUAL BENCHMARKS AND NOTICE OF PERFORMANCE RESULTS**

1.1 For the purposes of this Schedule 7.1 (*Operational Performance*) only, the following words and expressions shall have the following meanings:

“Ancillary Movements” has the meaning ascribed to it in Part D of the Network Code;

“Cancellation Minutes” has the meaning given in Schedule 8 of the Track Access Agreement;

“Cap Performance Level” means in relation to the PTL Benchmark for any Reporting Period, the number set out in Column 6 (*Cap Performance Level*) of the PTL Benchmark Table.

“Escalation Service Level” means, in relation to a Operational Performance Benchmark for any Reporting Period, the number set out in the relevant column of the Short Formation Benchmark Table and the PTL Benchmark Table (as the case may be) and in the row of the applicable table for that Reporting Period;

“Minutes Delay” means, in relation to a Train and a Recording Point, the delay at that Recording Point, calculated in accordance with paragraph 3 of Schedule 8 to the Track Access Agreement;

“Operational Performance Benchmark” means any of the Short Formation Benchmark or the PTL Benchmark (as the context may require);

“Operational Service Level” means, in relation to an Operational Performance Benchmark for any Reporting Period, the number set out in the relevant column of the Short Formation Benchmark Table and the PTL Benchmark Table (as the

case may be) and in the row of the applicable table for that Reporting Period;

“Passenger Time Lost Delay Benchmark Table”	means the table set out in Part 1 (Passenger Time Lost Delay Benchmarks) of Appendix 2 to Schedule 7.1 (Performance Benchmarks);
“Passenger Time Lost Delay Benchmark” or “PTL Benchmark”	means any of the performance levels in respect of Minutes Delay attributable to TfWRL set out in the Passenger Time Lost Delay Benchmark Table;
“Passenger Time Lost Delay” or “PTL”	means the time lost by passengers calculated in accordance with paragraph 3.2 of this Schedule 7.1;
“Performance Monitoring System”	means the recording system which Network Rail is required to operate under Part B of the Network Code;
“Performance Plan Notice”	means a notice served by the Authority on TfWRL in accordance with paragraph 10 of this Schedule 7.1 requiring TfWRL to produce a Performance Plan;
“Performance Plan”	means the plan that TfWRL is required to produce in accordance with paragraph 10 of this Schedule 7.1;
“Planned Station Stop”	means in relation to a Train, a stop to set down passengers at a Station that is scheduled in the Timetable;
“Proportion of Station Stops Missed” or “PSSM”	means, for each Reporting Period, the Total Station Stops Missed divided by the Planned Station Stops for each Station;
“Recording Point”	means a point at which Network Rail records Trains using the Performance Monitoring System;
“Short Formation Benchmark Table”	means the table set out in Part 1 (<i>Short Formation Benchmark Table</i>) of Appendix 1 (<i>Short Formation Benchmarks and Annual</i>

Short Formation Benchmarks) to Schedule 7.1 (Operational Performance);

“Short Formation Benchmark” means any of the performance levels in respect of the Passenger Carrying Capacity operated in delivering the Passenger Services as set out in the Short Formation Benchmark Table;

“Total Station Stops Missed” or “TSSM” means, the total Cancelled Stops for each Station in each Reporting Period; and

“Train” means each train operating a service which is:

- (a) operated by or on behalf of TfWRL in accordance with this Agreement; and
- (b) used to provide services for the carriage of passengers by railway,

but excludes any and all trains making an Ancillary Movement.

1.2 The Short Formation Benchmarks are set out in the table in Part 1 of Appendix 1 (*Short Formation Benchmarks and Annual Short Formation Benchmarks*) to this Schedule.

1.3 Not used.

1.4 The Passenger Time Lost Delay Benchmarks are set out in the table in Part 1 of Appendix 2 (*PTL Benchmarks*) to this Schedule.

1.5 Not used.

1.6 Not used.

1.7 Not used.

1.8 Track Access Agreement

TfWRL agrees with the Authority to comply with the requirements of the Track Access Agreement in respect of cancellations attribution (Cancellations, Partial Cancellations, Network Rail Cancellations and Network Rail Partial Cancellations) and Minutes Delay attribution.

1.9 Not used.

1.10 Notice of Performance Results

As soon as reasonably practicable after the end of each Reporting Period and each Service Year, the Authority shall notify TfWRL of the results of the calculations performed pursuant to this Schedule 7.1.

2 REPORTING REQUIREMENTS

TfWRL shall at the end of each Reporting Period and in accordance with the relevant requirements of Appendix 2 (*Operational Information*) of Schedule 11.2 (*Management Information*) report to the Authority the operational information as specified in Appendix 2 (*Operational Performance Information*) of Schedule 11.2 (*Management Information*) and required for the purposes of the Authority undertaking any of the calculations required to be performed by the Authority pursuant to this Schedule 7.1.

3 PASSENGER TIME LOST DELAY

3.1 Allocation of Responsibility

(a) TfWRL shall be responsible for all Minutes Delay and Cancelled Stops allocated to TfWRL in accordance with paragraph 5 to Schedule 8 of the Track Access Agreement in relation to the Wales and Cross Border Lines and Core Valley Lines.

3.2 Calculation of TfWRL Performance

(a) For all Wales and Cross Border Lines and Core Valley Lines, the Passenger Time Lost Delay weighted by a performance factor shall be calculated as follows:

$$PTL_{PFW} = PTL_{TfWRL} + (PF * PTL_{NR})$$

(i) Where:	
PTL_{PFW}	is the Passenger Time Lost Delay per Reporting Period weighted by the performance factor;
PTL_{TfWRL}	shall be calculated as follows: $PTL_{TfWRL} = \sum TWAML_{SG} * W_{SG}$ Where: $TWAML_{SG}$ is the weighted average minutes late allocated to TfWRL for a Service Group per Reporting Period, as set out in paragraph 10.1 to Schedule 8 of the

	<p>Track Access Agreement or in respect of CVL, the CVL Track Access Performance Schedule.</p> <p>W_{SG} is the Weight for each Service Group.</p> <p>For Wales and Cross Borders Lines the W_{SG} for each Service Group is as follows:</p> <p>HL02 = 15%</p> <p>HL03 = 10%</p> <p>HL04 = 20%</p> <p>HL05 (WCB Services only) peak = 5%</p> <p>HL05 (WCB Services only) off-peak = 5%</p> <p>HL06 = 25%</p> <p>HL07 = 5%</p> <p>HL08 = 15%</p> <p>For Core Valley Lines, the W_{SG} for each Service Group is as follows:</p> <p>HL05 (CVL Services only) peak = 50%</p> <p>HL05 (CVL Services only) off-peak = 50%</p>
PF	<p>is the performance factor, which is</p> <p>10% for Wales and Cross Border Lines; and</p> <p>10% for Core Valley Lines;</p>
PTL _{NR}	<p>PTL_{NR} = $\sum \text{NRWAML}_{\text{SG}} * \text{W}_{\text{SG}}$</p> <p>Where:</p> <p>NRWAML_{SG} is the weighted average minutes late allocated to Network Rail for a Service Group per Reporting Period, as set out in paragraph 9.1 to Schedule 8 of the Track Access Agreement or in respect of the CVL, the CVL Track Access Performance Schedule.</p>

	<p>W_{SG} is the weight for each Service Group.</p> <p>For Wales and Cross Borders Lines the W_{SG} for each Service Group is as follows:</p> <p>HL02 = 15%</p> <p>HL03 = 10%</p> <p>HL04 = 20%</p> <p>HL05 (WCB Services only) peak = 5%</p> <p>HL05 (WCB Services only) off-peak = 5%</p> <p>HL06 = 25%</p> <p>HL07 = 5%</p> <p>HL08 = 15%</p> <p>For Core Valley Lines, the W_{SG} for each Service Group is as follows:</p> <p>HL05 peak = 50%</p> <p>HL05 off-peak = 50%</p>
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4 SHORT FORMATIONS

4.1 Short Formation Calculation: Value of ASF

Table A		
A_{SF}	=	$\frac{B_{SF}}{C_{SF}} \times 100$
where:		
B_{SF}	<p>is the total number of Passenger Services in that Reporting Period operated with less Passenger Carrying Capacity than that specified for each such Passenger Service in the Train Plan disregarding, if TfWRL has complied with paragraph 9.1 (<i>Service Recovery Plans and Force Majeure</i>) of this Schedule 7.1, any such Passenger Services which were operated in that way as a result of:</p>	

	(a) TfWRL's implementation of a Service Recovery Plan during that Reporting Period; or
	(b) the occurrence or continuing effect of a Force Majeure Event; and
C_{SF}	is the total number of Passenger Services scheduled to be operated in that Reporting Period disregarding, if TfWRL has complied with paragraph 9.1 (<i>Service Recovery Plans and Force Majeure</i>) of this Schedule 7.1, any such Passenger Service operated with less Passenger Carrying Capacity than that specified for each such Passenger Service in the Train Plan as a result of:
	(a) TfWRL's implementation of a Service Recovery Plan during that Reporting Period; or
	(b) the occurrence or continuing effect of a Force Majeure Event.

- (a) For the purposes of the calculation to be undertaken by the Authority pursuant to this paragraph 4.1, a Passenger Service that is specified in the Train Plan to operate on both a WCB Lines route and a CVL route will be assigned to the Rail Service on which the Passenger Service is specified to commence in the Train Plan.
- (b) For the purposes of the calculations to be undertaken by the Authority pursuant to paragraphs 4 and 5 of this Schedule 7.1, separate calculations will be undertaken in respect of the CVL and the WCB.

4.2 **Not used.**

4.3 **Not Used**

4.4 **Periodic Short Formation Calculations**

For each Reporting Period, the Authority shall calculate TfWRL's performance against the Short Formation Benchmark in accordance with the following formula:

Table D	
$A_{SF} + E_{SF}$	
where:	
A_{SF}	has the meaning given to it in paragraph 4.1 in respect of that Reporting Period;

E_{SF}	is the sum of the values of A_{SF} in each of the twelve (12) Reporting Periods immediately preceding that Reporting Period
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4.5 For the purposes of the calculations to be undertaken by the Authority pursuant to paragraph 4.4:

- (a) if and to the extent that any Passenger Service is operated with Passenger Carrying Capacity in excess of the Passenger Carrying Capacity specified for that Passenger Service in the Train Plan, the excess capacity shall be disregarded; and
- (b) any Passenger Service that is the subject of a Cancellation or a Partial Cancellation shall be disregarded.

5 ANNUAL SHORT FORMATION CALCULATION

5.1 At the end of each Service Year the Authority shall calculate the ODP's performance against the Annual Short Formation Benchmark in accordance with the following formula:

Table E	
ACTUAL_{SF}	= $\frac{\sum A_{SF}}{X}$
where:	
$\sum A_{SF}$	is the sum of the values of A_{SF} (A_{SF} being as defined in paragraph 4.1) for each of the Reporting Periods in that Service Year; and
X	(a) in respect of a Service Year consisting of thirteen (13) Reporting Periods equals, 13; or (b) in respect of a Service Year consisting of less than thirteen (13) Reporting Periods, the number of Reporting Periods in such Service Year.

5.2 For the purposes of the calculations to be undertaken by the Authority pursuant to paragraph 5.1:

- (a) if and to the extent that any Passenger Service is operated with Passenger Carrying Capacity in excess of the Passenger Carrying Capacity specified for that Passenger Service in the Train Plan, the excess capacity shall be disregarded; and
- (b) any Passenger Service that is the subject of a Cancellation or a Partial Cancellation shall be disregarded.

6 CANCELLATIONS AND MISSED STATION STOPS

- 6.1 For each Reporting Period, TfWRL shall ensure that:
- (a) the PSSM shall be less than 5% for 90% of Stations in any Reporting Period;
 - (b) the PSSM shall be less than 8% for 95% of Stations in any Reporting Period; and
 - (c) the PSSM shall be less than 8% in any three (3) consecutive Reporting Periods for any Station.
- 6.2 TfWRL shall ensure that PSSM in relation to all Stations is recorded by TfWRL from the Service Commencement Date.
- 6.3 TfWRL shall comply with its Code of Practice for Cancellations and Missed Station Stops.

7 NOT USED

8 CALCULATIONS

- 8.1 The Authority shall perform the calculations referred to in paragraphs 3, 4 and 6 rounded to three (3) decimal places with the midpoint (that is, 11.1115) rounded upwards (that is, 11.112).

9 SERVICE RECOVERY PLANS AND FORCE MAJEURE

- 9.1 TfWRL shall, within eight (8) weeks of the end of each Reporting Period for which a Service Recovery Plan has been implemented (or such other period as may be agreed by the Authority), submit to the Authority all the comprehensive records (as more particularly described in the RDG “Approved Code of Practice 2013” or any document of a similar equivalent nature) which relate to the implementation of such Service Recovery Plan during that Reporting Period.
- 9.2 In performing the calculations pursuant to paragraph 3 (Passenger Time Lost Delay) the Authority shall disregard any Minutes Delay and Cancelled Stops that are caused by the occurrence or continuing effect of a Force Majeure Event.

10 CONSEQUENCES OF POOR PERFORMANCE

10.1 Short Formation Benchmarks

- (a) TfWRL shall ensure that its performance in relation to the Short Formation Benchmark in each Reporting Period, as calculated by the Authority in accordance with the requirements of this Schedule 7.1, is better than each Critical Service Level for the Short Formation Benchmark in respect of each such Reporting Period.

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- (b) If in any Reporting Period TfWRL's performance, as calculated by the Authority in accordance with the requirements of this Schedule 7.1, is equal to or worse than any Critical Service Level relating to a Short Formation Benchmark in respect of that Reporting Period, then the Authority may serve a Performance Plan Notice on TfWRL requiring it to propose such steps as TfWRL considers appropriate for the purpose of ensuring that performance in relation to the Short Formation Benchmark will, as soon as reasonably practicable, be equal to or below the Operational Service Level.

10.2 **PTL Benchmarks**

- (a) TfWRL shall ensure that its performance in relation to the PTL Benchmark in each Reporting Period, as calculated by the Authority in accordance with the requirements of this Schedule 7.1, is better than each Critical Service Level in respect of each such Reporting Period.
- (b) If in any Reporting Period TfWRL's performance is equal to or worse than the Critical Service Level relating to the PTL Benchmark for any Reporting Period, then the Authority may serve a Performance Plan Notice on TfWRL requiring it to propose such steps as TfWRL considers appropriate for the purpose of ensuring that performance in relation to the PTL Benchmark will, as soon as reasonably practicable, be equal to or below the Operational Service Level.

10.3 **Cancellation and Missed Station Stops**

- (a) TfWRL shall ensure that its performance in each Reporting Period in relation to PSSM, as calculated by the Authority in accordance with the requirements of this Schedule 7.1, is better than the PSSM levels set out in paragraph 6.
- (b) If in any Reporting Period TfWRL's performance is equal to or worse than the PSSM levels set out in paragraph 6, then the Authority may serve a Performance Plan Notice on TfWRL requiring it to propose such steps as TfWRL considers appropriate for the purpose of ensuring that performance in relation to the relevant PSSM level will, as soon as reasonably practicable, be equal to or less than the relevant PSSM levels set out in paragraph 6.

10.4 **Performance Plans**

Each Performance Plan shall set out:

- (a) an explanation of the circumstances that has resulted in the level of performance;
- (b) the steps proposed for the purposes of ensuring that the level of performance will, as soon as reasonably practicable, be provided at a level that is required in

accordance with this Schedule 7.1, including, without limitation, the issue of a draft Performance Plan within five (5) Weekdays;

- (c) the steps proposed for the purposes of ensuring that the level of performance will, as soon as reasonably practicable, be provided at a level that is required in accordance with this Schedule 7.1, including, without limitation, the issue of an updated Performance Plan within twenty (20) Weekdays;
- (d) the time period within which TfWRL proposes to implement those steps; and
- (e) any other information requested by the Authority in the Performance Plan Notice.

11 **NOT USED**

12 **NOT USED**

13 **NOT USED**

Appendix 1 to Schedule 7.1 - Short Formation Benchmarks and Annual Short Formation Benchmarks

Part 1 - Short Formation Benchmark Table

Table A: Wales and Cross-Border Lines Services

Column 1	Column 2	Column 3	Column 4	Column 5
Year	Reporting Period	Operational Service Level	Escalation Service Level	Critical Service Level
2020/2021 Service Year 1	Period 12	1.500	5.500	9.500
2020/2021 Service Year 1	Period 13	1.500	5.500	9.500
2021/2022 Service Year 2	Period 01	1.250	4.250	7.250
2021/2022 Service Year 2	Period 02	1.250	4.250	7.250
2021/2022 Service Year 2	Period 03	1.250	4.250	7.250
2021/2022 Service Year 2	Period 04	1.250	4.250	7.250
2021/2022 Service Year 2	Period 05	1.250	4.250	7.250
2021/2022 Service Year 2	Period 06	1.250	4.250	7.250
2021/2022 Service Year 2	Period 07	1.250	4.250	7.250
2021/2022 Service Year 2	Period 08	1.250	4.250	7.250

Column 1	Column 2	Column 3	Column 4	Column 5
Year	Reporting Period	Operational Service Level	Escalation Service Level	Critical Service Level
2021/2022 Service Year 2	Period 09	1.250	4.250	7.250
2021/2022 Service Year 2	Period 10	1.250	4.250	7.250
2021/2022 Service Year 2	Period 11	1.250	4.250	7.250
2021/2022 Service Year 2	Period 12	1.250	4.250	7.250
2021/2022 Service Year 2	Period 13	1.250	4.250	7.250
2022/2023 Service Year 3	Period 01	1.100	2.100	3.100
2022/2023 Service Year 3	Period 02	1.100	2.100	3.100
2022/2023 Service Year 3	Period 03	1.100	2.100	3.100
2022/2023 Service Year 3	Period 04	1.100	2.100	3.100
2022/2023 Service Year 3	Period 05	1.100	2.100	3.100
2022/2023 Service Year 3	Period 06	1.100	2.100	3.100
2022/2023 Service Year 3	Period 07	1.100	2.100	3.100

Column 1	Column 2	Column 3	Column 4	Column 5
Year	Reporting Period	Operational Service Level	Escalation Service Level	Critical Service Level
2022/2023 Service Year 3	Period 08	1.100	2.100	3.100
2022/2023 Service Year 3	Period 09	1.100	2.100	3.100
2022/2023 Service Year 3	Period 10	1.100	2.100	3.100
2022/2023 Service Year 3	Period 11	1.100	2.100	3.100
2022/2023 Service Year 3	Period 12	1.100	2.100	3.100
2022/2023 Service Year 3	Period 13	1.100	2.100	3.100
2023/2024 Service Year 4	Period 01	0.950	1.950	2.950
2023/2024 Service Year 4	Period 02	0.950	1.950	2.950
2023/2024 Service Year 4	Period 03	0.950	1.950	2.950
2023/2024 TfWRL Year 4	Period 04	0.950	1.950	2.950
2023/2024 TfWRL Year 4	Period 05	0.950	1.950	2.950
2023/2024 TfWRL Year 4	Period 06	0.950	1.950	2.950

Column 1	Column 2	Column 3	Column 4	Column 5
Year	Reporting Period	Operational Service Level	Escalation Service Level	Critical Service Level
2023/2024 TfWRL Year 4	Period 07	0.950	1.950	2.950
2023/2024 Service Year 4	Period 08	0.950	1.950	2.950
2023/2024 TfWRL Year 4	Period 09	0.950	1.950	2.950
2023/2024 Service Year 4	Period 10	0.950	1.950	2.950
2023/2024 Service Year 4	Period 11	0.950	1.950	2.950
2023/2024 Service Year 4	Period 12	0.950	1.950	2.950
2023/2024 Service Year 4	Period 13	0.950	1.950	2.950
2024/2025 Service Year 5	Period 01	0.800	1.800	2.800
2024/2025 Service Year 5	Period 02	0.800	1.800	2.800
2024/2025 Service Year 5	Period 03	0.800	1.800	2.800
2024/2025 Service Year 5	Period 04	0.800	1.800	2.800
2024/2025 Service Year 5	Period 05	0.800	1.800	2.800

Column 1	Column 2	Column 3	Column 4	Column 5
Year	Reporting Period	Operational Service Level	Escalation Service Level	Critical Service Level
2024/2025 Service Year 5	Period 06	0.800	1.800	2.800
2024/2025 TfWRL Year 5	Period 07	0.800	1.800	2.800
2024/2025 Service Year 5	Period 08	0.800	1.800	2.800
2024/2025 Service Year 5	Period 09	0.800	1.800	2.800
2024/2025 Service Year 5	Period 10	0.800	1.800	2.800
2024/2025 Service Year 5	Period 11	0.800	1.800	2.800
2024/2025 Service Year 5	Period 12	0.800	1.800	2.800
2024/2025 Service Year 5	Period 13	0.800	1.800	2.800
2025/2026 Service Year 6	Period 01	0.750	1.750	2.750
2025/2026 TfWRL Year 6	Period 02	0.750	1.750	2.750
2025/2026 Service Year 6	Period 03	0.750	1.750	2.750
2025/2026 Service Year 6	Period 04	0.750	1.750	2.750

Column 1	Column 2	Column 3	Column 4	Column 5
Year	Reporting Period	Operational Service Level	Escalation Service Level	Critical Service Level
2025/2026 Service Year 6	Period 05	0.750	1.750	2.750
2025/2026 Service Year 6	Period 06	0.750	1.750	2.750
2025/2026 Service Year 6	Period 07	0.750	1.750	2.750
2025/2026 Service Year 6	Period 08	0.750	1.750	2.750
2025/2026 Service Year 6	Period 09	0.750	1.750	2.750
2025/2026 Service Year 6	Period 10	0.750	1.750	2.750
2025/2026 Service Year 6	Period 11	0.750	1.750	2.750

Table B: Core Valley Lines

Column 1	Column 2	Column 3	Column 4	Column 5
Year	Reporting Period	Operational Service Level	Escalation Service Level	Critical Service Level
2020/2021 Service Year 1	Period 12	1.500	5.500	9.500
2020/2021 Service Year 1	Period 13	1.500	5.500	9.500
2021/2022 Service Year 2	Period 01	1.250	4.250	7.250
2021/2022 Service Year 2	Period 02	1.250	4.250	7.250
2021/2022 Service Year 2	Period 03	1.250	4.250	7.250
2021/2022 Service Year 2	Period 04	1.250	4.250	7.250
2021/2022 Service Year 2	Period 05	1.250	4.250	7.250
2021/2022 Service Year 2	Period 06	1.250	4.250	7.250
2021/2022 Service Year 2	Period 07	1.250	4.250	7.250
2021/2022 Service Year 2	Period 08	1.250	4.250	7.250
2021/2022 Service Year 2	Period 09	1.250	4.250	7.250

Column 1	Column 2	Column 3	Column 4	Column 5
Year	Reporting Period	Operational Service Level	Escalation Service Level	Critical Service Level
2021/2022 Service Year 2	Period 10	1.250	4.250	7.250
2021/2022 Service Year 2	Period 11	1.250	4.250	7.250
2021/2022 Service Year 2	Period 12	1.250	4.250	7.250
2021/2022 Service Year 2	Period 13	1.250	4.250	7.250
2022/2023 Service Year 3	Period 01	1.100	2.100	3.100
2022/2023 Service Year 3	Period 02	1.100	2.100	3.100
2022/2023 Service Year 3	Period 03	1.100	2.100	3.100
2022/2023 Service Year 3	Period 04	1.100	2.100	3.100
2022/2023 Service Year 3	Period 05	1.100	2.100	3.100
2022/2023 Service Year 3	Period 06	1.100	2.100	3.100
2022/2023 Service Year 3	Period 07	1.100	2.100	3.100
2022/2023 Service Year 3	Period 08	1.100	2.100	3.100

Column 1	Column 2	Column 3	Column 4	Column 5
Year	Reporting Period	Operational Service Level	Escalation Service Level	Critical Service Level
2022/2023 Service Year 3	Period 09	1.100	2.100	3.100
2022/2023 Service Year 3	Period 10	1.100	2.100	3.100
2022/2023 Service Year 3	Period 11	1.100	2.100	3.100
2022/2023 Service Year 3	Period 12	1.100	2.100	3.100
2022/2023 Service Year 3	Period 13	1.100	2.100	3.100
2023/2024 Service Year 4	Period 01	0.950	1.950	2.950
2023/2024 Service Year 4	Period 02	0.950	1.950	2.950
2023/2024 Service Year 4	Period 03	0.950	1.950	2.950
2023/2024 TfWRL Year 4	Period 04	0.950	1.950	2.950
2023/2024 TfWRL Year 4	Period 05	0.950	1.950	2.950
2023/2024 TfWRL Year 4	Period 06	0.950	1.950	2.950
2023/2024 TfWRL Year 4	Period 07	0.950	1.950	2.950

Column 1	Column 2	Column 3	Column 4	Column 5
Year	Reporting Period	Operational Service Level	Escalation Service Level	Critical Service Level
2023/2024 Service Year 4	Period 08	0.950	1.950	2.950
2023/2024 TfWRL Year 4	Period 09	0.950	1.950	2.950
2023/2024 Service Year 4	Period 10	0.950	1.950	2.950
2023/2024 Service Year 4	Period 11	0.950	1.950	2.950
2023/2024 Service Year 4	Period 12	0.950	1.950	2.950
2023/2024 Service Year 4	Period 13	0.950	1.950	2.950
2024/2025 Service Year 5	Period 01	0.800	1.800	2.800
2024/2025 Service Year 5	Period 02	0.800	1.800	2.800
2024/2025 Service Year 5	Period 03	0.800	1.800	2.800
2024/2025 Service Year 5	Period 04	0.800	1.800	2.800
2024/2025 Service Year 5	Period 05	0.800	1.800	2.800
2024/2025 Service Year 5	Period 06	0.800	1.800	2.800

Column 1	Column 2	Column 3	Column 4	Column 5
Year	Reporting Period	Operational Service Level	Escalation Service Level	Critical Service Level
2024/2025 TfWRL Year 5	Period 07	0.800	1.800	2.800
2024/2025 Service Year 5	Period 08	0.800	1.800	2.800
2024/2025 Service Year 5	Period 09	0.800	1.800	2.800
2024/2025 Service Year 5	Period 10	0.800	1.800	2.800
2024/2025 Service Year 5	Period 11	0.800	1.800	2.800
2024/2025 Service Year 5	Period 12	0.800	1.800	2.800
2024/2025 Service Year 5	Period 13	0.800	1.800	2.800
2025/2026 Service Year 6	Period 01	0.750	1.750	2.750
2025/2026 TfWRL Year 6	Period 02	0.750	1.750	2.750
2025/2026 Service Year 6	Period 03	0.750	1.750	2.750
2025/2026 Service Year 6	Period 04	0.750	1.750	2.750
2025/2026 Service Year 6	Period 05	0.750	1.750	2.750

Column 1	Column 2	Column 3	Column 4	Column 5
Year	Reporting Period	Operational Service Level	Escalation Service Level	Critical Service Level
2025/2026 Service Year 6	Period 06	0.750	1.750	2.750
2025/2026 Service Year 6	Period 07	0.750	1.750	2.750
2025/2026 Service Year 6	Period 08	0.750	1.750	2.750
2025/2026 Service Year 6	Period 09	0.750	1.750	2.750
2025/2026 Service Year 6	Period 10	0.750	1.750	2.750
2025/2026 Service Year 6	Period 11	0.750	1.750	2.750

Part 2 - Not used

Appendix 2 To Schedule 7.1

Part 1 - Passenger Time Lost Delay Benchmarks

Table A: Wales and Cross-Border Lines Services

Year	Reporting Period	Operational Service Level	Escalation Service Level	Critical Service Level	Cap Performance Level
2020/2021 – Service Year 1	Period 12	1.054	1.532	2.964	0.629
2020/2021 – Service Year 1	Period 13	1.051	1.528	2.961	0.626
2021/2022 – Service Year 2	Period 01	1.062	1.487	2.973	0.638
2021/2022 – Service Year 2	Period 02	1.059	1.484	2.970	0.635
2021/2022 – Service Year 2	Period 03	1.056	1.481	2.966	0.632
2021/2022 – Service Year 2	Period 04	1.053	1.477	2.963	0.628
2021/2022 – Service Year 2	Period 05	1.364	1.788	3.274	0.939
2021/2022 – Service Year 2	Period 06	1.096	1.521	3.007	0.672
2021/2022 – Service Year 2	Period 07	1.093	1.518	3.004	0.669
2021/2022 – Service Year 2	Period 08	1.402	1.827	3.312	0.978
2021/2022 – Service Year 2	Period 09	1.664	2.089	3.575	1.240
2021/2022 – Service Year 2	Period 10	1.554	1.978	3.464	1.129
2021/2022 – Service Year 2	Period 11	1.031	1.455	2.941	0.606
2021/2022 – Service Year 2	Period 12	1.028	1.453	2.939	0.604
2021/2022 – Service Year 2	Period 13	1.025	1.450	2.936	0.601
2022/2023 – Service Year 3	Period 01	1.034	1.458	2.944	0.609
2022/2023 – Service Year 3	Period 02	1.031	1.455	2.941	0.606
2022/2023 – Service Year 3	Period 03	1.027	1.452	2.938	0.603
2022/2023 – Service Year 3	Period 04	1.024	1.449	2.935	0.600
2022/2023 – Service Year 3	Period 05	1.253	1.678	3.164	0.829
2022/2023 – Service Year 3	Period 06	1.062	1.487	2.973	0.638
2022/2023 – Service Year 3	Period 07	1.059	1.484	2.970	0.635
2022/2023 – Service Year 3	Period 08	1.338	1.763	3.249	0.914

2022/2023 – Service Year 3	Period 09	1.579	2.004	3.490	1.155
2022/2023 – Service Year 3	Period 10	1.477	1.902	3.388	1.053
2022/2023 – Service Year 3	Period 11	1.003	1.428	2.913	0.578
2022/2023 – Service Year 3	Period 12	1.000	1.424	2.910	0.575
2022/2023 – Service Year 3	Period 13	0.997	1.421	2.907	0.572
2023/2024 – Service Year 4	Period 01	1.003	1.428	2.913	0.578
2023/2024 – Service Year 4	Period 02	1.000	1.424	2.910	0.575
2023/2024 – Service Year 4	Period 03	0.998	1.422	2.908	0.573
2023/2024 – Service Year 4	Period 04	0.994	1.419	2.905	0.570
2023/2024 – Service Year 4	Period 05	1.162	1.587	3.073	0.738
2023/2024 – Service Year 4	Period 06	1.026	1.451	2.937	0.602
2023/2024 – Service Year 4	Period 07	1.023	1.448	2.934	0.599
2023/2024 – Service Year 4	Period 08	1.279	1.703	3.189	0.854
2023/2024 – Service Year 4	Period 09	1.501	1.925	3.411	1.076
2023/2024 – Service Year 4	Period 10	1.406	1.831	3.317	0.982
2023/2024 – Service Year 4	Period 11	0.972	1.397	2.883	0.548
2023/2024 – Service Year 4	Period 12	0.969	1.394	2.879	0.544
2023/2024 – Service Year 4	Period 13	0.966	1.390	2.876	0.541
2024/2025 – Service Year 5	Period 01	0.969	1.394	2.879	0.544
2024/2025 – Service Year 5	Period 02	0.966	1.390	2.876	0.541
2024/2025 – Service Year 5	Period 03	0.963	1.387	2.873	0.538
2024/2025 – Service Year 5	Period 04	0.959	1.384	2.870	0.535
2024/2025 – Service Year 5	Period 05	1.088	1.512	2.998	0.663
2024/2025 – Service Year 5	Period 06	0.988	1.413	2.899	0.564
2024/2025 – Service Year 5	Period 07	0.985	1.409	2.895	0.560

2024/2025 – Service Year 5	Period 08	1.218	1.643	3.129	0.794
2024/2025 – Service Year 5	Period 09	1.424	1.849	3.335	1.000
2024/2025 – Service Year 5	Period 10	1.336	1.761	3.247	0.912
2024/2025 – Service Year 5	Period 11	0.937	1.362	2.848	0.513
2024/2025 – Service Year 5	Period 12	0.934	1.359	2.844	0.509
2024/2025 – Service Year 5	Period 13	0.931	1.355	2.841	0.506
2025/2026 – Service Year 6	Period 01	0.932	1.356	2.842	0.507
2025/2026 – Service Year 6	Period 02	0.929	1.353	2.839	0.504
2025/2026 – Service Year 6	Period 03	0.925	1.350	2.836	0.501
2025/2026 – Service Year 6	Period 04	0.922	1.347	2.833	0.498
2025/2026 – Service Year 6	Period 05	1.028	1.453	2.939	0.604
2025/2026 – Service Year 6	Period 06	0.948	1.372	2.858	0.523
2025/2026 – Service Year 6	Period 07	0.945	1.369	2.855	0.520
2025/2026 – Service Year 6	Period 08	1.160	1.585	3.070	0.736
2025/2026 – Service Year 6	Period 09	1.350	1.775	3.260	0.925
2025/2026 – Service Year 6	Period 10	1.268	1.693	3.179	0.844
2025/2026 – Service Year 6	Period 11	0.900	1.325	2.810	0.475

Table B: Not used**Table C: Core Valley Lines**

Year	Reporting Period	Operational Service Level	Escalation Service Level	Critical Service Level	Cap Performance Level
2020/2021 – Service Year 1	Period 12	1.097	2.045	3.682	0.666
2020/2021 – Service Year 1	Period 13	1.095	2.043	3.680	0.664
2021/2022 – Service Year 2	Period 01	1.098	2.045	3.682	0.667
2021/2022 – Service Year 2	Period 02	1.095	2.043	3.680	0.664
2021/2022 – Service Year 2	Period 03	1.092	2.039	3.676	0.661

2021/2022 – Service Year 2	Period 04	1.089	2.037	3.674	0.658
2021/2022 – Service Year 2	Period 05	1.086	2.034	3.671	0.656
2021/2022 – Service Year 2	Period 06	1.084	2.032	3.669	0.653
2021/2022 – Service Year 2	Period 07	1.081	2.029	3.666	0.650
2021/2022 – Service Year 2	Period 08	1.398	2.346	3.983	0.968
2021/2022 – Service Year 2	Period 09	1.555	2.503	4.140	1.124
2021/2022 – Service Year 2	Period 10	1.657	2.605	4.242	1.226
2021/2022 – Service Year 2	Period 11	1.071	2.019	3.656	0.640
2021/2022 – Service Year 2	Period 12	1.068	2.015	3.652	0.637
2021/2022 – Service Year 2	Period 13	1.065	2.013	3.650	0.634
2022/2023 – Service Year 3	Period 01	1.068	2.015	3.652	0.637
2022/2023 – Service Year 3	Period 02	1.065	2.013	3.650	0.634
2022/2023 – Service Year 3	Period 03	1.061	2.009	3.646	0.631
2022/2023 – Service Year 3	Period 04	1.059	2.007	3.644	0.628
2022/2023 – Service Year 3	Period 05	1.056	2.004	3.641	0.626
2022/2023 – Service Year 3	Period 06	1.054	2.001	3.638	0.623
2022/2023 – Service Year 3	Period 07	1.051	1.999	3.636	0.620
2022/2023 – Service Year 3	Period 08	1.344	2.292	3.929	0.913
2022/2023 – Service Year 3	Period 09	1.489	2.437	4.074	1.058
2022/2023 – Service Year 3	Period 10	1.583	2.530	4.167	1.152
2022/2023 – Service Year 3	Period 11	1.040	1.988	3.625	0.609
2022/2023 – Service Year 3	Period 12	1.037	1.985	3.622	0.607
2022/2023 – Service Year 3	Period 13	1.035	1.983	3.620	0.604
2023/2024 – Service Year 4	Period 01	1.036	1.983	3.620	0.605
2023/2024 – Service Year 4	Period 02	1.032	1.980	3.617	0.601
2023/2024 – Service Year 4	Period 03	1.030	1.977	3.614	0.599
2023/2024 – Service Year 4	Period 04	1.026	1.974	3.611	0.595
2023/2024 – Service Year 4	Period 05	1.023	1.970	3.607	0.592
2023/2024 – Service Year 4	Period 06	1.020	1.968	3.605	0.589
2023/2024 – Service Year 4	Period 07	1.017	1.964	3.601	0.586
2023/2024 – Service Year 4	Period 08	1.289	2.237	3.874	0.858

2023/2024 – Service Year 4	Period 09	1.422	2.369	4.006	0.991
2023/2024 – Service Year 4	Period 10	1.509	2.456	4.093	1.078
2023/2024 – Service Year 4	Period 11	1.004	1.951	3.589	0.573
2023/2024 – Service Year 4	Period 12	1.001	1.949	3.586	0.570
2023/2024 – Service Year 4	Period 13	0.998	1.945	3.582	0.567
2024/2025 – Service Year 5	Period 01	0.998	1.687	2.721	0.567
2024/2025 – Service Year 5	Period 02	0.991	1.680	2.714	0.560
2024/2025 – Service Year 5	Period 03	0.983	1.672	2.706	0.552
2024/2025 – Service Year 5	Period 04	0.976	1.665	2.699	0.545
2024/2025 – Service Year 5	Period 05	0.969	1.659	2.692	0.538
2024/2025 – Service Year 5	Period 06	0.962	1.651	2.685	0.531
2024/2025 – Service Year 5	Period 07	0.955	1.644	2.678	0.524
2024/2025 – Service Year 5	Period 08	1.194	1.883	2.917	0.763
2024/2025 – Service Year 5	Period 09	1.308	1.997	3.031	0.877
2024/2025 – Service Year 5	Period 10	1.379	2.069	3.103	0.949
2024/2025 – Service Year 5	Period 11	0.925	1.615	2.649	0.495
2024/2025 – Service Year 5	Period 12	0.918	1.608	2.642	0.488
2024/2025 – Service Year 5	Period 13	0.912	1.601	2.635	0.481
2025/2026 – Service Year 6	Period 01	0.906	1.509	2.630	0.476
2025/2026 – Service Year 6	Period 02	0.901	1.504	2.624	0.470
2025/2026 – Service Year 6	Period 03	0.897	1.500	2.620	0.466
2025/2026 – Service Year 6	Period 04	0.893	1.496	2.616	0.462
2025/2026 – Service Year 6	Period 05	0.888	1.491	2.611	0.458
2025/2026 – Service Year 6	Period 06	0.883	1.486	2.606	0.452
2025/2026 – Service Year 6	Period 07	0.879	1.482	2.602	0.448
2025/2026 – Service Year 6	Period 08	1.095	1.698	2.818	0.664
2025/2026 – Service Year 6	Period 09	1.199	1.802	2.923	0.769
2025/2026 – Service Year 6	Period 10	1.266	1.869	2.989	0.835
2025/2026 – Service Year 6	Period 11	0.861	1.464	2.584	0.430

Part 2 to Appendix 2 - Not used

Part 3 to Appendix 2 - Not used

Appendix 3 to Schedule 7.1**Code of Practice for Cancellations and Missed Station Stops**

- 1 TfWRL may skip stops in order to:
 - (a) avoid cancelling a service after an incident, emergency or speed restriction;
 - (b) regulate late services;
 - (c) avoid unacceptable knock-on impacts to services in the opposite direction;
 - (d) minimise unacceptable knock-on impacts to other services from train crew causes; and
 - (e) enable emergency access for NR or other parties at or near a station for incidents including lights failure, fire close to track or fatality.

- 2 TfWRL shall endeavour to:
 - (a) develop a full set of supporting timetable-specific operational procedures, in collaboration with NR and other operators;
 - (b) develop explicit instructions to be applied to specific stations and lines of route, supported by passenger and other relevant data;
 - (c) communicate change to staff through briefings and to customers via website, social media, station posters and face-to-face meetings;
 - (d) create a joint review team with NR, to prepare the operational procedures prior to rollout;
 - (e) ensure that Route Controllers (WROC) and Workstation Operators (CVLICC) follow the rules set out in the Code of Practice and are well equipped to make informed decisions;
 - (f) develop and roll out web and mobile applications to inform decision-making; and
 - (g) measure PSSM.

- 3 When electing to skip stops, TfWRL shall endeavour to:
 - (a) not skip stops or cancel trains without giving passengers sufficient time to make alternative choices;
 - (b) protect Peak services in the busiest direction of travel, as well as the first and last trains of the day, from skip stops and Cancellations;

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- (c) make passenger-focused decisions, using passenger loading data and known special requirements such as schoolchildren or passengers with accessibility needs;
 - (d) refer to the detailed table of stations to check the anticipated passenger numbers;
 - (e) minimise passenger impact by taking account of station facilities;
 - (f) ensure that passengers do not wait more than thirty (30) minutes for the next service;
 - (g) avoid skipping the same station twice in a row;
 - (h) provide guidance to train crew to ensure that they can inform passengers why the decision has been made;
 - (i) provide station-specific guidance to passengers as to what other travel modes, such as buses and taxis with complimentary ticketing arrangements, are available; and
 - (j) develop management guidelines on how to deal with the safety and welfare of passengers with special needs and reduced mobility.
- 4 To continuously monitor, review and improve, TfWRL shall endeavour to:
- (a) capture information regarding missed stops, who authorised them and why they were missed for incident review and staff development purposes. This process shall be automated when the RealTime app is implemented;
 - (b) create a daily, weekly, and monthly map view of the network in TfWRL's visualisation room showing the number of missed stops and Cancellations by station, so that TfWRL can see what passengers are experiencing and make interventions where required. This will be carried out with NR and fully visible to the Authority;
 - (c) generate a daily, weekly and periodic PSSM report, in accordance with the criteria set out in paragraph 6 of Schedule 7.1;
 - (d) implement a 6-monthly Code of Practice review system carried out by the Head of Operations with other departments (e.g. stations management and train crew representatives), NR and the Authority, considering seasonal factors, events and engineering works;
 - (e) consider relevant customer feedback; and

- (f) carry out in-depth incident reviews including assessment of how the Code of Practice is communicated and delivered.

Schedule 7.2 – National Rail Passenger Surveys, Customer Report and CCI Scheme

Paragraph 2	National Rail Passenger Surveys
Paragraph 5	Customer Satisfaction Surveys
Paragraph 8	Mystery Shopper Surveys
Paragraph 15	Consultations
Paragraph 16	Customer, Staff and Stakeholder Engagement Strategy
Paragraph 17	Customer Report
Paragraph 18	Customer and Communities Investment (CCI) Scheme

1 DEFINITIONS

1.1 For the purposes of this Schedule 7.2 only, the following words and expressions shall have the following meanings:

“Alternative NRPS” has the meaning given to it in paragraph 2.6 of this Schedule 7.2 (National Rail Passenger Surveys, Customer Report and CCI Scheme);

“Benchmark” means any of the NRPS Benchmark, CSS Benchmark or MSS Benchmark (as the context may require);

“Benchmark Review” has the meaning given to that term at paragraph 1A.2 of this Schedule 7.2;

“CSS Benchmark Table” means each of tables in the form set out Appendix 2 to this Schedule 7.2 to be populated by TfWRL in accordance with paragraph 6.1 of this Schedule 7.2;

“CSS Benchmark” means, in respect of a relevant Service Year, the benchmark for each CSS Measure and for each CSS Service Group as set out in the CSS Benchmark Table;

“CSS Measure” means each of the factors to be developed by TfWRL and approved by the Authority as part of the Authority’s approval of the Customer Satisfaction Survey Methodology;

“CSS Service Group” means each of the service groups set out in the Customer Satisfaction Survey Methodology;

“MSS Benchmark Table” means each of tables in the form set out in Appendix 3 to this Schedule 7.2 to be populated by TfWRL in accordance with paragraph 9.1 of this Schedule 7.2;

“MSS Benchmark” means, in respect of a relevant Service Year, the benchmark for each MSS Measure and for each MSS Service Group as set out in the MSS Benchmark Table;

“MSS Measure”	means each of the factors to be developed by TfWRL and approved by the Authority as part of the Authority’s approval of the Mystery Shopper Survey Methodology;
“MSS Service Group”	means each of the service groups set out in the Mystery Shopper Survey Methodology;
“NRPS Service Group”	means each of the service groups set out in the Passenger Survey Methodology and more particularly described as: (a) “CVL” including the Cardiff and Valleys’ NRPS service group; and (b) “WCB” including the ‘South Wales and Borders/West Wales’, ‘North Wales and Borders’, ‘Mid Wales and Borders’ and ‘Interurban’ NRPS service groups;
“Required Improvement”	means an improvement in the level of customer satisfaction for the relevant NRPS Measure, CSS Measure or MSS Measure as measured by a National Rail Passenger Survey, Customer Satisfaction Survey or Mystery Shopper Survey (as the case may be) so that such level is equal to or higher than the related NRPS Benchmark, CSS Benchmark or MSS Benchmark (as the case may be);
“Survey Performance Plan”	has the meaning given to it in paragraph 11 of this Schedule 7.2 (National Rail Passenger Surveys, Customer Report and CCI Scheme); and
“Survey Waiver Expiry Date”	means the date notified to TfWRL by the Authority providing notice in writing in accordance with paragraph 1A.3 of Schedule 7.2 (National Rail Passenger Surveys, Customer Report and CCI Scheme) as the date on which the obligations set out in Schedule 7.2 shall take effect, save for paragraph 1A of Schedule 7.2

which shall take effect from the Service Commencement Date.

1A APPLICATION OF SCHEDULE 7.2 (NATIONAL RAIL PASSENGER SURVEYS, CUSTOMER REPORT AND CCI SCHEME)

- 1A.1 Save for this paragraph 1A which shall take effect from the Service Commencement Date, the provisions of this Schedule 7.2 (National Rail Passenger Surveys, Customer Report and CCI Scheme) shall take effect from, and not before, the Survey Waiver Expiry Date.
- 1A.2 At the Authority's reasonable request, the Parties shall work together to agree the Benchmarks and populate the corresponding tables in the Appendices to this Schedule 7.2 (the "**Benchmark Review**").
- 1A.3 Upon completion of the Benchmark Review, the Authority may serve a written notice on TfWRL setting out the Survey Waiver Expiry Date (provided that such date falls at least one (1) Reporting Period after the date on which such notice is issued by the Authority).

2 CONDUCT OF NATIONAL RAIL PASSENGER SURVEYS

- 2.1 TfWRL agrees with the Authority that:
- (a) the Passengers' Council may measure the level of passenger satisfaction with the Rail Services through National Rail Passenger Surveys;
 - (b) the Passengers' Council shall determine how, when (normally twice per annum) and where National Rail Passenger Surveys are to be carried out;
 - (c) TfWRL shall grant access on trains or at stations to the Passengers' Council (or its representatives and agents) to carry out National Rail Passenger Surveys;
 - (d) TfWRL shall co-operate with the Passengers' Council (in such manner as the Passengers' Council may reasonably request or as the Authority may reasonably direct) in order to enable the Passengers' Council to carry out National Rail Passenger Surveys; and
 - (e) the Passengers' Council and/or the Authority may, from time to time, publish the results of each National Rail Passenger Survey.
- 2.2 The Authority shall use reasonable endeavours to procure that:
- (a) the findings of any National Rail Passenger Survey are made available by the Passengers' Council to TfWRL within a reasonable period of time after the

completion of each such survey and shall use all reasonable endeavours to procure that those findings are made available in a timely manner to enable TfWRL to comply with its obligations under paragraph 2.3; and

- (b) if any such survey includes a comparison between its findings and the findings of any equivalent earlier survey, such comparison forms a reasonable basis for monitoring the trends of passenger satisfaction over time.
- 2.3 TfWRL shall, as soon as reasonably practicable after such information is made available to TfWRL in accordance with paragraph 2.2, publicise its performance against the NRPS Benchmarks by including such information in its Customer Report and displaying such information at all of the Stations and on its website.
- 2.4 It is agreed by TfWRL that, subject to paragraph 2.5, the methodology adopted by the Passengers' Council in conducting any such National Rail Passenger Survey shall be as described in the latest Passenger Survey Methodology as at the date of this Agreement (the "**Passenger Survey Methodology**");

2.5 If:

- (a) at any time during the Rail Services Term the methodology adopted in conducting any National Rail Passenger Survey is, in the reasonable opinion of the Authority, materially inconsistent with the Passenger Survey Methodology; and
- (b) the Authority reasonably determines that in consequence a revision to the NRPS Benchmark is required in order to hold constant the risk of TfWRL failing to satisfy the NRPS Benchmark,

then the Authority shall make such revisions to such NRPS Benchmarks as it reasonably considers appropriate to hold constant such risk.

- 2.6 If the Passengers' Council ceases to undertake National Rail Passenger Surveys then the relevant National Rail Passenger Survey for the purposes of this Schedule 7.2 shall be such other passenger survey as the Authority may, after consultation with TfWRL, reasonably determine to be appropriate in the circumstances (the "**Alternative NRPS**"). The provisions of this Schedule 7.2 shall apply in respect of any Alternative NRPS and for these purposes Passengers' Council shall be replaced with such other entity that is responsible for conducting such Alternative NRPS.

3 **NRPS BENCHMARKS**

- 3.1 It is agreed by the Authority and TfWRL that, subject to paragraph 2.6, the results of the National Rail Passenger Survey(s) published by the Passengers' Council in any Service Year should be used to determine TfWRL's performance against the NRPS Benchmarks for that Service Year.

4 PERFORMANCE REVIEW OF NRPS

- 4.1 For each Service Year the Authority shall determine TfWRL's performance against each NRPS Benchmark by comparing:
- (a) if only one (1) National Rail Passenger Survey has been published by Passengers' Council in that Service Year, the results of such National Rail Passenger Survey against the NRPS Benchmarks applicable in respect of that Service Year; or
 - (b) if more than one (1) National Rail Passenger Survey has been published by Passengers' Council in that Service Year, the average of the results of all of the National Rail Passenger Surveys published by the Passengers' Council in that Service Year against the NRPS Benchmarks applicable in respect of that Service Year.
- 4.2 For the purposes of undertaking the comparison pursuant to paragraph 4.1, the results referred to in paragraph 4.1(a) or paragraph 4.1(b) (as the case may be) shall be rounded up to one (1) decimal place with the midpoint (that is, 4.45) rounded upwards (that is, 4.5).
- 4.3 If, following the Authority's determination pursuant to any of paragraphs 4.1(a) or 4.1(b) (as the case may be), the results show that the level of customer satisfaction in respect of any NRPS Measure is below the NRPS Benchmark for such measure then TfWRL shall produce a Survey Performance Plan to secure the Required Improvement.

5 CONDUCT OF CUSTOMER SATISFACTION SURVEYS

- 5.1 TfWRL agrees with the Authority that:
- (a) TfWRL will measure the level of customer satisfaction with the Rail Services through Customer Satisfaction Surveys;
 - (b) TfWRL shall adopt the methodology for conducting any Customer Satisfaction Survey agreed between the Authority and the Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement (the "**Customer Satisfaction Survey Methodology**");
 - (c) TfWRL will publicise its performance against the CSS Benchmarks by including such information in its Customer Report and displaying such information at all of the Stations and on its website; and
 - (d) the Authority may, from time to time, publish the results of each Customer Satisfaction Survey.

6 **CUSTOMER SATISFACTION SURVEY BENCHMARKS**

6.1 Not used.

6.2 It is agreed by the Authority and TfWRL that, the results of the Customer Satisfaction Survey(s) shall be used to determine TfWRL's performance against the CSS Benchmarks for that Service Year.

7 **PERFORMANCE REVIEW OF CUSTOMER SATISFACTION SURVEYS**

7.1 The performance of TfWRL against the CSS Benchmarks shall be measured against the average of the results of all of the Customer Satisfaction Surveys published by TfWRL in that Service Year.

7.2 The results referred to in paragraph 7.1 shall be rounded up to one (1) decimal place with the midpoint (that is, 4.45) rounded upwards (that is, 4.5).

7.3 If the results calculated pursuant to paragraph 7.1 show that the level of customer satisfaction in respect of any CSS Measure is below the CSS Benchmark for such measure then TfWRL shall produce a Survey Performance Plan to secure the Required Improvement.

8 **CONDUCT OF MYSTERY SHOPPER SURVEYS**

8.1 TfWRL agrees with the Authority that:

- (a) TfWRL will measure the level of customer satisfaction with the Rail Services through Mystery Shopper Surveys;
- (b) TfWRL shall adopt the methodology for conducting Myster Shopper Surveys agreed between the Authority and the Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement (the "**Mystery Shopper Survey Methodology**");
- (c) TfWRL will publicise its performance against the MSS Benchmarks by including such information in its Customer Report and displaying such information at all of the Stations and on its website; and
- (d) the Authority may, from time to time, publish the results of each Mystery Shopper Survey.

9 **MYSTERY SHOPPER SURVEY BENCHMARKS**

9.1 Not used.

9.2 It is agreed by the Authority and TfWRL that, the results of the Mystery Shopper Survey(s) shall be used to determine TfWRL's performance against the MSS Benchmarks for that Service Year.

10 PERFORMANCE REVIEW OF MYSTERY SHOPPER SURVEYS

10.1 The performance of TfWRL against the MSS Benchmarks shall be measured against the average of the results of all of the Mystery Shopper Surveys published by TfWRL in that Service Year.

10.2 The results referred to in paragraph 10.1 shall be rounded up to one (1) decimal place with the midpoint (that is, 4.45) rounded upwards (that is, 4.5).

10.3 If the results calculated pursuant to paragraph 10.1 show that the level of customer satisfaction in respect of any MSS Measure is below the MSS Benchmark for such measure then TfWRL shall produce a Survey Performance Plan to secure the Required Improvement.

11 REQUIRED IMPROVEMENT AND SURVEY PERFORMANCE PLANS

11.1 On each occasion that TfWRL becomes obliged to secure a Required Improvement, TfWRL shall produce a plan (a "**Survey Performance Plan**") which is consistent with its obligations under paragraphs 4.3, 7.3 or 10.3 (as the case may be) and in compliance with the following provisions:

- (a) TfWRL shall (i) produce; (ii) obtain the Authority's approval of; and (iii) commence the implementation of the Survey Performance Plan within three (3) months after the date on which the results of such National Rail Passenger Survey, Customer Satisfaction Survey or Mystery Shopper Survey (as the case may be) which triggered the requirement for the Required Improvement were published or otherwise made available to TfWRL; and
- (b) the Survey Performance Plan will contain specific tangible action points and indicate in the case of each action point:
 - (i) how that action will contribute to meeting the relevant Required Improvement;
 - (ii) where the action is to be implemented;
 - (iii) when the action is to be commenced and by when it is to be implemented provided always that where any action is expressed to be ongoing the plan shall include specific review dates; and
 - (iv) how performance of the action is to be measured.

11.2 TfWRL shall, except to the extent otherwise agreed by the Authority in advance, implement each Survey Performance Plan referred to in paragraph 11.1 in accordance with its terms.

11.3 It is acknowledged by TfWRL that the approval or lack of approval by the Authority of each Survey Performance Plan as contemplated in paragraph 11.1 shall not relieve TfWRL of its obligations under this Schedule 7.2 or any other provisions of this Agreement.

12 **CONTINUOUS IMPROVEMENT OF BENCHMARKS**

Without prejudice to its other obligations under this Agreement, TfWRL shall use all reasonable endeavours to improve TfWRL's performance against each Benchmark on a continuous basis over the duration of the Rail Services Term.

13 **REVISING BENCHMARKS**

13.1 If at any time the Authority reasonably considers that the Benchmarks are no longer appropriate or robust for the purposes of this Schedule 7.2 as a result of any changes in circumstances (which may include but shall not be limited to any change in the nature of the Rail Services or any change in the way that National Rail Passenger Survey, Customer Satisfaction Survey or Mystery Shopper Survey is to be carried out, or the need to correct estimates or assumptions made by the Authority in setting the initial Benchmarks which prove to be inaccurate) then the Authority may re-set the levels of the Benchmarks to such level as it reasonably considers appropriate in order to:-

- (a) give effect to this Schedule 7.2; and,
- (b) so far as it is possible to do so, replicate (in terms of the level of customer satisfaction required) the effect of any Benchmark as previously set for the purposes of this Schedule 7.2.

13.2 Not used.

14 **NOT USED**

15 **CONSULTATIONS**

TfWRL shall undertake consultations from time to time as required with:

15.1 passengers, potential passengers, customers, TfWRL Responsible Stakeholders and other users of the rail network; and

15.2 persons who are protected by a Disabled People's Protection Policy; and

15.3 persons with other protected characteristics within the meaning of the EA,

for the purposes of the Customer and Staff Engagement Strategy, the Customer Report and the CCI Scheme.

16 CUSTOMER, STAFF AND STAKEHOLDER ENGAGEMENT STRATEGY

16.1 Not used.

16.2 TfWRL shall:

- (a) undertake and complete a review of the Customer and Staff Engagement Strategy as part of each Strategic Review; and
- (b) provide the Authority with any proposed revisions to the Customer and Staff Engagement Strategy arising out of such review by no later than the end of each such Service Year.

16.3 The aim of such review shall be to update the Customer and Staff Engagement Strategy to reflect lessons learned in the period since the Service Commencement Date or the previous review of the Customer and Staff Engagement Strategy (as applicable) and to ensure that the Customer and Staff Engagement Strategy achieves effective passenger and staff engagement. Any revisions to the Customer and Staff Engagement Strategy shall require the consent of the Authority (such consent not to be unreasonably withheld or delayed).

17 CUSTOMER REPORT

17.1 TfWRL shall, in accordance with the requirements of paragraph 17.2 and paragraph 17.3 below, publish a Customer Report in such readily accessible formats as the Authority may reasonably require (including in booklet or other similar hard copy formats, in electronic formats (such as on TfWRL's website, through social media channels and by email)), in each case in accordance with the Customer and Staff Engagement Strategy and the provisions of paragraph 8 (Publication of Performance Data) and paragraph 9 (Publication of Complaints and Faults Handling Data) of Schedule 1.4 (Passenger Facing Obligations).

17.2 TfWRL shall publish a Customer Report:

- (a) not used; and
- (b) in respect of the second and each subsequent Service Year, at least twice in that Service Year provided that where any such subsequent Service Year is less than thirteen (13) Reporting Periods TfWRL shall be required to publish a Customer Report only once in respect of that Service Year.

17.3 Without prejudice to the obligations of TfWRL as specified in each of paragraphs 19.1 and 19.3 of this Schedule 7.2, paragraphs 8.3 and 9 of Schedule 1.4 (Passenger Facing Obligations) and paragraph 16 of Schedule 11.2 (Management Information), the Authority and TfWRL acknowledge and agree that in respect of each Service Year to which the provisions of paragraph 17.2(b) apply, the first Customer Report to be published for that Service Year shall be prepared in respect of the first six (6) Reporting Periods of that Service Year and the second Customer Report to be published for that Service Year shall be prepared in respect of the last seven (7) Reporting Periods of that Service Year.

18 CUSTOMER AND COMMUNITIES INVESTMENT (CCI) SCHEME

18.1 No later than three (3) months prior to the start of each CCI Period TfWRL shall provide to the Authority details of those initiatives, works or proposals (each a “**CCI Scheme**”) which TfWRL proposes to undertake in that CCI Period in order to resolve or mitigate issues raised with TfWRL through the NRPS, CSS, MSS and consultations carried out pursuant to paragraph 15. TfWRL shall use all reasonable endeavours to propose, in respect of each CCI Period, CCI Schemes with an aggregate projected CCI Scheme Shortfall of not less than the aggregate of the CCI Amount for each Service Year in the relevant CCI Period.

18.2 In relation to each CCI Scheme proposed by TfWRL pursuant to paragraph 18.1 TfWRL shall provide:

- (a) details of the specific issues which that CCI Scheme is intended to resolve or mitigate (including how those issues have been identified) and how that CCI Scheme will resolve or mitigate those issues; and
- (b) fully worked up details of the CCI Scheme sufficient to enable the Authority to evaluate the same, including:
 - (i) a timetable for the implementation of that CCI Scheme, setting out the proposed commencement and completion date of such CCI Scheme and any other key dates and milestones;
 - (ii) details of the projected CCI Scheme Cost; and
 - (iii) details of the projected CCI Scheme Revenue.

18.3 TfWRL shall provide the Authority with such further information in relation to any CCI Scheme proposed by TfWRL pursuant to paragraph 18.1 as the Authority may reasonably require.

18.4 A CCI Scheme proposed by TfWRL pursuant to paragraph 18.1 shall not be an Approved CCI Scheme unless and until approved by the Authority pursuant to this paragraph 18.4.

Without limitation, the Authority may withhold its approval to any proposed CCI Scheme which:

- (a) has not been identified and/or developed in accordance with the Customer and Staff Engagement Strategy;
- (b) is not designed to resolve or mitigate issues raised with TfWRL through the consultations referred to in paragraph 15;
- (c) has a completion date falling later than the end of the relevant CCI Period;
- (d) is projected to generate a Commercial Return or in relation to which the Authority considers the CCI Scheme Costs (or any part of them) to be too high or disproportionate to the benefits accruing from the CCI Scheme;
- (e) TfWRL is otherwise funded to undertake; or
- (f) in the opinion of the Authority, amounts to actions or steps which TfWRL is otherwise obliged to take or which any competent train operator should be taking in relation to the operation of the Rail Services.

18.5 Approved CCI Schemes shall be deemed to be, and treated for the purposes of this Agreement as, Committed Obligations and the provisions of Part 2 of Schedule 6.2 (Committed Obligations) shall apply.

18.6 Not used.

18.7 Not used.

18.8 Not used.

18.9 Not used.

19 **CUSTOMER SERVICE AND SATISFACTION DATA**

19.1 As part of each Customer Report to be provided by TfWRL pursuant to paragraph 17.1 of this Schedule 7.2, TfWRL shall publish (in such format as the Authority may reasonably require) details of TfWRL's:

- (a) level of adherence to scheduled ticket office opening hours at Stations (so that the Customer Report shows, as a percentage, the proportion of scheduled ticket office opening hours not delivered aggregated across all ticket offices at all Stations); and
- (b) performance by reference to such benchmarks as may be agreed between TfWRL and the ORR as part of TfWRL's Disabled People's Protection Policy in respect of the Passenger Assistance service operated by TfWRL,

in each case in relation to the Reporting Periods that have elapsed since the last Reporting Period reported on in the previous Customer Report or, in the case of the first Customer Report, since the Service Commencement Date, along with (from the third (3rd) Customer Report onwards) a comparison with the relevant statistics or results (as applicable) provided for the same Reporting Periods in the previous Service Year.

19.2 TfWRL shall publish on its website (in such format as the Authority may reasonably require):

- (a) within twenty (20) Weekdays of the publication of each National Rail Passenger Survey carried out by the Passengers' Council during the Rail Services Term, details of the scores achieved by TfWRL in such National Rail Passenger Survey, including the scores achieved in respect of passengers' 'overall satisfaction';
- (b) within twenty (20) Weekdays of the publication of the last National Rail Passenger Survey to be carried out by the Passengers' Council during any Service Year, details of the scores achieved by TfWRL in respect of each NRPS Benchmark, as calculated in accordance with paragraph 4 of this Schedule 7.2;
- (c) within twenty (20) Weekdays of the publication of the last Customer Satisfaction Survey to be carried out during any Service Year, details of the scores achieved by TfWRL in respect of each CSS Benchmark, as calculated in accordance with paragraph 7 of this Schedule 7.2; and
- (d) within twenty (20) Weekdays of the publication of the last Mystery Shopper Survey to be carried out during any Service Year, details of the scores achieved by TfWRL in respect of each MSS Benchmark, as calculated in accordance with paragraph 10 of this Schedule 7.2.

19.3 TfWRL shall ensure that the scores achieved in relation to the Benchmarks published by it pursuant to paragraph 19.2, are also recorded in the subsequent Customer Report which relates to the Reporting Periods during which the applicable Benchmarks were achieved, along with:

- (a) from the third (3rd) Customer Report onwards, a comparison with the scores that were achieved against the Benchmarks for the same Reporting Periods in the previous Service Year, accompanied by a supporting narrative describing the outcomes and implications of the results of such comparison exercise;
- (b) details of any remedial work either:
 - (i) planned by TfWRL to occur in the period in relation to which the next Customer Report will report to improve TfWRL's performance in relation to achieving and exceeding the Benchmarks; or

- (ii) undertaken by TfWRL during the Reporting Periods that have elapsed since the last Reporting Period reported on in the previous Customer Report or, in the case of the first (1st) Customer Report, since the Service Commencement Date, for the purposes of improving TfWRL's performance in relation to achieving and exceeding the Benchmarks; and
 - (c) details of any other initiatives planned to be implemented by TfWRL to improve passenger experience, including information relating to the review and revision of the Customer and Staff Engagement Strategy in accordance with paragraph 16.
- 19.4 TfWRL shall ensure that a summary of the then current Customer Report is made available at all staffed Stations (in such format as the Authority may reasonably require) and that such summary includes instructions to enable passengers to locate and obtain a full copy of the applicable Customer Report.

Appendix 1 to Schedule 7.2 - NRPS Benchmark Tables

Table 1 NRPS SERVICE GROUP – CVL					
Year		Service Year	NRPS BENCHMARKS		
From	To		NRPS MEASURE	NRPS MEASURE	NRPS MEASURE
			STATION (S) (%)	TRAINS (T) (%)	CUSTOMER SERVICES (C) (%)
		Service Year 1			
		Service Year 2			
		Service Year 3			
		Service Year 4			
		Service Year 5			
		Service Year 6			

Table 2 NRPS SERVICE GROUP - WCB					
Year		Service Year	NRPS BENCHMARKS		
From	To		NRPS MEASURE	NRPS MEASURE	NRPS MEASURE
			STATION (S) (%)	TRAINS (T) (%)	CUSTOMER SERVICES (C) (%)
		Service Year 1			
		Service Year 2			
		Service Year 3			
		Service Year 4			
		Service Year 5			
		Service Year 6			

Appendix 2 to Schedule 7.2 - Form of CSS Benchmark Tables

CSS Benchmark Tables: Table 1 CCS SERVICE GROUP - CVL						
Year		Service Year	CSS BENCHMARKS			
From	To		CSS MEASURE	CSS MEASURE	CSS MEASURE	CSS MEASURE
			[TBC] (%)	[TBC] (%)	[TBC] (%)	[TBC] (%)
		Service Year 1				
		Service Year 2				
		Service Year 3				
		Service Year 4				
		Service Year 5				
		Service Year 6				

CSS Benchmark Tables: Table 2 CSS SERVICE GROUP – WCB						
Year		Service Year	CSS BENCHMARKS			
From	To		CSS MEASURE	CSS MEASURE	CSS MEASURE	CSS MEASURE
			[TBC] (%)	[TBC] (%)	[TBC] (%)	[TBC] (%)
		Service Year 1				
		Service Year 2				
		Service Year 3				
		Service Year 4				
		Service Year 5				



		Service Year 6				
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Appendix 3 to Schedule 7.2 - Form of MSS Benchmark Tables

MSS Benchmark Tables: Table 1 MSS SERVICE GROUP - CVL						
Year		Service Year	MSS BENCHMARKS			
From	To		MSS MEASURE	MSS MEASURE	MSS MEASURE	MSS MEASURE
			[TBC] (%)	[TBC] (%)	[TBC] (%)	[TBC] (%)
		Service Year 1				
		Service Year 2				
		Service Year 3				
		Service Year 4				
		Service Year 5				
		Service Year 6				

MSS Benchmark Tables: Table 2 MSS SERVICE GROUP - WCB						
Year		Service Year	MSS BENCHMARKS			
From	To		MSS MEASURE	MSS MEASURE	MSS MEASURE	MSS MEASURE
			[TBC] (%)	[TBC] (%)	[TBC] (%)	[TBC] (%)
		Service Year 1				
		Service Year 2				
		Service Year 3				
		Service Year 4				
		Service Year 5				
		Service Year 6				

Appendix 4 to Schedule 7.2 - NRPS Measures

For the purposes of the NRPS Measures relating to WCB Services and CVL Rail Services, the NRPS questions shall be categorised as set out in the relevant tables below. Should additional questions be asked as part of NRPS or should existing questions be changed or removed, the Authority shall reasonably determine the NRPS measure that such new or amended questions should be allocated to. Each question shall have an equal weighting with other questions within the NRPS Measure that it is categorised in.

1 **WCB**

NRPS Measure - Station		
NRPS Measure ID	NRPS Measure	Unit of measurement
S1	Station – Overall satisfaction with the station	%
S2	Station – Ticket buying facilities	%
S3	Station – The upkeep/repair of the station buildings/platforms	%
S4	Station – Cleanliness of the station	%
S5	Station – Availability of W—Fi	%
S6	Station – Toilet facilities at the station	%
S7	Station – Connections with other forms of public transport	%
S8	Station – Facilities for car parking	%
S9	Station – Overall environment	%

S10	Station – Your personal security whilst using	%
S11	Station – Shelter facilities	%
S12	Station – Availability of seating	%
S13	Station – Choice of shops/eating/drinking facilities available	%
	Station NRPS Measure	= NRPS Measures SUM(S1... S13) / 13

NRPS Measure - Train		
NRPS Measure ID	NRPS Measure	Unit of measurement
T1	Train – Overall satisfaction with the train	%
T2	Train – Frequency of trains on that route	%
T3	Train - Punctuality/reliability (i.e. the train arriving/departing on time)	%
T4	Train - Length of time the journey was scheduled to take (speed)	%
T5	Train – Connections with other train services	%
T6	Train - Value for money of the price of your ticket	%
T7	Train – Upkeep and repair of the train	%
T8	Train – The space for luggage	%
T9	Train – The toilet facilities	%
T10	Train – The comfort of the seats	%
T11	Train - Step or gap between the train and the platform	%

T12	Train – Your personal security on board	%
T13	Train - The cleanliness of the inside of the train	%
T14	Train – The cleanliness of the outside of the train	%
T15	Train - Level of crowding	%
T16	Train - Availability of Wi-Fi	%
T17	Train - Availability of power sockets	%
	Train NRPS Measure	= NRPS Measures SUM(T1... T17) / 17 expressed as a percentage

NRPS Measure – Customer Service		
NRPS Measure ID	NRPS Measure	Unit of measurement
CS1	Station – Provision of information about train times/platforms	%
CS2	Station – The attitudes and helpfulness of the station staff	%
CS3	Station – The availability of staff at stations	%
CS4	Station – Overall satisfaction with how request to station staff was handled	%
CS5	Train – The provision of information during the journey	%
CS6	Train – The helpfulness and attitude of the staff on the train	%
CS7	Train – The availability of staff on the train	%
CS8	Train – How well train company dealt with delays	%
	Customer Service NRPS Measure	= NRPS Measures SUM(CS1... CS8) / 8 expressed as a percentage

2 CVL

NRPS Measure - Station		
NRPS Measure ID		Unit of measurement
S1	Station – Overall satisfaction with the station	%
S2	Station – Ticket buying facilities	%
S3	Station – The upkeep/repair of the station buildings/platforms	%
S4	Station – Cleanliness of the station	%
S5	Station – Availability of W—Fi	%
S6	Station – Toilet facilities at the station	%
S7	Station – Connections with other forms of public transport	%
S8	Station – Facilities for car parking	%
S9	Station – Overall environment	%
S10	Station – Your personal security whilst using	%
S11	Station – Shelter facilities	%
S12	Station – Availability of seating	%
S13	Station – Choice of shops/eating/drinking facilities available	%

	Station NRPS Measure	= NRPS Measures SUM(S1... S13) / 13
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NRPS Measure - Train		
NRPS Measure ID		Unit of measurement
T1	Train – Overall satisfaction with the train	%
T2	Train – Frequency of trains on that route	%
T3	Train - Punctuality/reliability (i.e. the train arriving/departing on time)	%
T4	Train - Length of time the journey was scheduled to take (speed)	%
T5	Train – Connections with other train services	%
T6	Train - Value for money of the price of your ticket	%
T7	Train – Upkeep and repair of the train	%
T8	Train – The space for luggage	%
T9	Train – The toilet facilities	%
T10	Train – The comfort of the seats	%
T11	Train - Step or gap between the train and the platform	%
T12	Train – Your personal security on board	%
T13	Train - The cleanliness of the inside of the train	%
T14	Train – The cleanliness of the outside of the train	%
T15	Train - Level of crowding	%
T16	Train - Availability of Wi-Fi	%
T17	Train - Availability of power sockets	%
	Train NRPS Measure	= NRPS Measures SUM(T1... T17) / 17

		expressed as a percentage
	NRPS Measure – Customer Service	
NRPS Measure ID		Unit of measurement
CS1	Station – Provision of information about train times/platforms	%
CS2	Station – The attitudes and helpfulness of the station staff	%
CS3	Station – The availability of staff at stations	%
CS4	Station – Overall satisfaction with how request to station staff was handled	%
CS5	Train – The provision of information during the journey	%
CS6	Train – The helpfulness and attitude of the staff on the train	%
CS7	Train – The availability of staff on the train	%
CS8	Train – How well train company dealt with delays	%
	Customer Service NRPS Measure	= NRPS Measures SUM(CS1... CS8) / 8 expressed as a percentage

Schedule 7.3 – Service Quality Regime

1 DEFINITIONS

For the purposes of this Schedule 7.3 only, the following words and expressions shall have the following meanings:

“Additional Services”	means Station Services or Passenger Services operated by TfWRL during the Rail Services Term which are not comprised in the Wales and Cross-Border Lines Services or the CVL Services as set out in paragraph 3.4;
“Authority Audit”	means an audit conducted by the Authority (or its employees, representatives, agents or advisers on its behalf) to verify, as a minimum, the matters referred to in paragraph 3.9;
“Authority Service Quality Inspection”	means Service Quality Inspections conducted by the Authority (or by a nominee on its behalf) as set out at paragraph 3.20(b)(iii);
“Authority Service Quality Inspection Period”	means the duration that the Authority (or a nominee on its behalf) will conduct Service Quality Inspections, as set out at paragraph 3.20(b)(iii);
“Critical SQ Level”	means collectively each SQ Level set out in Column 3 of tables 1 and 2 in Appendix 3 and 4 to this Schedule 7.3. A reference to a “Critical SQ Level” shall include, as the context requires, a reference to any or all such Critical SQ Levels;
“Escalation SQ Level”	means collectively each SQ Level set out in Column 2 of tables 1 and 2 in Appendix 3 and 4 to this Schedule 7.3. A reference to a “Escalation SQ Level” shall include, as the context requires, a reference to any or all such Escalation SQ Levels;
“Independent Service Quality Audit”	means the audit to be undertaken by TfWRL in accordance with paragraph 3.9;

“Operational SQ Level”	means collectively each SQ Level set out in Column 1 tables 1 and 2 in Appendix 3 and 4 to this Schedule 7.3. A reference to a “Operational SQ Level” shall include, as the context requires, a reference to any or all such Operational SQ Levels;
“Performance Plan”	means the plan that TfWRL is required to produce in accordance with paragraph 7 of this Schedule 7.3 for the purpose of ensuring that the SQ Level will, as soon as reasonably practicable, be provided at a SQ Level that is equal to or above the Operational SQ Level;
“Performance Plan Notice”	means a notice served by the Authority on TfWRL in accordance with paragraphs 3.22 and 7 of this Schedule 7.3 requiring TfWRL to produce a Performance Plan;
“Performance Plan Period”	means the time period set out in each Performance Plan Notice within which TfWRL will provide to the Authority an appropriate Performance Plan;
“Service Quality Defect”	means the failure of TfWRL to achieve a Service Quality Standard;
“Service Quality Failure”	means a failure by TfWRL to remedy a Service Quality Defect in the time period set out in the applicable Time To Fix Service Level;
“Service Quality Inspection Methodology”	means the methodology to be adopted by TfWRL in conducting any such Service Quality Inspection as set out in Appendix 1 to this Schedule 7.3;
“Service Quality Inspections”	means the inspections to be carried out by TfWRL in accordance with paragraphs 3.6 and 3.7;

“Service Quality Management System”	means TfWRL's system for measuring and reporting TfWRL's performance against each Service Quality Standard as described in paragraph 3 of this Schedule 7.3;
“Service Quality Register”	means the register prepared by TfWRL to undertake each Service Quality Inspection as described in paragraph 3.5;
“Service Quality Standard”	means each Service Quality Standard set out in Column 2 of the table in Appendix 2 to this Schedule 7.3, together known as the “Service Quality Standards”;
“SQ Level Rate”	means the performance rate for each: (a) Service Quality Standard as calculated in accordance with paragraph 4; and (b) Time To Fix Service Level as calculated in accordance with paragraph 5.
“SQ Levels”	means together the Operational SQ Levels, Escalation SQ Levels and Critical SQ Levels set out in tables (1) and (2) of Appendix 3 and 4 to this Schedule 7.3. A reference to a “SQ Level” shall include, as the context requires, a reference to any or all such SQ Levels;
“SQR Waiver Expiry Date”	means the date notified to TfWRL by the Authority in writing as the date on which the obligations set out in Schedule 7.3 (Service Quality Regime) shall take effect, provided that such date falls at least one (1) Reporting Period after the date on which such notice is issued by the Authority; and
“Time to Fix Service Levels”	means collectively the service levels set out in Column 3 of the table in Appendix 2 to this Schedule 7.3. A reference to a “Time to Fix Service Level” shall include, as the context

requires, a reference to any or all such Time to Fix Service Levels.

1A APPLICATION OF SERVICE QUALITY REGIME

- 1A.1 The Parties acknowledge and agree that the obligations set out in this Schedule 7.3 shall apply from, and not before, the SQR Waiver Expiry Date.

2 INTRODUCTION

This Schedule 7.3 sets out:

- 2.1 the Service Quality Standards and Time to Fix Service Levels with which TfWRL must comply for the Rail Services Term;
- 2.2 the Service Quality Management System to be put in place by TfWRL for the management and delivery of Service Quality Standards and Time to Fix Service Levels for the Rail Services Term;
- 2.3 the responsibilities including the inspection, auditing and reporting requirements of TfWRL;
- 2.4 the rights of the Authority to witness audits carried out by TfWRL;
- 2.5 the means of the measurement and reporting of the SQ Levels required to be carried out by TfWRL;
- 2.6 the remedies available to the Authority in the event that TfWRL does not achieve the required SQ Levels;
- 2.7 the SQ Level performance information TfWRL will be required to publish; and
- 2.8 in Appendix 1 to this Schedule 7.3 the basis for undertaking Service Quality Inspections.

Service Quality Regime

3 OBLIGATIONS OF TFWRL

- 3.1 TfWRL shall be responsible for ensuring that all Station Services and Passenger Services comply with the Service Quality Standards and Time to Fix Service Levels.
- 3.2 TfWRL shall put in place management arrangements and processes (including the collection of relevant data) which shall (as a minimum):

- (a) be capable of measuring and reporting TfWRL's performance against each Service Quality Standard and Time to Fix Service Level; and
- (b) set out procedures for:
 - (i) ensuring compliance with the requirements of this Schedule 7.3 including the obligation to conduct Service Quality Inspections as required pursuant to paragraph 3.6; and
 - (ii) identifying and rectifying failures identified during each Service Quality Inspection (including processes which ensure that corrective actions identified during any Service Quality Inspection are undertaken in a diligent and prompt manner),

(the “**Service Quality Management System**”).

3.3 The Service Quality Management System shall, in respect of the Rail Services, be implemented and fully operational from the Service Commencement Date.

3.4 If at any time during the Rail Services Term TfWRL operates or provides Station Services or Passenger Services which are not comprised in the Wales and Cross-Border Lines Services or the CVL Services (the “**Additional Services**”) TfWRL shall, subject to paragraph 3.2 above, update its Service Quality Management System to include such Station Services and/or Passenger Services by the first day of the Reporting Period after the date upon which TfWRL begins to operate or provide such Station Services or Passenger Services.

3.5 **Service Quality Register**

- (a) The Parties acknowledge that the Previous ODP prepared and completed a Service Quality Register prior to the Service Commencement Date. The form and content of the Service Quality Register includes as a minimum:
 - (i) Stations with station assets relevant to the Service Quality Areas for each Station (an inspection list for each station);
 - (ii) rolling stock vehicles;
 - (iii) inspections undertaken and inspection results;
 - (iv) planned inspections for the next three (3) months (updated quarterly to demonstrate compliance with the Service Quality Inspection Methodology); and
 - (v) reports on time to fix responses for all service quality failures.

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- (b) TfWRL shall:
- (i) maintain the Service Quality Register; and
 - (ii) update such Service Quality Register:
 - (A) not used;
 - (B) to include the Additional Services at the same time as TfWRL is required pursuant to paragraph 3.4 to update the Service Quality Management System in respect of Additional Services; and
 - (C) in any case, at such regular intervals as is reasonably necessary; and
 - (iii) immediately at the request of the Authority, provide an up to date copy of the Service Quality Register to the Authority or to any person carrying out an Authority Audit or Authority Service Quality Inspection on behalf of the Authority.

3.6 **Service Quality Inspections**

In each Reporting Period TfWRL shall, in accordance with the requirements of paragraph 3.7, undertake or procure the undertaking of Service Quality Inspections in respect of the Rail Services.

3.7 TfWRL shall (as a minimum) ensure that:

- (a) each Service Quality Inspection is carried out accurately and impartially by independent persons (who for these purposes can be Rail Services Employees). TfWRL shall ensure that any Rail Services Employees required to undertake a Service Quality Inspection will have been adequately trained to undertake such Service Quality Inspection;
- (b) the methodology to be adopted by TfWRL in conducting any such Service Quality Inspection shall be as described in the Service Quality Inspection Methodology;
- (c) any Rail Services Employee who is involved in the operation of any Station Service or Passenger Service (including any person who is responsible for the management and operation of any such Station Service or Passenger Service) in respect of which a Service Quality Inspection is to be undertaken is not notified or otherwise made aware of the date or time of any proposed or actual Service Quality Inspection; and

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- (d) each Station and each vehicle comprised within the Train Fleet is the subject of a Service Quality Inspection in accordance with the requirements set out in Appendix 1.

3.8 Maintenance of Records

TfWRL shall, for the duration of the Rail Services Term, maintain true, up to date and complete records of the results of each Service Quality Inspection and its calculations of the SQ Level Rates in relation to such Service Quality Inspections. TfWRL shall, immediately at the request of the Authority, make any such records available to the Authority.

3.9 Independent Service Quality Audit

- (a) On or about the date of expiry of each period of three (3) Service Years (the first such period commencing on the Service Commencement Date and each period of three (3) Service Years known as an “**Independent Audit Reporting Period**”), TfWRL shall (at its cost) procure the carrying out of an independent audit (which for these purposes shall include the carrying out of sample inspections which are conducted on a basis that is, as far as reasonably practicable, consistent with the Service Quality Inspections undertaken in the relevant Independent Audit Reporting Period) to verify and confirm that the:
- (i) Service Quality Management System complies with the requirements of paragraph 3.2 and has been implemented as required pursuant to paragraph 3.3;
 - (ii) Service Quality Inspections undertaken in the relevant Independent Audit Reporting Period comply with the requirements of Appendix 1;
 - (iii) SQ Level Rates reported by TfWRL for Reporting Periods within the relevant Independent Audit Reporting Period have been calculated in accordance with the requirements of paragraph 4.1;
 - (iv) SQ Level Rates reported by TfWRL for the relevant Independent Audit Reporting Period have been calculated in accordance with paragraphs 4.1(b)(ii) and/or 4.1(b)(iii); and
- (b) such audit shall:
- (i) also confirm that, after having regards to the findings of such inspections, its assessment of the matters referred to in paragraphs 3.9(a)(i) to 3.9(a)(iv) and any other relevant information at the disposal of any person conducting the Independent Service Quality Audit, it can

reasonably be concluded that the SQ Level Rates reported by TfWRL for the relevant Independent Audit Reporting Period and/or for Reporting Periods within the relevant Independent Audit Reporting Period are a fair, accurate and impartial reflection of TfWRL's performance against each Service Quality Standard; or

(ii) state that such confirmation cannot be provided.

(the "**Independent Service Quality Audit**").

- 3.10 Any Independent Service Quality Audit shall be for the benefit of the Authority. Each term of reference for the procurement of an Independent Service Quality Audit and the identity of any independent person proposed to undertake such audit shall be approved by the Authority prior to any procurement by TfWRL of any such Independent Service Quality Audit.
- 3.11 The Authority (and any of its employees, agents, representatives and/or advisers, each such employee, agent, representative and/or adviser to be referred to as its nominee for the purposes of this paragraph 3) shall have the right to witness any Service Quality Inspection or Independent Service Quality Audit (as the case may be). TfWRL shall cooperate in good faith with the Authority in permitting the Authority (including its nominees) to exercise its rights under this paragraph 3.11 including by promptly providing to it the details of how and when any Independent Service Quality Audit will be conducted in a reasonable time (and in any event not less than two (2) weeks) prior to the commencement of any such Independent Service Quality Audit.
- 3.12 TfWRL shall provide the report of any Independent Service Quality Audit to the Authority as soon as reasonably practicable after the end of the relevant Independent Audit Reporting Period to which it relates and in any event by no later than the date that is three (3) Reporting Periods after the end of the relevant Independent Audit Reporting Period. To the extent that any confirmation required pursuant to paragraph 3.9 cannot be provided in respect of any Independent Service Quality Audit TfWRL shall procure that any such audit report specifies in detail the reasons why such confirmation cannot be given (including details of any material discrepancies between any SQ Level Rate reported by TfWRL in accordance with paragraphs 4.1(b)(ii) and/or 4.1(b)(iii) and a comparable SQ Level Rate derived from the inspections carried out as part of the Independent Service Quality Audit (and in particular where any such material discrepancies are in favour of TfWRL)).

Authority's right of audit

- 3.13 Without prejudice to any other audit rights the Authority may have under this Agreement, the Authority (and its employees, representatives, agents and advisers on its behalf) shall

have the right to carry out audits (the “**Authority Audits**”) for the purposes of verifying, as a minimum, the matters referred to in paragraph 3.9.

- 3.14 TfWRL shall grant such access to information, individuals and facilities including:
- (a) access to the Stations, the Train Fleet and any premises used for the monitoring of CCTVs;
 - (b) access to schedules of the locations and times of any actual or planned Service Quality Inspections; and
 - (c) access to the relevant Rail Services Employees, records and information (including access to relevant third parties and information, records and other materials kept by such third parties on behalf of TfWRL),
- as is reasonably necessary to enable the Authority (and its nominees) to witness any Service Quality Inspections or Independent Service Quality Audits pursuant to paragraph 3.9 or to exercise its audit rights under paragraphs 3.13 or to undertake Authority Service Quality Inspections. TfWRL shall ensure that it has necessary arrangements in place with any relevant third parties for the purposes of ensuring that it can comply with its obligations under this paragraph 3.14.
- 3.15 The Authority shall use reasonable endeavours to ensure that the persons employed in undertaking any Authority Audits carry out such audits diligently and objectively.
- 3.16 The Authority shall use reasonable endeavours to notify TfWRL of the result of any Authority Audit that is undertaken.
- 3.17 In carrying out any Authority Audit or witnessing any Service Quality Inspections or Independent Service Quality Audits, the Authority shall, subject to paragraph 3.19, be responsible for ensuring that its nominees:
- (a) are appropriately trained and briefed with respect to such reasonable location-specific safety rules and regulations; and
 - (b) obey such reasonable location-specific rules and regulations in respect of security and access,
- in each case, as have been notified to the Authority under paragraph 3.19.
- 3.18 TfWRL shall provide reasonable prior notice of current location-specific access, security and safety rules and regulations to the Authority for the purpose of ensuring that the Authority (and its nominees) can carry out its respective inspection and auditing rights in an efficient, secure and safe manner.

Consequences of a Failed Authority Audit or Independent Service Quality Audit

3.19 **If:**

- (a) following an Independent Service Quality Audit or Authority Audit (as the case may be) any such audit cannot verify or confirm any of the matters referred to in paragraph 3.9 or any confirmation required by paragraph 3.9 cannot be provided; or
- (b) TfWRL fails to:
 - (i) carry out a Service Quality Inspection as required by paragraph 3.6; or
 - (ii) calculate the SQ Level Rates and/or report to the Authority the SQ Level Rates as required pursuant to paragraphs 4 and 5; or
 - (iii) procure that an Independent Service Quality Audit is carried out or fails to provide an audit report as required pursuant to paragraph 3.9,

then the provisions of paragraphs 3.20 and 3.21 shall apply.

3.20 If any of the circumstances specified in paragraph 3.19 occur then:

- (a) not used;
- (b) the Authority may in all cases:
 - (i) require TfWRL to carry out additional Service Quality Inspections (that is, in excess of those required pursuant to paragraph 3.6);
 - (ii) require TfWRL to procure a further Independent Service Quality Audit (or the Authority may carry out a further Authority Audit) for the purposes of verifying whether any deficiencies in the Service Quality Management System that have led or contributed to the failure of any Independent Service Quality Audit or Authority Audit to confirm or verify any of the matters referred to in paragraph 3.9 have been subsequently rectified by TfWRL; or
 - (iii) select to step in and carry out inspections of the Service Quality Inspections (or by a nominee on its behalf) (the “**Authority Service Quality Inspections**”) in place of Service Quality Inspections for the duration of the Rail Services Term or such other period as the Authority may specify (the “**Authority Service Quality Inspection Period**”) and in these circumstances:
 - (A) the results of each Authority Service Quality Inspection shall be used for the purposes of calculating the SQ Level Rates in accordance with paragraph 4.1(b)(ii) and 4.1(b)(iii); and

(B) not used.

3.21 On the first occasion that any Independent Service Quality Audit or Authority Audit (as the case may be) reveals that the value of a SQ Level as reported by TfWRL was incorrect (including where any such Independent Service Quality Audit or Authority Audit (as the case may be) fails to confirm or verify any of the matters specified in paragraphs 3.9(a) or 3.9(b)), the Authority shall discuss with TfWRL in good faith with a view to agreeing the value of the relevant SQ Level (or on failure to agree, the Authority shall reasonably determine the value of the SQ Level).

3.22 If in the circumstance specified in paragraph 3.21, an Independent Service Quality Audit or Authority Audit (as the case may be) reveals that the value of a SQ Level as reported by TfWRL was incorrect on more than one occasion, then the Authority may serve a Performance Plan Notice on TfWRL requiring it to propose such steps as TfWRL considers appropriate for the purpose of securing compliance with such SQ Level.

4 **REPORTING ARRANGEMENTS – SERVICE QUALITY STANDARDS**

4.1 TfWRL shall provide to the Authority within fourteen (14) days of expiry of each Reporting Period:

(a) a statement setting out the following:

- (i) the number of Service Quality Inspections carried out in respect of each Service Quality Standard in that Reporting Period;
- (ii) the number of Service Quality Inspections where a “fail” was recorded in respect of a Service Quality Standard in that Reporting Period and setting out (to the extent known) the reasons why such failures occurred; and
- (iii) the number of Service Quality Inspections where a “pass” was recorded in respect of a Service Quality Standard in that Reporting Period.

(b) in respect of that Reporting Period, its calculation of:

- (i) the SQ Level Rate for each of the Service Quality Standards, such SQ Level Rate to be calculated as follows:

$$P_r = \frac{Q_p}{Q_t}$$

where:

P_r is the SQ Level Rate for a Service Quality Standard for that Reporting Period

Q_p is the total number of Service Quality Inspections carried out in respect of that Service Quality Standard in that Reporting Period which did not result in a “fail”; and

Q_t is the total number of Service Quality Inspections carried out in respect of that Service Quality Standard in that Reporting Period.

- (ii) the aggregate SQ Level Rate for each of the Service Quality Standards relating to Stations, such SQ Level Rate to be calculated as follows:

$$P_{r \text{ stations}} = \frac{\sum_s Q_{ps}}{\sum_s Q_{ts}}$$

where:

$P_{r \text{ stations}}$ is the aggregate SQ Level Rate for the Service Quality Standards relating to Stations for that Reporting Period;

Q_{ps} is the total number of Service Quality Inspections in respect of Service Quality Standards relating to Stations carried out in that Reporting Period which did not result in a “fail”; and

Q_{ts} is the total number of Service Quality Inspections carried out in respect of Service Quality Standards relating to Stations in that Reporting Period.

\sum_s is the sum over all Service Quality Standards relating to Stations.

- (iii) the aggregate SQ Level Rate for each of the Service Quality Standards relating to Trains, such SQ Level Rate to be calculated as follows:

$$P_{r \text{ Trains}} = \frac{\sum_t Q_{pt}}{\sum_t Q_{tt}}$$

where:

$P_{r \text{ Trains}}$ is the aggregate SQ Level Rate for the Service Quality Standards relating to Trains for that Reporting Period;

Q_{pt} is the total number of Service Quality Inspections in respect of Service Quality Standards relating to Trains carried out in that Reporting Period which did not result in a “fail”; and

Q_{tt} is the total number of Service Quality Inspections carried out in respect of Service Quality Standards relating to Trains in that Reporting Period.

\sum_t is the sum over all Service Quality Standards relating to Trains.

4.2 Within fourteen (14) days after the end of each Service Year, TfWRL shall provide to the Authority its calculation of the SQ Level Rate for that Service Year in respect of:

(a) each Service Quality Standard, such SQ Level Rate to be calculated as follows:

$$FP_r = \frac{Q_p F}{Q_t F}$$

where:

FP_r is the SQ Level Rate for a Service Quality Standard for that Service Year;

$Q_p F$ is the total number of Service Quality Inspections carried out in respect of that Service Quality Standard in that Service Year which did not result in a "fail"; and

$Q_t F$ is the total number of Service Quality Inspections carried out in respect of that Service Quality Standard in that Service Year.

(b) the aggregate SQ Level Rate for each of the Service Quality Standards relating to Stations, such SQ Level Rate to be calculated as follows:

$$FP_{r \text{ stations}} = \frac{\sum_s Q_{ps} F}{\sum_s Q_{ts} F}$$

where:

$FP_{r \text{ stations}}$ is the aggregate SQ Level Rate for the Service Quality Standards relating to Stations for that Service Year;

$Q_{ps} F$ is the total number of Service Quality Inspections in respect of Service Quality Standards relating to Stations carried out in that Service Year which did not result in a "fail"; and

$Q_{ts} F$ is the total number of Service Quality Inspections carried out in respect of Service Quality Standards relating to Stations in that Service Year.

\sum_s is the sum over all Service Quality Standards relating to Stations.

- (c) the aggregate SQ Level Rate for each of the Service Quality Standards relating to Trains, such SQ Level Rate to be calculated as follows:

$$FP_{r \text{ Trains}} = \frac{\sum_t Q_{pt}F}{\sum_t Q_{tt}}$$

where:

$FP_{r \text{ Trains}}$ is the aggregate SQ Level Rate for the Service Quality Standards relating to Trains for that Service Year;

$Q_{pt}F$ is the total number of Service Quality Inspections in respect of Service Quality Standards relating to Trains carried out in that Service Year which did not result in a "fail"; and

$Q_{tt}F$ is the total number of Service Quality Inspections carried out in respect of Service Quality Standards relating to Trains in that Service Year.

\sum_t is the sum over all Service Quality Standards relating to Trains.

4.3 TfWRL shall publish (as a minimum):

- (a) the SQ Level Rate for each Service Quality Standard for each Reporting Period and each Service Year alongside each applicable SQ Level on its website and the Customer Report; and
- (b) the aggregate SQ Level Rate for the Service Quality Standards relating to both Stations and Trains for each Reporting Period and each Service Year alongside each applicable SQ Level on its website and the Customer Report.

5 REPORTING ARRANGEMENTS – TIME TO FIX SERVICE LEVELS

5.1 TfWRL shall provide to the Authority within fourteen (14) days of expiry of each Reporting Period:

- (a) a statement setting out the following:
- (i) the number of Service Quality Defects reported in that Reporting Period for which a Time To Fix Service Level applies;
- (ii) the number of Service Quality Failures reported in that Reporting Period and setting out (to the extent known) the reasons why the required Time To Fix Service Level was not achieved;

- (iii) the number of Service Quality Defects for which the relevant Time To Fix Service Level was achieved in that Reporting Period; and
- (iv) the number of Service Quality Defects that resulted in the Authority granting to TfWRL a revised Time To Fix Service Level in accordance with paragraph 6.5.

(b) in respect of that Reporting Period, its calculation of:

- (i) the aggregate SQ Level Rate for each of the Time To Fix Service Levels relating to Stations, such SQ Level Rate to be calculated as follows:

$$TTF_{r \text{ stations}} = \frac{\sum_s T_{ps}}{\sum_s T_{ts}}$$

where:

$TTF_{r \text{ stations}}$ is the aggregate SQ Level Rate for the Time To Fix Service Levels relating to Stations for that Reporting Period;

T_{ps} is the total number of Service Quality Defects reported in relation to Stations in that Reporting Period for which the relevant Time To Fix Service Level has been achieved; and

T_{ts} is the total number of Service Quality Defects reported in relation to Stations in that Reporting Period for which a relevant Time To Fix Service Level applies.

\sum_s is the sum over all Time To Fix Service Levels relating to Stations.

- (ii) the aggregate SQ Level Rate for each of the Time To Fix Service Levels relating to Trains, such SQ Level Rate to be calculated as follows:

$$TTF_{r \text{ Trains}} = \frac{\sum_t T_{pt}}{\sum_t T_{tt}}$$

where:

$TTF_{r \text{ Trains}}$ is the aggregate SQ Level Rate for the Time To Fix Service Levels relating to Trains for that Reporting Period;

T_{pt} is the total number of Service Quality Defects reported in relation to Trains in that Reporting Period for which the relevant Time To Fix Service Level has been achieved; and

T_{tt} is the total number of Service Quality Defects reported in relation to Trains in that Reporting Period for which a relevant Time To Fix Service Level applies.

\sum_t is the sum over all Time To Fix Service Levels relating to Trains.

5.2 Within fourteen (14) days of expiry of each Service Year, TfWRL shall provide to the Authority its calculation of the SQ Level Rate for that Service Year in respect of:

(a) the aggregate SQ Level Rate for each of the Time To Fix Service Levels relating to Stations, such SQ Level Rate to be calculated as follows:

$$TTF_{r \text{ stations}} = \frac{\sum_s T_{ps}F}{\sum_s T_{ts}F}$$

where:

$TTF_{r \text{ stations}}$ is the aggregate SQ Level Rate for the Time To Fix Service Levels relating to Stations for that Service Year;

$T_{ps}F$ is the total number of Service Quality Defects reported in relation to Stations for which the relevant Time To Fix Service Level has been achieved in that Service Year; and

$T_{ts}F$ is the total number of Service Quality Defects reported in relation to Stations for which a Time To Fix Service Level applies that have been reported in that in that Service Year.

\sum_s is the sum over all Time To Fix Service Levels relating to Stations.

(b) the aggregate SQ Level Rate for each of the Time To Fix Service Levels relating to Trains, such SQ Level Rate to be calculated as follows:

$$TTF_{r \text{ Trains}} = \frac{\sum_t T_{pt}F}{\sum_t T_{tt}F}$$

where:

$TTF_{r \text{ Trains}}$ is the aggregate SQ Level Rate for the Time To Fix Service Levels relating to Trains for that Service Year;

$T_{pt}F$ is the total number of Service Quality Defects in relation to Trains for which the relevant Time

To Fix Service Level has been met in that Service Year; and

T_{tF} is the total number of Service Quality Defects reported in relation to Trains for which a Time To Fix Service Level applies that have been reported in that in that Service Year.

\sum_t is the sum over all Time To Fix Service Levels relating to Trains.

5.3 TfWRL shall publish (as a minimum):

- (a) the SQ Level Rate for each Time To Fix Service Level for each Reporting Period and each Service Year alongside each applicable SQ Level on its website and the Customer Report; and
- (b) the aggregate SQ Level Rate for the Time To Fix Service Levels relating to both Stations and Trains for each Reporting Period and each Service Year alongside each applicable SQ Level on its website and the Customer Report.

6 VARIATIONS TO THE SERVICE QUALITY REGIME

6.1 Without prejudice to paragraph 6.2, the Authority and TfWRL may from time to time agree to vary the contents of the Service Quality Standards, Time To Fix Service Levels or the SQ Levels. Any variation agreed by the Authority and TfWRL pursuant to this paragraph 6 shall be effective from the date agreed by the parties for this purpose.

6.2 The parties agree that the Authority shall have the right at any time during the Rail Services Term to vary the provisions of this Schedule 7.3 (including in respect of any of the matters referred to in paragraph 6.1).

6.3 In performing the calculations pursuant to this Schedule 7.3, the Authority shall disregard any failure to achieve a Service Quality Standard or Time To Fix Service Level that is caused by the occurrence or continuing effect of a Force Majeure Event.

6.4 In the event that TfWRL anticipates that a Service Quality Failure may occur due to circumstances that are outside the reasonable control of TfWRL, TfWRL may request in writing from the Authority an extension of time in relation to the relevant Time To Fix Service Level. TfWRL shall set out in such written request to the Authority the following:

- (a) Unique identifier of the Service Quality Defect;
- (b) Time and date when TfWRL was informed or became aware of the Service Quality Defect;
- (c) Location and description of Service Quality Defect;

- (d) Status of Service Quality Defect and planned resolution; and
- (e) Elapsed time between TfWRL becoming aware of the Service Quality Defect and anticipated resolution time.

6.5 The Authority may, at the reasonable discretion of the Authority, grant an extension of time in relation to the relevant Time To Fix Service Level following receipt by the Authority of the written request from TfWRL set out in paragraph 6.4.

7 **CONSEQUENCES OF PERFORMANCE FALLING BELOW THE SQ LEVELS.**

7.1 If the:

- (a) SQ Level Rates calculated in accordance with paragraphs 4.1(b)(ii), 4.1(b)(iii), 5.1(b)(i) or 5.1(b)(ii) is below the Operational SQ Level in any seven (7) Reporting Periods out of thirteen (13) consecutive Reporting Periods; or
- (b) average SQ Level Rate calculated in accordance with paragraphs 4.2(b), 4.2(c), 5.2(a) or 5.2(b) is below the Operational SQ Level; or
- (c) SQ Level Rate calculated in accordance with paragraphs 4.1(b)(ii) or 4.1(b)(iii) for any Service Quality Standard or Time To Fix Service Level is below the Escalation SQ Level in any three (3) Reporting Periods out of six (6) consecutive Reporting Periods,

the Authority may serve a Performance Plan Notice on TfWRL requiring it to propose such steps as TfWRL considers appropriate for the purpose of ensuring that the SQ Level Rates will, as soon as reasonably practicable, be provided at a SQ Level that is equal to or above the Operational SQ Level.

7.2 The Performance Plan Period shall be five (5) Weekdays unless an alternative extended period is set out in the Performance Plan Notice.

7.3 **Performance Plans**

- (a) If the Authority issues a Performance Plan Notice, TfWRL shall submit a Performance Plan to the Authority within the Performance Plan Period.
- (b) The Authority shall notify TfWRL if it accepts or rejects the Performance Plan within five (5) Weekdays of receipt of the Performance Plan from TfWRL or such other period as the Parties may agree. If the Authority does not accept the Performance Plan it shall inform TfWRL of its reasons and TfWRL shall take such reasons into account in the preparation of an amended Performance Plan, which shall be resubmitted to the Authority within five (5) Weekdays of the rejection of the first Performance Plan by the Authority.

- (c) Each Performance Plan shall set out:
 - (i) an explanation of the circumstances that has resulted in the SQ Level Rate calculated in accordance with paragraph 4.1 for any Service Quality Standard being below the relevant SQ Level;
 - (ii) the steps proposed for the purposes of ensuring that the Service Quality Standard will, as soon as reasonably practicable, be provided at a level that is equal to or above the relevant SQ Level;
 - (iii) the time period within which TfWRL proposes to implement those steps; and
 - (iv) any other information requested by the Authority in the Performance Plan Notice.
- (d) It is a term of this Agreement that TfWRL (at its own cost) complies with each approved Performance Plan in accordance with its terms.

7.4 Not used.

7.5 If the SQ Level Rate is below the Critical SQ Level in any Reporting Period the Authority may in relation to such failure:

- (a) serve a Performance Plan Notice on TfWRL; or
- (b) Not used.

Appendix 1 to Schedule 7.3 – Service Quality Inspection Methodology

- 1 Service Quality Inspection Methodology
- 1.1 The terms used in this Service Quality Inspection Methodology shall have the meanings set out below. Except to the extent that they are inconsistent with the definitions below, the definitions and interpretations in Clause 3 shall also apply to this Service Quality Inspection Methodology:
- “**DIL**” means the Data Insights Lab;
- “**HSQ**” means the Head of Service Quality;
- “**SQ**” means service quality;
- “**SQIM**” means the Service Quality Inspection Methodology as set out in this Appendix 1 to Schedule 7.3;
- “**SQMS**” means the SQ management system.
- 1.2 This methodology is part of the solution to deliver the performance standards set out in Schedule 7.3.
- 1.3 TfWRL's inspection team shall carry out all inspections on tablets using a Maximo (or equivalent) survey app specially designed for the Service Quality Inspection regime.
- 1.4 TfWRL's planned Stations inspection schedule is shown in Table 1 with a total of one thousand and twenty (1,020) inspections per Service Year. TfWRL shall review this schedule on a quarterly basis, taking account of passenger demand growth and the resultant station category changes, and make changes to the number of inspections as required.

Category	Inspection Regime	No. of stations	Inspections/year	Total/year
Hubs and Interchange	Cardiff Central	1	13	13
	Chester	1	13	13
	Hubs and Interchange	9	13	117
Standard	Type C high usage	21	8	168
	Type C low usage	64	4	256
	Type D	151	3	453

Table 1: Station Inspection Schedule for Wales and Borders Rail Service

- 1.5 From the Service Commencement Date, TfWRL shall inspect each rolling stock vehicle on six (6) occasions per Service Year.
- 1.6 The specific timing of the train and station inspections shall be varied by TfWRL to ensure it is inspecting standards under all service and operating conditions, reflective of the

profile in demand, the time of day and other factors as shown in Table 3. TfWRL shall manage this through inspection rosters issued direct to the SQ reporting inspection team, scheduled through TfWRL's SQMS. The technology shall proactively plan and schedule the itineraries of the SQ inspectors based on route plans given by the Head of Service Quality.

Time of inspection	SQ Standard to check
Peak	Are standards impacted at peak hours? (e.g. cleanliness, information)
Off peak	More faults are visible when Stations and trains are less cluttered, most productive for the inspectors, ensures full coverage at regular, defined times for all services.
Events	Do services meet passenger needs during events? (e.g. Event specific information and announcements).
Weekends and Evenings	Are standards consistent at all operating times and for all services?
Planned disruption	Is information to customers accurate before and during planned works, is wayfinding correct, are posters correct?
Unplanned disruption	Inspections will inevitably be undertaken during periods of unplanned disruption; are announcements clear, is information accurate?

Table 3: SQ Reporting Inspection profiles

- 1.7 Starting in Service Year 2, in every third Reporting Period TfWRL shall review the inspection schedules for Stations and rolling stock as detailed above, and as agreed with the Authority, modify the scheduling based on the performance trend analyses, amending the inspection frequency for both Stations and rolling stock vehicles that:
- (a) show higher or lower than average levels of failure against Operational SQ Levels benchmarks;
 - (b) are prone to repeat failures or failure to meet Time To Fix Service Levels; or
 - (c) have above average number of faults, or repeat faults, raised by passengers or Rail Services Employees.
- 1.8 TfWRL shall present this update to the Authority as part of the formal reporting and review process. Through this process, TfWRL shall work closely with the Authority to create a customer focused service.
- 1.9 Unless otherwise agreed with the Authority, the same team of SQ inspectors shall cover both WCB and CVL routes and TfWRL shall not make any distinction in inspection frequency between the two areas.
- 1.10 TfWRL shall undertake a formal review during Service Year 2 to explore further additions and amendments to SQ areas and Service Quality Standards set out in Schedule 7.3. TfWRL shall present the inspection review to the Authority for approval according to implement during the following Service Year and shall repeat this process annually.

- 1.11 TfWRL shall maintain a Service Quality Team overseen by the Planning and Performance Director. This team shall be positioned in the Planning and Performance Directorate and TfWRL shall ensure it is separated and independent from the service delivery teams. TfWRL shall create a new HSQ position to take ownership of this SQIM, the inspection processes and systems and responsibility for managing the inspection team.
- 1.12 TfWRL shall use the SQMS to produce the performance reports for the Authority in accordance with paragraph 4 of Schedule 7.3 and shall publish the SQ Level Rates to customers through TfWRL's website, customer reports and Station posters. TfWRL shall procure independent SQ audits every three (3) Service Years in accordance with paragraph 3.9 of Schedule 7.3 and support the Authority in carrying out any Authority audits as per paragraph 3.14 of Schedule 7.3.
- 1.13 TfWRL shall collate the performance reports and produce trend analyses based on; region, route, station category, type of rolling stock, time of day, Train Services and by each individual SQ Area. This information shall be issued and reviewed separately for WCB and CVL. The results shall input into the DIL and also into TfWRL's business intelligence tool. TfWRL shall share this information with the Authority upon request. Using this information TfWRL shall be proactive in assessing areas for improvement. TfWRL shall use the trend analyses to predict future performance and target any areas deemed at risk of failing to meet the performance benchmarks set out in Schedule 7.3. TfWRL shall issue trend analyses each period and seek remedial plans when required for Stations and Trains respectively.
- 1.14 TfWRL shall use IBM Maximo (or equivalent) as its SQMS.
- 1.15 Table 5 shows the basic scope and specification for the SQMS.

Scope	Specification
Central Data Base	One central systems to hold all information
Service Quality Register	Data base for all Station and train assets in the SQ Register Automatic updates as new Station facilities are introduced and new rolling stock brought into service (data entered into the system by the station and fleet management teams)
Service Quality areas and Service Quality Standards	A database to hold all the Service Quality Standards directly linked to the SQ Register. A system to produce a unique inspection schedule for each Station and train vehicle (each station and vehicle will have a unique reference)
Survey Inspection Tool	A survey app directly linked to the Service Quality Register and Service Quality Standards. Each inspection report is automatically loaded into the central data base upon completion
SQR inspection schedules	A scheduling system to remotely issue a list of inspections to each SQ inspector A system to record that the inspections have been completed
Time to Fix Service Levels	A direct link between faults raised through the Service Quality Inspections to the Fault Management Systems for Stations and trains; each fault

Scope	Specification
	automatically assigned the Time to Fix Service Level (as in Schedule 7.3 Appendix 2) A system to record time and date each such fault was fixed
Performance Analysis	A system to analyse performance and identify trends and to produce the periodic and annual performance reports for issue to the Authority

Table 5: SQ Management System scope and specification

The SQ Management System shall record failures and assign work orders to enable these to be rectified. Any fault recorded by a SQ Inspector shall be automatically assigned a work order by IBM Maximo (or equivalent) with the appropriate Time to Fix Service Level Agreements, which will be passed to the relevant teams for resolution, and once addressed will confirm the time and date the fault was rectified and report this back into Maximo (or equivalent) to close the work order.

Appendix 2 to Schedule 7.3 – Service Quality Standards and Time To Fix Service Levels

Column 1	Column 2	Column 3		
Service Quality Area	Service Quality Standard	Time To Fix Service Levels		
Station service	Hub	Interchange and Suburban	Standard (Low Use)	
Car parking	Fail: if any of the following apply: <ol style="list-style-type: none"> 1 Car parking or waiting bays are not clearly marked. 2 There is no information or signage informing passengers of who may park in the car park and/or the sign is not legible. 	72 hours	7 days	14 days
Cycle parking	Fail: if any of the following apply: <ol style="list-style-type: none"> 1 Cycle racks/lockers/hoops are <ol style="list-style-type: none"> (a) not fit for purpose (b) not present and is shown on the Service Quality Register 	72 hours	7 days	14 days

Column 1		Column 2	Column 3		
Service Area	Quality	Service Quality Standard	Time To Fix Service Levels		
Station service			Hub	Interchange and Suburban	Standard (Low Use)
		(c) contain litter rendering use impossible.			
CCTV		CCTV present at a Station should not be obscured, dirty or have visible defects	24 hours	48 hours	72 hours
CIS		Fail: If any of the following apply: (a) screen not present although shown on the Service Quality Register for the station (b) screen is not functioning to specification or information is illegible (c) the information displayed appears to be incorrect at the time of the audit including the expected time of arrival (accurate to within 5 minutes) and the destination of those trains.	48 hours	72 hours	7 days
Cleanliness		Fail: If ANY or all of the following apply	24 hours	48 hours	72 hours

Column 1		Column 2	Column 3		
Service Area	Quality	Service Quality Standard	Time To Fix Service Levels		
Station service			Hub	Interchange and Suburban	Standard (Low Use)
		(a) generally unclean (such that a passenger would not want to touch it) in areas that passengers may come into contact with (b) staining of floor and walls, fluids on floor (c) dirt noticeable on glass surfaces (d) any area smells unpleasant through spillage, litter or lack of cleanliness (e) any litter bin is completely full. (f) There is evidence of fly posting/unauthorised posters or fliers			
Station Litter		Fail: if	24 hours	48 hours	72 hours

Column 1		Column 2	Column 3		
Service Area	Quality	Service Quality Standard	Time To Fix Service Levels		
Station service			Hub	Interchange and Suburban	Standard (Low Use)
		(a) there are more than 10 items of litter, each larger than the size of a credit card found within any area of the Station			
Track Litter		Fail: if (a) more than 10 items of litter is present on the track bed or if any effluent discharge is visible.	72 hours	7 days	14 days
Graffiti		Fail: If any of the following apply (a) collectively there is graffiti of an area more than 1xA3 in lobby or WC (b) collectively there is graffiti of an area more than 2xA3 in any single zone	24 hours	48 hours	72 hours
Etching		Fail: If any of the following apply	48 hours for etched graffiti	72 hours for etched graffiti	7 days for etched graffiti

Column 1		Column 2	Column 3		
Service Area	Quality	Service Quality Standard	Time To Fix Service Levels		
Station service			Hub	Interchange and Suburban	Standard (Low Use)
		(a) collectively there is graffiti of an area more than 1xA3 in lobby or WC (b) collectively there is graffiti of an area more than 2xA3 in any single zone			
Offensive Graffiti and etching		Fail: If (a) there is graffiti/and or etching that could be viewed as racist or obscene and likely to cause offence any size	4 hours	4 hours	4 hours
Hazards		Fail: If an area has damage that could pose a danger to passengers and staff or an immediate threat to other stakeholders using the station (example: exposed wiring/broken glass or a trip hazard).	4 hours to make safe, e.g. through signage, removal of broken glass etc.	4 hours to make safe, e.g. through signage, removal of broken glass etc.	4 hours to make safe, e.g. through signage, removal of broken glass etc.

Column 1	Column 2	Column 3		
Service Quality Area	Service Quality Standard	Time To Fix Service Levels		
Station service		Hub	Interchange and Suburban	Standard (Low Use)
Help point/call for aid	Fail: If help point (a) not present and is shown on the Service Quality Register (b) not operational (c) is faulty or poor reception for use or (d) the operator fails to answer call within 30 seconds.	24 hours	48 hours	72 hours
Lifts and escalators	Fail: Fail if lift and/or escalator are not functional and operational during time of audit	96 hours	96 hours	96 hours
Lighting	Fail: If lighting is required or on at time of audit and more than 10% of all lights found within any area of the station in line with the station Service Quality Register (e.g. platform, waiting room) are defective, (lights obscured by vegetation or dirt on light fittings that causes inconsistent illumination shall be regarded as defective)	48 hours	72 hours	7 days

Column 1	Column 2	Column 3		
Service Area	Quality Standard	Time To Fix Service Levels		
Station service		Hub	Interchange and Suburban	Standard (Low Use)
	and also lights which do not have a cover and/or cover is cracked or broken.			
Posters and frames - Condition	Fail: If any one or more of the following applies: (a) poster and/or frame not present but shown on the Service Quality Regime for the station. (b) the poster frame is damaged/rusting or insecure in any way (c) information is not visible through the full area of the front panel (d) the poster is showing incorrect or out of date information (e) the poster should not be torn or damaged or slipped in case.	72 hours	7 days	14 days

Column 1		Column 2	Column 3		
Service Area	Quality	Service Quality Standard	Time To Fix Service Levels		
Station service			Hub	Interchange and Suburban	Standard (Low Use)
Posters and frames - Content	Fail: If any of the following are not present at the station:	<ul style="list-style-type: none"> (a) Useful Information Poster (UIP) (b) Local area map (c) Tmetable posters 	72 hours	7 days	14 days
Public address	Fail: If	<ul style="list-style-type: none"> (a) not present if shown on Service Quality Register' (b) not operational (c) inaudible (d) announcement not made before the arrival of a train 	48 hours	72 hours	7 days

Column 1		Column 2	Column 3		
Service Area	Quality	Service Quality Standard	Time To Fix Service Levels		
Station service			Hub	Interchange and Suburban	Standard (Low Use)
		(e) announcement not made in the Welsh language (f) information provided was not timely or was incorrect at the time of audit.			
Seating		Fail: If seats are (a) missing if shown on Service Quality Register (b) damaged and unusable (including torn upholstery >5cm, splinters wooden and metal likely to cause injury or damage to clothing) (c) dirty (including rust stains) likely to cause soiling to clothing (d) seat is unsecure or unstable.	7 days	14 days	28 days

Column 1		Column 2	Column 3		
Service Area	Quality	Service Quality Standard	Time To Fix Service Levels		
Station service			Hub	Interchange and Suburban	Standard (Low Use)
		(e) Paintwork is flaking or damaged to a point which is immediately noticeable from 1m			
Shelter/canopy		Includes all canopies, stand-alone shelters and waiting rooms at stations and any covered area where the public are able to stand. Fail: If (a) any shelter/canopy/waiting area is damaged in any way that results in it not functioning to its design limits or is missing. (b) Any shelter will not be fit for purpose if there are holes in the panels, panels are missing or polycarbonate panels are completely opaque or have been burnt in any way.	7 days	14 days	28 days

Column 1		Column 2	Column 3		
Service Area	Quality	Service Quality Standard	Time To Fix Service Levels		
Station service			Hub	Interchange and Suburban	Standard (Low Use)
		(c) The shelter/canopy/waiting room is leaking or otherwise not waterproof where designed to be so. (d) Any closed shelter or waiting room is closed when it should be open.			
Signs - Condition		Fail: if there are signs to any of the following facilities that are damaged or defaced in a way that information is not legible: (a) platforms and destinations (b) exits (c) bridges/subways (d) Station ticket offices	72 hours	7 days	14 days

Column 1		Column 2	Column 3		
Service Area	Quality	Service Quality Standard	Time To Fix Service Levels		
Station service			Hub	Interchange and Suburban	Standard (Low Use)
		(e) TVMs (f) waiting rooms (g) car parks (h) car park ticket machines (i) disabled access route.			
Signs - Omissions		Fail: if there are no clear and obvious signs to any key area within station e.g. platform numbers, running in boards and ticket offices	28 days	28 days	28 days
Ticket facilities	buying	Fail: If (a) Any ticket machine is not present but shown on the Service Quality Register. (b) Any ticket machine is not working.	48 hours	72 hours	72 hours

Column 1		Column 2	Column 3		
Service Area	Quality	Service Quality Standard	Time To Fix Service Levels		
Station service			Hub	Interchange and Suburban	Standard (Low Use)
		<p>(c) If the following information is missing or not legible, name, address of operator, range of fares available, instructions on use, methods of payment and information on what passengers should do to contact in the event of a problem or to obtain a refund.</p> <p>(d) Station ticket office is not open to the public when it should be available.</p>			
Toilets – availability and consumables		<p>Station toilets should be:</p> <p>(a) open, sanitary (so that a passenger would be prepared to use) and available for use (at least 50% of units and 50% of cubicles per washroom should be available for use by the public). Closure for cleaning purposes will not fail if the period of closure is less than 20</p>	24 hours	72 hours	7 days

Column 1		Column 2	Column 3		
Service Area	Quality	Service Quality Standard	Time To Fix Service Levels		
Station service			Hub	Interchange and Suburban	Standard (Low Use)
		minutes and a sign indicating the reopening time is clearly displayed; (b) stocked with required consumables, (e.g. toilet paper, soap); (c) provided with a functioning water supply for washing purposes and a means of drying; (d) free of graffiti covering an area greater than 0.5m, or which is obscene or racist; and (e) be clean and well presented.			
Landscaping and vegetation		Fail: If any of the following apply (a) vegetation is obstructing walkways, signs, lighting or CCTV	72 hours	7 days	14 days

Column 1		Column 2	Column 3		
Service Area	Quality	Service Quality Standard	Time To Fix Service Levels		
Station service			Hub	Interchange and Suburban	Standard (Low Use)
		(b) vegetation is likely to present a tripping hazard (not to be failed under hazardous damage question) (c) any growth of vegetation poses a risk of injury to persons or damage (including staining) to their clothing or articles (d) any area intended to be laid out with vegetation is not overgrown. (e) there are leaves which are slippery underfoot in an area where passengers may come into contact with it.			
Winterisation		Fail: If no evidence of grit application or snow clearing has taken place at the time audit takes place if required by weather conditions.	4 hours	4 hours	4 hours

Column 1	Column 2	Column 3		
Service Quality Area	Service Quality Standard	Time To Fix Service Levels		
Station service	Hub	Interchange and Suburban	Standard (Low Use)	
Train service				
Exterior cleanliness	Train exteriors (where safe to be assessed) should not: <ul style="list-style-type: none"> (a) have any part of its external surface subject to graffiti that would be immediately evident to a passenger. (b) have its external surfaces or windows in an unsightly condition due the clear lack of recent cleaning; or (c) have stickers, posters or flyers posted on any external surfaces of the Train other than by TfWRL where authorised in accordance with this Agreement. 	24 hours		
Exterior cleanliness – Offensive Graffiti	Train exteriors (where safe to be assessed) should not:	Train not to re-enter service after its last diagram until failure is fixed		

Column 1	Column 2	Column 3		
Service Area	Quality	Service Quality Standard	Time To Fix Service Levels	
Station service			Hub	Interchange and Suburban Standard (Low Use)
	(a) have any part of its external surface subject to graffiti of an obscene or racist nature			
Exterior cleanliness – Cosmetic Damage	Train exteriors (where safe to be assessed) should not: (a) have cosmetic damage to its bodywork		28 days	
Passenger information displays	Fail if either the external or internal customer information screens are (a) not functioning (b) illegible and/or (c) showing incorrect information		24 hours	

Column 1		Column 2	Column 3		
Service Area	Quality	Service Quality Standard	Time To Fix Service Levels		
Station service			Hub	Interchange and Suburban	Standard (Low Use)
Public address system		Fail if any of the following apply (a) the announcement is not audible or capable of being understood (b) an announcement of the train destination is not made immediately prior to departure from any terminal station (c) an announcement of the next station and appropriate interchange is not made on approach to the next station (d) an announcement is not made following a delay of 5 or more minutes (e) announcements are not made in the Welsh language.	24 hours		

Column 1	Column 2	Column 3		
Service Quality Area	Service Quality Standard	Time To Fix Service Levels		
Station service		Hub	Interchange and Suburban	Standard (Low Use)
Internal CCTV	CCTV cameras present on a Train should not be obscured, dirty or have visible defect	24 hours		
Interior lighting	Fail if either/both of the following apply (a) any light does not illuminate when the power is on (b) any light cover is cracked, broken, loose, missing or otherwise unfit for purpose.	24 hours		
Interior condition – regular maintenance	Fail if any 2 of the following list apply:- (a) unsightly damaged panel(s) or damaged panel trim(s) (b) tear(s) in seat fabric more than 25mm	28 days		

Column 1		Column 2	Column 3		
Service Area	Quality	Service Quality Standard	Time To Fix Service Levels		
Station service			Hub	Interchange Suburban	and Standard (Low Use)
		(c) heavy wear pattern on floor coverings and/or seat coverings (d) loose and/or missing window seal(s) (e) hole in vinyl or carpet			
Interior Graffiti		Fail if any of the following apply (a) inside the vehicle any graffiti found is greater than an area 10cm ² .	72 hours		
Interior Etching		Fail if any of the following apply inside the vehicle any etching found is greater than an area 10cm ² .	72 hours		
Interior graffiti etching	Offensive and/or	Fail if any of the following apply	Train should not re-enter service after its last diagram until the failure is fixed		

Column 1		Column 2	Column 3		
Service Area	Quality	Service Quality Standard	Time To Fix Service Levels		
Station service			Hub	Interchange and Suburban	Standard (Low Use)
		(a) internal graffiti or etching is present which can be viewed as racist or obscene			
Interior cleanliness		<p>A Train interior should not:</p> <p>(a) have stickers, posters or flyers posted on any internal surfaces of the Train other than by TfWRL where authorised in accordance with this Agreement;</p> <p>(b) have internal surfaces subject to excessive dust (such that a letter can be written into the dust), dirt, staining or chewing gum;</p>	Train should not re-enter service after its last diagram until the failure is fixed.		
Hazards		<p>A train interior should not</p> <p>(a) have any contamination or spillage of any unpleasant substance (including</p>	Train should not re-enter service after its last diagram until the failure is fixed.		

Column 1		Column 2	Column 3		
Service Area	Quality	Service Quality Standard	Time To Fix Service Levels		
Station service			Hub	Interchange and Suburban	Standard (Low Use)
		<p>vomit or urine) anywhere within the Train.</p> <p>(b) If an area has damage that could pose a danger to passengers and staff or a immediate threat to other stakeholders using the station (example: exposed wiring/broken glass, needles or a trip hazard).</p> <p>(c) Broken and/or cracked windows</p> <p>(d) Hole in Vinyl or Carpet presenting trip hazard</p>			
Litter		Fail if either/both of the following apply	Train should not re-enter service after its last diagram until the failure is fixed.		

Column 1		Column 2	Column 3		
Service Area	Quality	Service Quality Standard	Time To Fix Service Levels		
Station service			Hub	Interchange and Suburban	Standard (Low Use)
		(a) more than 6 items of litter (apart from current newspapers) per vehicle interior (b) any litter bins are full to the extent no more litter can be placed in the bins.			
Posters		Poster frames should be in good condition. Information should be clearly visible through the polycarbonate or other frontage over the whole area of the poster frame.	72 hours		
Toilets - availability		Fail if any of the following apply: (a) The door handle or locking mechanism is faulty; (b) Lavatory seat not in place. (c) Lavatory blocked or soiled or flush system not operational.	24 hours		

Column 1		Column 2	Column 3		
Service Area	Quality	Service Quality Standard	Time To Fix Service Levels		
Station service			Hub	Interchange and Suburban	Standard (Low Use)
		(d) Hand wash system not operational. (e) Toilet unavailable or “out of use” (other than for temporary cleaning where a sign / evidence is obvious)... (f) Baby changing facilities (if fitted) are not clean and working. (g) Disabled Access and facilities (if fitted) are not working.			
Toilets presentation/consumables	–	Fail if any of the following apply: (a) Toilet tissue not replenished. (b) Litter and disposal bins overflowing. (c) Soap not replenished.	Train should not re-enter service after its last diagram until the failure is fixed.		

Column 1		Column 2	Column 3		
Service Area	Quality	Service Quality Standard	Time To Fix Service Levels		
Station service			Hub	Interchange and Suburban	Standard (Low Use)
		<p>(d) Any fixtures, fittings and surfaces dirty / soiled (such that a passenger would not wish to use them) including toilet pan, seat, panels, floor, hand driers and mirrors or the floor has puddles (not splashes).</p> <p>(e) Hand towels not replenished (No means of hand drying available - not toilet tissue).</p> <p>(f) Toilet unavailable / "locked out of use".</p>			
Mobile coverage	data	Fail if it is not possible to connect to the internet and view and refresh a webpage via the service provided by the train operator.	24 hours		

Appendix 3 to Schedule 7.3 – Regular Reporting

1 Wales and Cross Border Lines

		Column 1			Column 2			Column 3		
		Operational SQ Level			Escalation SQ Level			Critical SQ Level		
		2019 - 2020	2021 - 2023	2024 -	2019 - 2020	2021 - 2023	2024 -	2019 - 2020	2021 - 2023	2024 -
Stations	Hub/Interchange	90%	92%	95%	80%	82%	85%	65%	67%	70%
	Standard	87%	90%	95%	77%	80%	85%	62%	65%	70%
Trains		86%	90%	95%	76%	80%	85%	61%	65%	70%

2 Core Valley Lines

		Column 1			Column 2			Column 3		
		Operational SQ Level			Escalation SQ Level			Critical SQ Level		
		2019 - 2020	2021 - 2023	2024 -	2019 - 2020	2021 - 2023	2024 -	2019 - 2020	2021 - 2023	2024 -
Stations	Hub/Interchange	89%	92%	95%	79%	82%	85%	64%	67%	70%
	Standard	82%	88%	95%	72%	78%	85%	57%	63%	70%
Trains		87%	90%	95%	77%	80%	85%	62%	65%	70%

Appendix 4 to Schedule 7.3 – Time To Fix Reporting

1 Wales and Cross Border Lines

		Column 1	Column 2	Column 3
		Operational SQ Level	Escalation SQ Level	Critical SQ Level
Stations	Hub/Interchange	95%	85%	70%
	Standard	95%	85%	70%
	Standard low use	90%	80%	65%
Trains		90%	80%	65%

2 Core Valley Lines

		Column 1	Column 2	Column 3
		Operational SQ Level	Escalation SQ Level	Critical SQ Level
Stations	Hub/Interchange	95%	85%	70%
	Standard	95%	85%	70%
	Standard low use	90%	80%	65%
Trains		90%	80%	65%

Schedule 7.4 – Ticketless Travel Regime

1 DEFINITIONS

1.1 For the purposes of this Schedule 7.4 (Ticketless Travel Regime) only, the following words and expressions shall have the following meanings:

“Annual Ticketless Travel Breach Benchmark” means, in relation to a Service Year, the benchmark for that Service Year as specified in Column 3 of table 1 and table 2 in Part 1 of Appendix 1 to this Schedule 7.4;

“Annual Ticketless Travel Target Benchmark” means, in relation to a Service Year, the benchmark for that Service Year as specified in Column 2 of table 1 and table 2 in Part 1 of Appendix 1 to this Schedule 7.4;

“Annual Ticketless Travel Benchmark” means any of the Annual Ticketless Travel Breach Benchmark and/or Annual Ticketless Travel Target Benchmark;

“Annual Ticketless Travel Rate” means, that proportion (expressed as a percentage to three decimal places) of revenue estimated by the Ticketless Travel Survey to be at risk from passengers travelling on the Passenger Services without a valid ticket or other valid permission to travel;

“Performance Plan” means the plan that TfWRL is required to produce in accordance with paragraph 3 of this Schedule 7.4 for the purpose of reducing the Annual Ticketless Travel Rate below the Annual Ticketless Travel Breach Benchmark;

“Performance Plan Notice” means a notice served by the Authority on TfWRL in accordance with paragraph 3 of this Schedule 7.4 requiring TfWRL to produce a Performance Plan;

“Performance Plan Period” means the time period set out in each Performance Plan Notice within which

TfWRL will provide to the Authority an appropriate Performance Plan;

“Ticketless Travel Surveys”

means the survey carried out by or on behalf of TfWRL in each Service Year to determine the Annual Ticketless Travel Rate for such period; and

“Ticketless Travel Survey Methodology”

means the document in the agreed terms marked TTSM and set out in Appendix 2 to this Schedule 7.4.

2 TICKETLESS TRAVEL SURVEYS

2.1 Subject to paragraph 2.2 below, TfWRL (or a nominee on its behalf) shall carry out a Ticketless Travel Survey in accordance with the Ticketless Travel Survey Methodology in each Service Year that follows the Service Year in which the first Ticketless Travel Survey is undertaken pursuant to the Authority's instructions provided in accordance with paragraph 2.2(b) below.

2.2 As soon as reasonably practicable following the Service Commencement Date:

- (a) The Parties shall review and agree any amendments required to the provisions of this Schedule 7.4 (Ticketless Travel Regime), including the Ticketless Travel Survey Methodology and Ticketless Travel Benchmarks; and
- (b) the Authority shall notify TfWRL in writing of the date by which TfWRL shall be required to conduct the first Annual Ticketless Travel Survey.

2.3 TfWRL shall co-operate with the Authority as it may reasonably request from time to time to allow or facilitate the carrying out of Ticketless Travel Surveys. When so requested by the Authority TfWRL shall permit the Authority (or a nominee on its behalf) to have access to passengers and other persons who use the Passenger Services (such access to be provided on relevant trains and/or at relevant Stations or as otherwise reasonably required by the Authority) for the purposes of the Authority (or its nominee on its behalf) carrying out Ticketless Travel Surveys.

2.4 It is acknowledged and agreed by TfWRL that:

- (a) nothing in this paragraph 2 shall prevent the Authority from carrying out any other ticketless travel surveys as the Authority may wish to undertake from time to time (such surveys not to be subject to the provisions of this paragraph 2); and
- (b) TfWRL may (but shall not be obliged to) determine not to carry out, or suspend or delay or discontinue any Ticketless Travel Survey planned or commenced if the Authority

notifies TfWRL that in the circumstances it is inappropriate or impractical to carry out or continue such survey.

- 2.5 TfWRL shall procure that the results of any Ticketless Travel Surveys are provided to the Authority as soon as reasonably practicable following the completion of such surveys.

3 CONSEQUENCES FOR POOR PERFORMANCE

3.1 Performance Plan Notices

- (a) If for any Service Year the Annual Ticketless Travel Rate is equal to or higher than the Annual Ticketless Travel Breach Benchmark, the Authority may serve a Performance Plan Notice on TfWRL requiring it to propose such steps as TfWRL considers appropriate for the purpose of securing or facilitating the reduction of the Annual Ticketless Travel Rate to a level that is below Annual Ticketless Travel Breach Benchmark.
- (b) The Performance Plan Period shall be ten (10) Weekdays unless an alternative extended period is set out in the Performance Plan Notice.

3.2 Performance Plans

- (a) If the Authority issues a Performance Plan Notice, TfWRL shall submit a Performance Plan to the Authority within the Performance Plan Period.
- (b) The Authority shall notify TfWRL if it accepts or rejects the Performance Plan within five (5) Weekdays of receipt of the Performance Plan from TfWRL or such other period as the Parties may agree. If the Authority does not accept the Performance Plan it shall inform TfWRL of its reasons and TfWRL shall take such reasons into account in the preparation of an amended Performance Plan, which shall be resubmitted to the Authority within five (5) Weekdays of the rejection of the first Performance Plan by the Authority.
- (c) Each Performance Plan shall set out:
- (i) an explanation of the circumstances that has resulted in the Annual Ticketless Travel Rate being equal to or higher than the Annual Ticketless Travel Breach Benchmark;
 - (ii) the steps proposed for the purposes of reducing the Annual Ticketless Travel Rate below the Annual Ticketless Travel Breach Benchmark;
 - (iii) the time period within which TfWRL proposes to implement those steps; and
 - (iv) any other information requested by the Authority in the Performance Plan Notice.

(d) It is a term of this Agreement that TfWRL complies with each approved Performance Plan in accordance with its terms.

(e) Not used.

4 **NOT USED**

Appendix 1 to Schedule 7.4 - Ticketless Travel Regime**Part 1 to Appendix 1****1 Wales and Cross Border Lines Services: Annual Ticketless Travel Benchmarks**

Column 1	Column 2	Column 3
Service Year	Annual Ticketless Travel Target Benchmark (the number of percentage points expressed as a number for calculation)	Annual Ticketless Travel Breach Benchmark (the number of percentage)
Year 1	4.00	5.00
Year 2	3.50	5.00
Year 3	3.00	5.00
Year 4	2.75	4.75
Year 5	2.50	4.50
Year 6	2.50	4.25

2 Core Valley Lines: Annual Ticketless Travel Benchmark

Column 1	Column 2	Column 3
Service Year	Annual Ticketless Travel Target Benchmark (the number of percentage points expressed as a number for calculation)	Annual Ticketless Travel Breach Benchmark (the number of
Year 1	14.00	17.00
Year 2	12.00	15.00
Year 3	10.00	13.00
Year 4	8.00	11.00
Year 5	7.00	10.00
Year 6	6.00	9.00

Part 2 to Appendix 1- Not Used

Appendix 2 to Schedule 7.4 - Ticketless Travel Survey Methodology (TTSM)

1 TICKETLESS TRAVEL SURVEY METHODOLOGY

- 1.1 To ensure that Passenger Revenue is being maximised, this Agreement contains a requirement for TfWRL to undertake Ticketless Travel Surveys across the Rail Services in line with this '*Ticketless Travel Survey Methodology*.' The Ticketless Travel Surveys are to be carried out annually or otherwise as agreed between the Authority and TfWRL. Subsequent Ticketless Travel Surveys should be undertaken at the same time of year to enable a comparison over time.
- 1.2 The level of ticketless travel across this Agreement Term will be a key measure of TfWRL performance. Annual Ticketless Travel Benchmarks have been agreed between TfWRL and the Authority in support of a reduction in ticketless travel.

Purpose

- 1.3 The purpose of the Ticketless Travel Surveys is to quantify the rate of ticketless travel and the associated revenue-at-risk across the Rail Services and TfWRL shall ensure that each Ticketless Travel Survey must identify rates for ticketless travel and revenue-at-risk. Ideally the Ticketless Travel Surveys will quantify the rate of fraudulent travel, but it is accepted that, where ticket purchase on board is a valid option, this is not possible and ticketless travel is what is recorded.
- 1.4 The Ticketless Travel Surveys are required to provide the Authority with the evidence that TfWRL is taking relevant and appropriate action to minimise the level of ticketless travel and, consequently, is behaving as a responsible rail operator.
- 1.5 This methodology note covers:
- (a) **Survey Scope:** principles for the undertaking of the survey fieldwork that are expected to be followed to ensure that a sufficiently robust sample is collected for the purposes of calculating ticketless travel; and
 - (b) **Calculation of ticketless travel and revenue-at-risk metrics:** the nature of the calculations to be made to produce equivalent figures to compare with the Annual Ticketless Travel Benchmarks.

Survey Scope

- 1.6 Ticketless travel rates vary by geographical location and time of day. For example, existing evidence suggests larger proportions of passengers travel late at night without an appropriate ticket than during the weekday peak periods. In addition, some geographical locations have a higher prevalence for ticketless travel than others.

1.7 It is therefore necessary to ensure that the sample collected is sufficiently representative of the volumes and revenues across the network and times of day/day of week for the purposes of calculating the level of ticketless travel and revenue-at-risk, respectively.

1.8 The Annual Ticketless Travel Rates are defined by:

- (a) Core Valley Lines (CVL); and
- (b) Wales and Cross Border Lines (WCB).

1.9 The WCB is subdivided into a further seven service groups for the purpose of ensuring a geographically representative survey:

- (a) HL02 - South, West and Central Wales;
- (b) HL03 - Wales to England;
- (c) HL04 - Cambrian;
- (d) HL05 - Cardiff Valleys – Non-Core-Valley Line;
- (e) HL06 - Marches;
- (f) HL07 - ATW North Wales Rural; and
- (g) HL08 - ATW North Wales Inter-Urban.

1.10 The time bands are:

- (a) Weekday
 - (i) 06:00 – 09:59: AM peak;
 - (ii) 10:00 – 15:59: Inter-peak;
 - (iii) 16:00 – 18:59: PM peak; and
 - (iv) 19:00 – 01:00: Evening.
- (b) Weekends
 - (i) Saturday 00:00 to 23:59; and
 - (ii) Sunday 00:00 to 23:59.

1.11 Combined, the eight service groups and six time bands provide 48 survey '*allocations*'. The purpose of the *allocations* is to ensure that sampling is distributed in line with passenger demand and revenue and therefore underpin accuracy of the data collected.

Sample Size

-
- 1.12 The methodology should deliver an appropriate margin of error, which in turn leads to an appropriate overall sample size. In addition, to ensure a robust distribution across the survey *allocations* described above there should be a minimum sample size of 100 for each *allocation*. To deliver this, the survey should deliver a sample which meets the following criteria:
- (a) Minimum of 100 observations in any one survey *allocation*;
 - (b) Representative distribution across all survey *allocations*;
 - (c) 1% margin of error on CVL obtained by a minimum of 5,000 observations;
 - (d) 0.5% margin of error on WCB obtained by a minimum of 7,000 observations; and
 - (e) Total sample size of greater than 15,000.
- 1.13 If the survey design can be shown to deliver the same margins of error and robustness for a smaller sample size this would be acceptable if presented with convincing evidence. Reasonable efforts should be made to achieve these minimum sample sizes, including the use of contingency survey shifts, but, fewer observations than minimum levels may be acceptable in the case of a Force Majeure Event.

Planning the Survey Fieldwork

- 1.14 The following principles should be followed in planning the fieldwork:

Survey schedule

- 1.15 A detailed schedule should be drawn up to capture a representative and appropriately sized sample for each service group and time period, to ensure the estimation of irregularity rate and associated revenue-at-risk delivers the required margins of error.
- 1.16 The detailed schedule should be drawn up according to the following objectives:
- (a) Covering as large a geographical area as possible;
 - (b) Sampling all service groups from end-to-end;
 - (c) Sampling all service groups on different days of the week and throughout the day;
 - (d) Seeking to ensure the sample is closely aligned to the survey sample requirements; and
 - (e) Focussing appropriately on the direction of passenger flow, eg peak, rather than contra-peak.
- 1.17 Possible constraints for the development of a robust schedule which have to be taken into account are:

-
- (a) Maintaining sensible wait times for surveyors between trains;
 - (b) Ensuring survey value for money (i.e. not surveying too many low usage vehicles); and
 - (c) Avoiding unrepresentative times, such as any planned engineering works, school holidays and major events, e.g. rugby matches that may bias the survey.

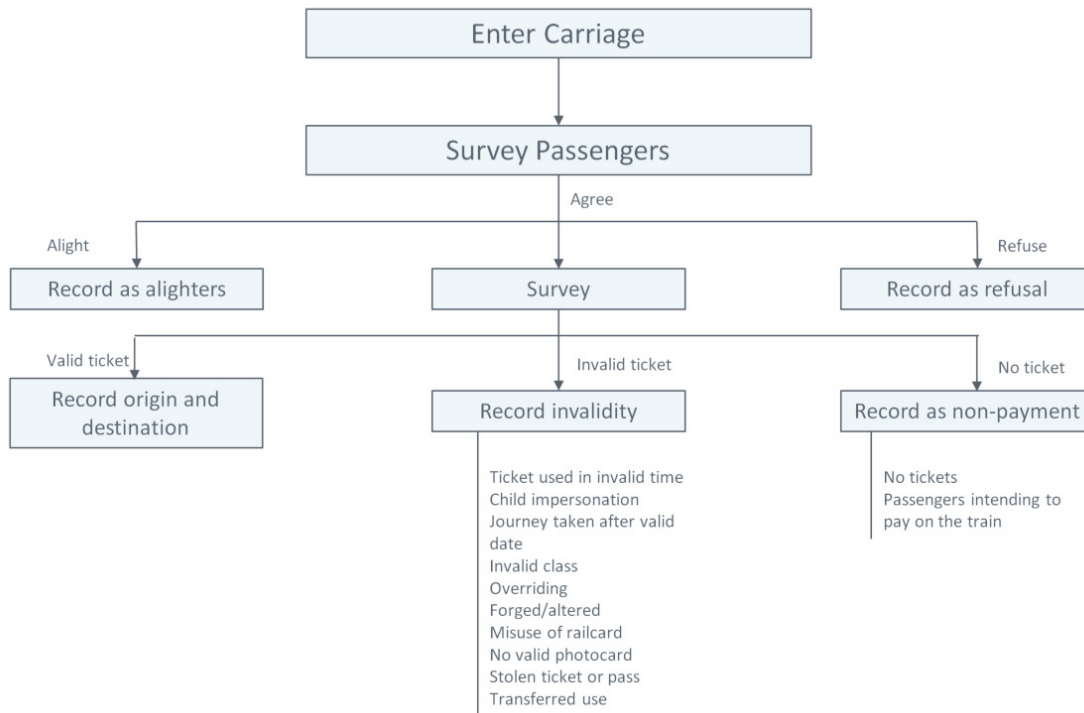
Collecting Sample Observations

1.18 This section describes a preferred method for sampling passengers across the network.

1.19 Sampling will only occur on board train services rather than at stations. In all cases, i.e. for every single service sampled, the surveyor will record the route, date and time of the service and adopt the approach shown below to determine the status of each passenger's ticket type:

- (a) The surveyor will enter the carriage to survey passengers.
- (b) Any passengers that either are seen to alight from the carriage or refuse to participate are recorded, together with the station at which they alighted.
- (c) Of those who do participate in the survey the surveyor will determine if:
 - (i) the passenger is travelling with a valid ticket;
 - (A) if so the type of ticket together with the origin and destination of the journey is recorded. The surveyor should also record if the ticket is held within smart media or on paper.
 - (ii) the passenger is travelling with an invalid ticket
 - (A) the surveyor must record the reason for this
 - (iii) the passenger is travelling without any ticket
 - (A) the surveyor must record instances where the passenger stated (ideally unprompted) an intention to buy their ticket on the train

1.20 The figure below provides an overview of the approach to be adopted.



- 1.21 All surveyors will need to be equipped with a 'reader' that allows the status of any smart card media that exists at the time to be ascertained.
- 1.22 The surveys will be undertaken by a team of suitably trained surveyors who, for health and safety reasons, will work in pairs of two at all times, but survey passengers on an individual basis. So arrival at stations, entry into carriages and time in carriages will be in pairs, whilst surveys will be carried out in the same carriage with each surveyor working individually to maximise speed of sample collection.
- 1.23 At the beginning of each shift, surveyors will be provided with a detailed schedule, which stipulates the routes that are to be covered and the times and stations of boarding and alighting the trains. A clear distinction here is that surveyors are not permitted to select trains at random throughout the day, but rather collect samples to a predefined survey plan, described above.
- 1.24 Surveys at the weekend are required to have an even distribution between Saturdays and Sundays. It is important that the survey period avoids line closures through engineering works, event days, school holidays or public holidays, etc. as far as reasonably practicable.

Managing refusals

- 1.25 The level of accuracy of any ticketless travel survey is in part dictated by the uncertainty surrounding refusals. As such, a key objective of this specification is to seek to reduce

the level of refusals to a minimum. The following steps have been identified to assist with this:

- (a) Surveyors must be dressed professionally in line with what would be expected of a railway official.
- (b) Prior to commencing surveys, a surveyor will make an announcement to all passengers on entering each carriage, stating they are performing a survey looking at ticket usage on behalf of the Authority.
- (c) Surveyors will have to use judgement to choose the best approach with different groups of travellers.
- (d) Surveyors will be carrying out a data collection only role and thus will not be taking punitive action against those travelling without a valid ticket. Explaining this clearly to travellers is likely to lower the refusal rate.
- (e) Surveyors must wear professionally produced name badges which will bear both the TfWRL and Authority logos.

1.26 Refusals should be recorded against the service survey.

Working with revenue protection staff

1.27 During the course of a survey, it may be possible for surveyors to encounter conductors, or other staff engaged in revenue protection activity. When boarding any train, surveyors should first attempt to find any conductor or revenue protection staff. Even if a staff member is present and has checked passenger tickets, you are expected to still go through the whole train to survey passengers, even if they have already had their tickets checked. You should also be aware that in some circumstances a conductor may follow you through the train checking tickets.

Ticketless Travel and Revenue-at-risk Metrics

1.28 For each survey a report should be produced detailing the results, covering at least the following areas:

- (a) Methodology and sample
- (b) Breakdown of irregularities
- (c) Irregularity rates – weighted by demand and revenue
- (d) Estimated revenue-at-risk

1.29 Captured data is processed in two stages once the survey is completed:

-
- (a) Data cleaning; and
 - (b) Irregularity weighting calculations.

Data cleaning

1.30 Data cleaning involves cross-checking the data to

- (a) Recode any records that have been misclassified; and
- (b) Exclude any observations that have been biased in some way.

1.31 Exclusions normally occur when much of a carriage refused to be surveyed due to a group effect, i.e. one person refusing and several others subsequently doing the same, and when passengers were recorded carrying ambiguous ticket types.

Irregularity weighting calculations

1.32 A process of re-weighting the survey sample is necessary to develop the network weighted results of ticketless travel and revenue-at-risk. Whereas the survey sample gives each observation equal weight regardless of the service group or time period in which it was taken, re-weighting allows those service groups and time periods with the highest volume of passengers to contribute more to the overall ticketless travel rate than those with lower number of passengers.

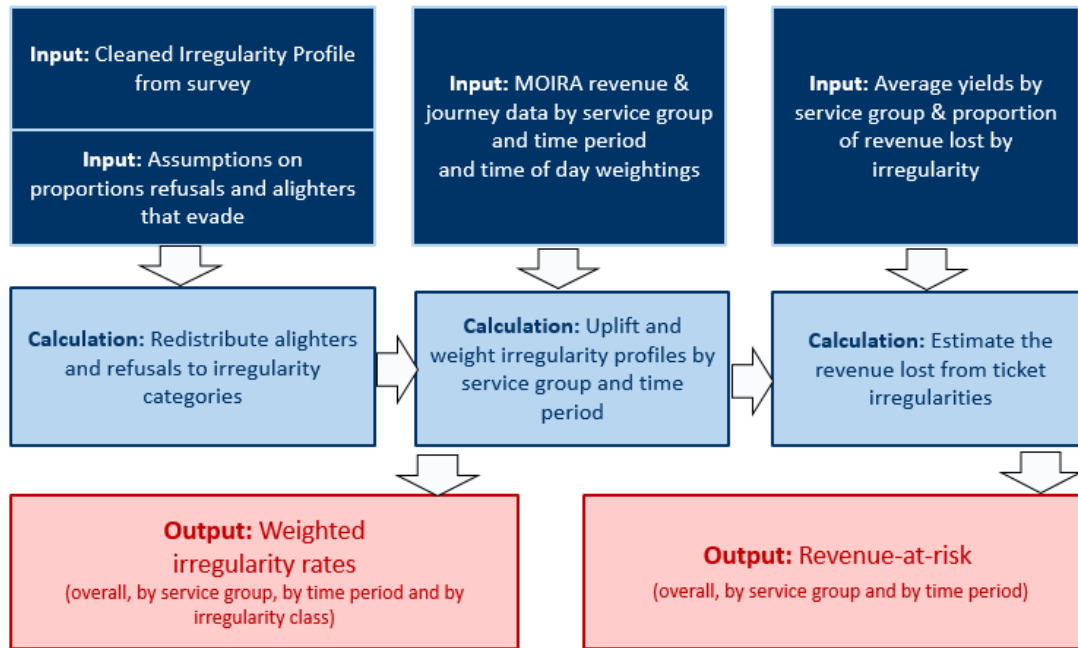
1.33 Data is grouped by service group and time period into segments which form the basic blocks to which the following two reassigning and weighting calculations are performed, as described below:

- (a) Reassigning alighters and refusals; and
- (b) Weighting according to passenger journeys in each service group/time period segment.

1.34 The output is a weighted irregularity rate, which is an estimate of the percentage of journeys taken without a valid ticket. Weighted irregularity rates are calculated for each service group and time period, and combined to give the overall weighted irregularity rate for the franchise.

1.35 The irregularity profile is combined with average yields for each service group and the revenue lost for each irregularity type calculated to produce the revenue-at-risk figure and rates.

1.36 The figure below illustrates the calculation process.



Refusals and Alighters

- 1.37 Assumptions are required on the likely status of those passengers who either refused to have their tickets checked or alighted before the check could be undertaken. Different assumptions on refusals and alighters produce three cases:
- High Case – assumes that 75% of refusals fare evade and 25% alighters fare evade
 - Central Case – assumes that 50% of refusals fare evade and alighters fare evade at the average rate observed from all other respondents in the relevant service group and time period segment
 - Low Case – assumes that both refusals and alighters fare evade at the average rate observed from all other respondents in the relevant service groups and time period segment

Weighting for service group and time period

- 1.38 Recorded observations are grouped by service group and time period. Each group then needs to be given an appropriate weight to reflect the different number of journeys taken on different service groups and at different times of the day/week. The weightings used are ideally derived from annual LENNON data covering the appropriate year. Table 1 below illustrate the values used for the base year survey calculation, which, because of data availability issues were based on MOIRA, rather than LENNON, data.

Table 1: Journeys-based weights

CVL	9.5%	6.4%	9.1%	1.5%	2.4%	1.6%	30.6%
WCB	18.9%	16.3%	17.5%	4.5%	7.2%	5.1%	69.4%
South, West and Central Wales	3.6%	3.2%	3.4%	0.8%	1.4%	1.0%	13.4%
Wales to England	1.1%	0.8%	1.2%	0.2%	0.4%	0.3%	4.0%
Cambrian	3.8%	3.5%	3.4%	1.0%	1.5%	1.0%	14.1%
Cardiff Valleys - Non-CVL	4.0%	2.1%	3.2%	0.6%	1.3%	0.9%	12.1%
Marches	3.2%	3.0%	3.0%	0.9%	1.3%	0.9%	12.2%
ATW North Wales Rural	0.4%	0.5%	0.3%	0.1%	0.2%	0.1%	1.6%
ATW North Wales Inter Urban	2.8%	3.2%	3.0%	1.0%	1.3%	0.9%	12.0%
Total	28.5%	22.6%	26.6%	6.0%	9.7%	6.7%	100.0%

Estimating Revenue-at-risk

1.39 Weighted irregularity rates do not take account of the yield of each journey and therefore its contribution to overall revenue. The total revenue is weighted using LENNON data to calculate revenue for each service group. Again, the base case figures provided as an illustration here in Table 2, used MOIRA data rather than LENNON data.

Table 2: Revenue-based weights

Route	Monday-Friday 06:00-09:59	Monday-Friday 10:00-15:59	Monday-Friday 16:00-18:59	Monday-Friday 19:00-01:00	Sat'day	Sunday	T o t a l
CVL	4.4%	2.9%	4.2%	0.7%	1.2%	0.8%	14.2%
WCB	21.2%	19.7%	20.0%	5.6%	10.6%	8.7%	85.8%
<i>South, West and Central Wales</i>	<i>3.4%</i>	<i>3.0%</i>	<i>3.2%</i>	<i>0.8%</i>	<i>1.6%</i>	<i>1.3%</i>	<i>13.2%</i>
<i>Wales to England</i>	<i>1.0%</i>	<i>0.7%</i>	<i>1.0%</i>	<i>0.2%</i>	<i>0.5%</i>	<i>0.4%</i>	<i>3.7%</i>
<i>Cambrian</i>	<i>4.6%</i>	<i>4.2%</i>	<i>4.1%</i>	<i>1.2%</i>	<i>2.2%</i>	<i>1.8%</i>	<i>20.4%</i>
<i>Cardiff Valleys - Non-CVL</i>	<i>1.4%</i>	<i>0.7%</i>	<i>1.1%</i>	<i>0.2%</i>	<i>0.5%</i>	<i>0.4%</i>	<i>4.2%</i>
<i>Marches</i>	<i>6.8%</i>	<i>6.5%</i>	<i>6.3%</i>	<i>1.9%</i>	<i>3.4%</i>	<i>2.8%</i>	<i>27.6%</i>
<i>ATW North Wales Rural</i>	<i>0.2%</i>	<i>0.2%</i>	<i>0.2%</i>	<i>0.0%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.8%</i>
<i>ATW North Wales Inter Urban</i>	<i>4.0%</i>	<i>4.4%</i>	<i>4.2%</i>	<i>1.4%</i>	<i>2.2%</i>	<i>1.8%</i>	<i>18.0%</i>
Total	25.6%	22.6%	24.2%	6.3%	11.8%	9.5%	100.0%

1.40 In addition, the amount of revenue lost for each type of irregularity should be calculated. Table 3 shows an example of the rates used for the base year survey processing.

Table 3: Revenue lost by irregularity type

Passenger Class	Proportion of average yield lost
Non-payment	100%
Used at invalid time	100%
Child impersonation	50%
Journey taken after valid date	100%

Passenger Class	Proportion of average yield lost
Journey taken before valid date	100%
Invalid Class	74%
Overriding	90%
Forged/Altered	100%
Misuse of railcard	34%
No photocard	100%
Transferred use	100%

- 1.41 For each service group/time period survey allocation, the proportions of each irregularity are multiplied by their revenue loss and then aggregated. To calculate the overall revenue-at-risk, weightings for each segment are then applied.
- 1.42 A high overall irregularity rate does not necessarily mean a high associated revenue-at-risk for the following reasons:
- (a) Variation in the distribution of revenue and journeys between service groups; and
 - (b) Differing profiles of irregularities which has a direct impact on the revenue-at-risk
- 1.43 The revenue-at-risk should be calculated and reported on as a proportion of the total revenue of each service group (and of each time period).

Results

- 1.44 The report should set out results for all of the relevant metrics, by survey allocation, for CVL and WCB, and overall:
- (a) Irregularity rate
 - (b) Revenue at risk value
 - (c) Revenue at risk rate, which is the rate used to compare against the benchmarks in this Agreement.
- 1.45 Margins of error should be calculated, based on rate and sample size and reported at the 95% confidence interval. The high level results from the base year are shown in Table 4 below.

Table 4: Grouped results

	Irregularity Rate	Margin of error (95%)	% of Revenue-at-risk	Margin of error (95%)	Revenue-at-risk
Core-Valley-Line	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Wales and Cross Border	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

	Irregularity Rate	Margin of error (95%)	% of Revenue-at-risk	Margin of error (95%)	Revenue-at-risk
Overall	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Schedule 7.5 – Not used

Schedule 8Payments

Schedule 8.1:	Rail Services Payments
Schedule 8.2:	Not used
Schedule 8.3:	Not used
Schedule 8.4:	Not used
	Not used
Schedule 8.5:	Not used
Schedule 8.6	Taff's Wells Depot
Schedule 8.7	RSGF Payments
Schedule 8.8	Not used
Schedule 8.9	Intermodal Concessionary Smart Card CRM Services Payments

Schedule 8.1 – Rail Services Payments

1 DEFINITIONS

1.1 For the purposes of this Schedule 8.1 (Rail Services Payments) only, the following words and expressions shall have the following meanings unless otherwise set out in clause 3 (Definitions):

“Actual Capex” means the actual Capital Expenditure incurred by TfWRL;

“Actual Costs” means the actual Costs of TfWRL in the relevant period in relation to the Rail Services;

“Actual Revenue” means the actual Revenue generated by TfWRL in the relevant period in relation to the Rail Services;

“Annual Budget” has the meaning set out in paragraph 5.3 of this Schedule 8.1 (Rail Services Payments);

“Base Cash Position” means [REDACTED] or such other value as the Authority may determine in accordance with paragraph 9.8 of Schedule 8.1 (Rail Services Payments);

“Budget” means together:

- (a) the periodic cost and revenues budget (which shall be in the format requested by the Authority from time to time); and
- (b) the periodic capex budget (which shall be in the format requested by the Authority from time to time),

as set out in the Initial Budget, the Second Service Year Budget or Annual Budget (as applicable) and as such budget may be updated from time to time in accordance with paragraph 5 of Schedule 8.1 (Rail Services Payments);

“Budgeted Capex” means the Capital Expenditure budgeted to be incurred by TfWRL in a Reporting Period and specified in the then current Budget as agreed or determined pursuant to paragraph 5 of this Schedule 8.1 (Rail Services Payments);

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- “Budgeted Costs”** means the Costs budgeted to be incurred by TfWRL in each Reporting Period and specified in the then current Budget as agreed or determined pursuant to paragraph 5 of this Schedule 8.1 (Rail Services Payments);
- “Capital Expenditure”** means costs of creating non-current or fixed assets in relation to Rail Services which are not Costs (as defined in this Schedule 8.1 (Rail Services Payments)) and which are properly accrued during the term of this Agreement;
- “Costs”** means costs and expenses relating to Rail Services properly accrued and stated in TfWRL’s profit and loss account but excluding:
- (a) Rail Services Payments;
 - (b) corporation tax and deferred tax charge in TfWRL’s profit and loss account;
 - (c) any accounting transaction which does not require TfWRL to make a cash payment including notional pensions accounting adjustments and the accounting impact of financial instrument revaluations (including but not limited to the IFRS 9 (Financial Instruments), IFRS 16 (Leasing) and IAS19 (Employee Benefits)), other than depreciation;
 - (d) Capital Expenditure;
- provided that if TfWRL’s profit and loss account includes any cost(s) in respect of right of use assets treated in accordance with IFRS16 (the **“IFRS16 Cost”**), then for the purpose of this definition the amount for each IFRS16 Cost shall be deemed to be replaced (for the purposes of this definition and all related consequential purposes under this Agreement) with the amount which would have applied if the cost had been treated on a cash basis, as such cost is incurred in accordance with the relevant contractual arrangements, rather than in accordance with IFRS16;

“Ceiling Cash Position”	means [REDACTED] or such other value as the Authority may determine in accordance with paragraph 9.8 of Schedule 8.1 (Rail Services Payments);
“Emergency Working Capital Payment”	has the meaning given in paragraph 9.5 of Schedule 8.1 (Rail Services Payments);
“Estimated Revenue”	means the Revenue reasonably determined by the Authority using available resources as is practicable at the time of the determination (such resources including forecasts prepared by TfWRL and any other information or documentation provided by TfWRL at or in connection with the Periodic Finance Review Meetings);
“Floor Cash Position”	means [REDACTED] or such other value as the Authority may determine in accordance with paragraph 9.8 of Schedule 8.1 (Rail Services Payments);
“Forecast Closing Cash Position”	means, with respect to a Reporting Period, TfWRL’s forecast cash balance (excluding the Periodic Rail Services Payment made in the following Reporting Period) as at the last day of that Reporting Period and taking into account TfWRL’s latest Management Accounts;
“Initial Budget”	means the document in the agreed terms marked “TFWRL Initial Budget” being the budget agreed by the Authority and TfWRL in respect of the operation of the Rail Services for the period commencing on the Service Commencement Date and ending on the expiry of the first Quarter of the second Service Year;
“Periodic Adjustment”	has the meaning given in paragraph 7.2 of Schedule 8.1 (Rail Services Payments);
“Periodic Rail Services Payment” or “PRSP”	means the Rail Services Payment Component calculated in accordance with paragraph 2.1 of this Schedule 8.1 (Rail Services Payments);

"Periodic Budget Forecast Review Meeting" has the meaning given in paragraph 5.4 of Schedule 8.1 (Rail Services Payments);

"Periodic Finance Review Meeting" has the meaning given in paragraph 6.1 of Schedule 8.1 (Rail Services Payments);

"Rail Services Payment Component" means

- (a) each of the components of "RSP" as described in paragraph 2.1 of this Schedule 8.1 (Rail Services Payments); and
- (a) any component or element, described in the relevant provisions of this Schedule 8.1 (Rail Services Payments) which is used in determining or calculating the value of those components described in paragraph (a) above;

"Revenue" means the gross total revenue of TfWRL received or receivable and properly accrued as stated in TfWRL's profit and loss account but excluding:

- (a) Rail Services; and
- (b) any accounting transaction included in the Management Accounts, Annual Management Accounts or Annual Audited Accounts but which does not result in TfWRL receiving a cash payment including notional pensions accounting adjustments and the accounting impact of financial instruments revaluations;

"Second Service Year Budget" has the meaning set out in paragraph 5.2 of this Schedule 8.1 (Rail Services Payments);

"Supporting Materials" means any materials explaining or supporting the Budget which have been produced by TfWRL and serve as supporting materials;

“Working Capital Payment” means the Rail Services Payment Component calculated in accordance with paragraph 9.3 of this Schedule 8.1 (Rail Services Payments); and

“Working Capital Repayment” means the Rail Services Payment Component calculated in accordance with paragraph 10.2 of this Schedule 8.1 (Rail Services Payments).

2 RAIL SERVICES PAYMENTS

2.1 The Rail Services Payment payable by the Authority to TfWRL in respect of any Reporting Period falling within the first Service Year shall be an amount equal to that specified in the second column of the table below for that Reporting Period.

Column 1	Column 2
Service Year 1	Rail Services Payment
7 February 2021 to 6 March 2021 (Reporting Period 12)	[REDACTED]
7 March 2021 to 31 March 2021 (Reporting Period 13)	[REDACTED]

2.2 The Rail Services Payment for any Reporting Period following the first Service Year shall be an amount equal to:

£RSP =	$PRSP + PADJ + WCP - WCR + FADJ - FWCA$
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where:

PRSP (Periodic Rail Services Payment)	means an amount equal to: $PRSP_n = BC_n - ER_n$	
	where:	
	BC n	means the Budgeted Costs for the current Reporting Period (if any). BC may only be a positive number.

	ER n	means the Estimated Revenue for Reporting Period (if any). ER may only be a positive number.
		PRSP may be a positive or negative number.
PADJ		means any Periodic Adjustment, determined in accordance with paragraph 6 of Schedule 8.1 (Rail Services Payments), to be made on that Reporting Period's Payment Date. PADJ may be a positive or negative number.
WCP		means any Working Capital Payment to be made on that Reporting Period's Payment Date. WCP may only be a positive number.
WCR		means any Working Capital Repayment to be made on that Reporting Period's Payment Date. WCR may only be a positive number.
FADJ		means any Final Adjustment, determined in accordance with paragraph 8 of Schedule 8.1 (Rail Services Payments), to be made on that Reporting Period's Payment Date. FADJ may be a positive or negative number.
FWCA		means the Final Working Capital Adjustment, determined in accordance with paragraph 10.3 of Schedule 8.1 (Rail Services Payments), to be made on that Reporting Period's Payment Date. FWCA may be a positive or negative number.

2.3 The Parties agree that:

- (a) where **£RSP is a positive number**, the Authority shall pay that amount to TfWRL on the Payment Date for that Reporting Period;
- (b) where **£RSP is a negative number**, TfWRL shall pay the corresponding positive amount to the Authority on the Payment Date for that Reporting Period.

3 PAYMENT OF RAIL SERVICES PAYMENTS

- 3.1 The Authority shall notify TfWRL, no less than three (3) Weekdays prior to the start of each Reporting Period (save for the first two Reporting Periods following the Service Commencement Date), of the amount of the Rail Services Payment payable in respect of that Reporting Period.
- 3.2 Each such notification shall set out in reasonable detail how the Rail Services Payment has been calculated.
- 3.3 The Payment Date for a Reporting Period shall be the first Weekday of that Reporting Period.

3.4 Each Rail Services Payment shall be payable by TfWRL or, as the case may be, the Authority in the amount notified by the Authority in accordance with paragraph 3.1 on the Payment Date of the Reporting Period to which it relates.

3.5 Each Rail Services Payment shall be made:

(a) by automatic electronic funds transfer in pounds sterling to such bank account in the United Kingdom as the payee of such payment may have previously specified to the payer in writing; and

(b) so that cleared funds are received in that account on or before the due date for payment.

Disputes under Schedule 8

3.6 If either TfWRL or the Authority disputes the amount of a Rail Services Payment, the dispute shall, unless TfWRL and the Authority otherwise agree, be resolved in accordance with the provisions of clause 11 (Dispute Resolution Procedure) and clause 17 (Governing Law and Jurisdiction) of this Agreement. Any such dispute shall not affect the obligation of either party to pay a Rail Services Payment notified in accordance with this Schedule 8.1 (Rail Services Payments).

No Double Recovery

3.7 Neither Party shall be entitled to recover (by way of an adjustment to Rail Services Payments or otherwise) more than once in respect of the same amount. In particular, no amount shall be categorised as both Capital Expenditure and as a Cost for the purpose of this Schedule 8.1 (Rail Services Payments).

Force Majeure and Payments

3.8 Following the occurrence of a Force Majeure Event, the payment of Rail Services Payments shall continue to be calculated in accordance with this Schedule 8.1 (Rail Services Payments) and the payment of such Rail Services Payments shall continue unaffected.

4 PAYMENT OF CAPEX

4.1 Subject to paragraph 4.2, TfWRL shall be entitled to submit to the Authority an invoice in respect of any Actual Capex incurred by TfWRL at any time during the Rail Services Term in accordance with the following process:

(a) TfWRL shall issue an invoice to the Authority:

- (i) in respect of any Actual Capex incurred by TfWRL pursuant to a third party contract, as soon as reasonably practicable following receipt by TfWRL of an invoice for such Actual Capex from a third party; and
 - (ii) in respect of any Actual Capex arising as a result of TfWRL capitalising Costs (including without limitation labour costs), as soon as reasonably practicable following the end of each Reporting Period;
 - (b) each invoice issued to the Authority in accordance with paragraph (a) shall be accompanied by such evidence and supporting documentation as the Authority requires to satisfy itself that the Actual Capex referred to in such invoice has been or will be reasonably and properly incurred by TfWRL;
 - (c) each invoice issued to the Authority in accordance with paragraph (a)(i) shall specify the date on which payment is due from the Authority to enable TfWRL to pay the Actual Capex to the relevant third party in accordance with the payment terms agreed between TfWRL and such party, provided that the due date for payment by the Authority shall be at least 3 Weekdays after the date of issue of the invoice by TfWRL; and
 - (d) each invoice issued to the Authority in accordance with paragraph (a)(ii) shall specify the date on which payment is due from the Authority, provided that the due date for payment by the Authority shall be at least 3 Weekdays after the date of issue of the invoice by TfWRL.
- 4.2 TfWRL shall not be entitled to submit an invoice to the Authority pursuant to paragraph 4.1 to the extent that:
- (a) the total amount of Actual Capex being invoiced by TfWRL in any Reporting Period exceeds the Budgeted Capex for that Reporting Period; or
 - (b) the Actual Capex being invoiced by TfWRL in any Reporting Period pursuant to paragraph (a)(ii) has not been reviewed in accordance with paragraph 6.1(a)(ii) and approved by the Authority in writing.
- 4.3 Subject to TfWRL complying with paragraph 4.1, the Authority shall pay the Actual Capex to TfWRL on the due date specified in the invoice in accordance with paragraph 4.1(c) or paragraph 4.1(d).
- 4.4 TfWRL acknowledges and agrees that where:
- (a) it raises an invoice pursuant to paragraph 4.1(a)(ii) in respect of any Actual Capex incurred by TfWRL as a result of it capitalising Costs; and

- (b) such Costs have previously been taken into account when calculating any Rail Services Payment,

there shall be an adjustment to the next Rail Services Payment following the date on which the invoice raised pursuant to paragraph 4.1(a)(ii) is paid by the Authority to ensure that no amount is categorised as both Capital Expenditure and as a Cost for the purpose of this Schedule 8.1 (Rail Services Payments) in compliance with paragraph 3.7.

5 THE BUDGET

Setting the Budget

- 5.1 The Parties acknowledge and agree that the Initial Budget has been agreed in respect of the first Service Year and the first Quarter of the second Service Year.
- 5.2 The Budget in respect of the second, third and fourth Quarters of the second Service Year shall be agreed in accordance with the following process:
- (a) on or before 31 March 2021, TfWRL shall submit to the Authority its proposed budget in respect of the second, third and fourth Quarters of the second Service Year;
 - (b) as soon as reasonably practicable following provision of the proposal referred to in paragraph (a), TfWRL and the Authority shall hold a meeting at a time and location notified to TfWRL by the Authority to review and discuss such proposal; and
 - (c) following the meeting referred to in paragraph (b) and before 30 April 2021, the Authority shall notify TfWRL in writing of the budget that shall apply in respect of the second, third and fourth Quarters of the second Service Year and such budget shall be the "**Second Service Year Budget**" for the purposes of this Agreement;
- 5.3 The Budget in respect of the third and any subsequent Service Year shall be agreed in accordance with the following process:
- (a) on or before the end of the eleventh (11th) Reporting Period in each applicable Service Year, TfWRL shall submit to the Authority its proposed budget in respect of the next Service Year;
 - (b) as soon as reasonably practicable following provision of the proposal referred to in paragraph (a), TfWRL and the Authority shall hold a meeting at a time and location notified to TfWRL by the Authority to review and discuss such proposal; and
 - (c) following the meeting referred to in paragraph (b) and before the end of the twelfth (12th) Reporting Period in each applicable Service Year, the Authority shall notify TfWRL in writing of the budget that shall apply in respect of next Service Year and such budget shall be the "**Annual Budget**" for the purposes of this Agreement;

Budget review and adjustment

5.4 Without limiting the requirement for any other meeting, the Parties shall hold a forecast Budget review meeting (a “**Periodic Budget Forecast Review Meeting**”) at a time and location notified to TfWRL by the Authority following provision of the information referred to in paragraph 5.5. Periodic Budget Forecast Review Meetings shall be held in each Reporting Period during the first two Service Years, and thereafter each Quarter (or at such other frequency as the Authority may determine from time to time). The purpose of the meeting shall be to review and seek to agree:

- (a) revisions (if any) to the then current Budget for the remaining Reporting Periods of the Budget; and
- (b) the content of any necessary or desirable corresponding addendum to the Supporting Materials.

TfWRL shall ensure that the representatives of TfWRL at the Periodic Budget Forecast Review Meeting shall include the Finance Director of TfWRL or a suitable representative of the Finance Director as may reasonably be approved for this purpose by the Authority.

5.5 TfWRL shall, prior to the date of each Periodic Budget Forecast Review Meeting have provided to the Authority the relevant information required pursuant to paragraph 9.2 of Schedule 11.2 (Management Information) in relation to the previous Reporting Period, together with a draft periodic budget prepared using the cost and revenue categories and the capital expenditure categories determined by the Authority (acting reasonably), updated to reflect Actual Costs, Actual Revenues and Actual Capex as reflected in the latest Management Accounts and revised Budgeted Costs and Budgeted Capex for the remainder of the relevant Services Year and shall provide the Authority with all further information as the Authority may request from time to time for the purposes of the operation of this paragraph 5, within such time as the Authority may reasonably specify for that purpose (and this paragraph shall continue to apply such that the number of requests which the Authority may make is not limited).

5.6 If the Parties fail to agree the matters referred to in paragraph 5.2 at the relevant Periodic Budget Forecast Review Meeting, the Authority shall reasonably determine such matters.

5.7 Such revisions to the Budget and addenda to the Supporting Materials as agreed or determined shall take effect from the first day of the Reporting Period immediately following the date on which the Periodic Budget Forecast Review Meeting (at which such matters were discussed) took place provided that, if such revisions or addenda are not agreed by the first day of that Reporting Period, the relevant revisions and addenda shall take effect from the first day of the Reporting Period which falls at least 10 Weekdays after those revisions and addenda are agreed or determined.

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- 5.8 Each revision to the Budget and/or addenda to the Supporting Materials shall (unless the Parties otherwise agree):
- (a) adopt the same format and structure as the original version in agreed terms (or where the preceding version has included any changes from that format and structure expressly agreed by the Parties for this purpose) from the preceding version;
 - (b) make no assumptions or include any costs, revenue or other adjustments which are not consistent with the definitions of Costs, Capital Expenditure and Revenue (except as may be otherwise expressly agreed by the Parties for that purpose);
 - (c) adopt the same accounting principles and standards as the original version (as these may be expressly varied by agreement between the Parties for this purpose or, in the case of accounting standards, as these may be reasonably revised by the Authority to take account of changes to GAAP in the United Kingdom); and
 - (d) otherwise facilitate easy comparison with the definitions of Costs, Capital Expenditure and Revenue and with the information reported in the Management Accounts, Annual Management Accounts and the Annual Audited Accounts.
- 5.9 Each time it is agreed or determined that the Budget is to be revised and/or an addendum is to be added to the Supporting Materials, the Authority shall be entitled to:
- (a) make the agreed or determined revisions to the Budget and/or Supporting Materials (or procure this is done on its behalf) and provide copies of those revised documents to TfWRL; or
 - (b) require TfWRL to provide the agreed or determined revisions to the Budget and/or Supporting Materials for approval by the Authority, which TfWRL shall do and provide revised versions to the Authority within such time as the Authority shall specify for this purpose.
- 5.10 For the purpose of this paragraph 5, the Authority shall be entitled to consider any information provided to the Authority by TfWRL and any other sources of information which the Authority considers to be relevant and the Authority shall be entitled to request such information from TfWRL as the Authority requires in connection with the matters referred to in this paragraph 5. Without prejudice to the generality of the foregoing, in considering any revisions to the Budget, regard shall be had to the definitions of Costs, Revenue and Capital Expenditure so as to ensure that the revisions to the Budget are consistent with those definitions.
- 5.11 The Parties shall at all times act in good faith, reasonably and in a timely manner in the interpretation and application of the provisions for agreeing revisions to the Budget and any addendum to the Supporting Materials.

6 REVIEW OF TFWRL'S PERFORMANCE AGAINST BUDGET

Finance Review Meeting

6.1 Without limiting the requirement for any other meeting, the Parties shall hold a finance review meeting in each Reporting Period or such other frequency as the Authority may determine from time to time ("**Periodic Finance Review Meeting**") at such time(s) and location(s) notified to TfwRL by the Authority following provision of the information referred to in paragraph 6.2 and:

- (a) the purpose of the Periodic Finance Review Meeting shall be to review the financial performance of TfwRL. This shall include:
 - (i) a review and discussion of variances arising in the preceding Reporting Period between Actual Costs, Actual Capex and Actual Revenue and Budgeted Costs, Budgeted Capex and Estimated Revenue respectively and confirmation of the value of the Periodic Adjustment to be applied to the Rail Services Payment to be paid in the Reporting Period following the Reporting Period in which the Periodic Finance Review Meeting is taking place;
 - (ii) a review of the Actual Capex arising as a result of TfwRL capitalising Costs (such review to consider each relevant project and/or asset);
 - (iii) a review and discussion of TfwRL's management of its working capital and TfwRL's Forecast Closing Cash Position for that Reporting Period in which the Periodic Finance Review Meeting is taking place and any Working Capital Payment or Working Capital Repayment to be applied to the Rail Services Payment to be paid in the Reporting Period following the Reporting Period in which the Periodic Finance Review Meeting is taking place; and
 - (iv) actions to be taken in respect of TfwRL's financial performance; and
- (b) TfwRL shall ensure that the representatives of TfwRL at the meeting shall include the Finance Director of TfwRL or a suitable representative of the Finance Director as may reasonably be approved for this purpose by the Authority.

6.2 TfwRL shall, prior to the date of each Periodic Finance Review Meeting have provided to the Authority the relevant information required pursuant to paragraph 9.2 of Schedule 11.2 (Management Information) in relation to the previous Reporting Period together with a statement of TfwRL's Forecast Closing Cash Position applicable to that Reporting Period, in accordance with the timescales set out therein, and shall provide the Authority with all further information as the Authority may request from time to time for the purposes of the operation of paragraph 6.1, within such time as the Authority may reasonably specify for that purpose (and

this paragraph shall continue to apply such that the number of requests which the Authority may make is not limited).

6.3 The Authority shall be entitled to consider any information provided to it by TfWRL and any other sources of information which the Authority consider to be relevant and the Authority shall be entitled to request such information from TfWRL as the Authority requires for the purposes of the operation of this paragraph 6. TfWRL shall provide the information within such time as the Authority may reasonably specify for the purpose (and this paragraph shall continue to apply such that the number of requests which the Authority may make is not limited).

6.4 If:

- (a) the Parties fail to agree the matters referred to in paragraph 6.1(a) at the relevant Periodic Finance Review Meeting; or
- (b) TfWRL fails to provide the relevant information required pursuant to Schedule 11.2 (Management Information), in accordance with the timescales set out therein, or otherwise in accordance with this paragraph 6,

the Authority shall (without prejudice to its other rights) be entitled (but not obliged) to determine the relevant matters in accordance with this paragraph 6 and all other applicable provisions of this Schedule 8.1 (Rail Services Payments) but by reference to the relevant information available to the Authority at the time of such determination.

7 PERIODIC ADJUSTMENTS

7.1 The value of PADJ for the current Reporting Period (n) shall be equal to the following:

PADJ for Reporting Period(n) =	$(ACRP_{n-2} - BCRP_{n-2}) - (ARRP_{n-2} - ERRP_{n-2})$
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Where:

ACRP_{n-2}	means the total Actual Costs in the second preceding Reporting Period (n-2) as set out in the Management Accounts for that preceding Reporting Period. ACRP _{n-2} may only be a positive number.
BCRP_{n-2}	means the total Budgeted Costs in respect of the second preceding Reporting Period (n-2) based on the version of the Budget which applied for the purpose of the calculation of the Rail Services Payment for that preceding Reporting Period (n-2). BCRP _{n-2} may only be a positive number.

ARRP n-2	means the total Actual Revenue for the second preceding Reporting Period (n-2). ARRP may only be a positive number.
ERRP n-2	means the total Estimated Revenue in respect of the second preceding Reporting Period (n-2). ERRP may only be a positive number.

- 7.2 The value of PADJ in respect of a Reporting Period shall be made as an adjustment to the next Rail Services Payment payable after that calculation of PADJ is determined (“**Periodic Adjustment**”).
- 7.3 The Authority agrees that, provided the Management Accounts (in a form consistent with the obligations of TfWRL under Schedule 11.2 (Management Information)) are received from TfWRL within the timescale specified in paragraph 9.2(a) of Schedule 11.2 (Management Information), the Authority will provide TfWRL with the value of PADJ in sufficient time for the Periodic Adjustment to be included in the Rail Services Payment for the Reporting Period immediately following the Reporting Period to which the Periodic Adjustment relates.
- 7.4 If TfWRL fails to provide the Management Accounts in accordance with its obligations under Schedule 11.2 (Management Information), the Authority shall (without prejudice to its other rights) be entitled (but not obliged) to determine the amount of any Periodic Adjustment in accordance with this paragraph 7 but by reference to the relevant information available to the Authority at the time of such determination.

8 FINAL ADJUSTMENTS

- 8.1 FADJ shall be equal to the following:

FADJ =	(Total AC – Total AR) – Total PRSP – Total PADJ
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Where:

Total AC	means the total Actual Costs of TfWRL for the relevant Service Year as set out in the Annual Audited Accounts. Total AC may only be a positive number.
Total AR	means the total Actual Revenue for the relevant Service Year as set out in the Annual Audited Accounts. Total AR may only be a positive number.

Total PRSP	means the aggregate value of all of the Periodic Rail Services Payments paid to TfWRL during the relevant Service Year. Total PRSP may be positive or negative.
Total PADJ	means the total net value of PADJ paid in respect of each Reporting Period during the relevant Service Year. Total PADJ may be positive or negative.

8.2 The value of FADJ shall be calculated in respect of each Service Year excluding the first Service Year (whether negative or positive) and shall be made as an adjustment to the next Rail Services Payment payable after the calculation of FADJ is determined (the “**Final Adjustment**”).

8.3 If TfWRL fails to provide the information required by paragraph 9.5(d) and 9.5(e) of Schedule 11.2 (Management Information) including the Annual Audited Accounts and a reconciliation to the Management Accounts by the date specified in that paragraph the Authority shall (without prejudice to its other rights) be entitled (but not obliged) to determine the amount of any Final Adjustment in accordance with this paragraph 8 but by reference to the relevant information available to the Authority at the time of such determination, including any information contained in the latest cumulative, year to date Management Accounts or in the Annual Management Accounts.

9 WORKING CAPITAL PAYMENTS

9.1 A Working Capital Payment shall become payable to TfWRL as part of a Periodic Rail Services Payment where the Forecast Closing Cash Position for the preceding Reporting Period is less than the Floor Cash Position. The value of the Working Capital Payment shall be calculated in accordance with paragraph 9.3.

9.2 TfWRL shall provide the Authority with a statement of TfWRL’s Forecast Closing Cash Position prior to each Periodic Finance Review Meeting in accordance with paragraph 6.2.

9.3 The Working Capital Payment, if payable in any Reporting Period, shall be equal to the following:

WCP =	BCP – FCCP
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Where:

BCP	means the Base Cash Position.
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FCCP	means the Forecast Closing Cash Position applicable to the preceding Reporting Period.
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- 9.4 If during a Reporting Period, TfWRL becomes aware that in its reasonable opinion prior to the payment of the Rail Services Payment in respect of the following Reporting Period TfWRL's available cash balance will be insufficient to meets its liabilities that will fall due prior to the payment of the Rail Services Payment applicable to that Reporting Period (the "**Working Capital Shortfall**"), TfWRL shall immediately:
- (a) notify the Authority that a Working Capital Shortfall is likely to occur during that Reporting Period; and
 - (b) provide in or with that notice supporting information (including relevant accounts and calculations) evidencing the likely Working Capital Shortfall and the amount of additional working capital that TfWRL considers it will require to ensure that the Working Capital Shortfall is remedied; and
 - (c) provide such further supporting information as the Authority shall reasonably require.
- 9.5 The Parties shall agree or where the parties fail to agree, the Authority shall reasonably determine the amount required to remedy the Working Capital Shortfall (an "**Emergency Working Capital Payment**") and when such Emergency Working Capital Payment is required to be paid for that purpose.
- 9.6 The Authority shall pay to TfWRL any Emergency Working Capital Payment in accordance with the timescales agreed or determined in accordance with paragraph 8.5.
- 9.7 If TfWRL fails to provide any information required by this paragraph 9, or any information in accordance with its obligations in Schedule 11.2 (Management Information) to enable the Authority to calculate the amount of any Working Capital Payment or Emergency Working Capital Payment the Authority shall (without prejudice to the Authority' other rights) be entitled (but not obliged) to determine the amount of any Working Capital Payment or Emergency Working Capital Payment in accordance with this paragraph 9 but by reference to the relevant information available to the Authority at the time of such determination.
- 9.8 The Authority shall at any time on reasonable prior notice to TfWRL be entitled to adjust the value of the Ceiling Cash Position, the Base Cash Position and/or the Floor Cash Position provided that the Authority shall have first consulted TfWRL as to any such adjustments as the Authority is considering making.

10 WORKING CAPITAL REPAYMENT

10.1 Subject to paragraph 10.4, a Working Capital Repayment shall become payable by TfWRL as part of a Periodic Rail Services Payment where TfWRL's Forecast Closing Cash Position in the preceding Reporting Period is greater than the Ceiling Cash Position. The value of the Working Capital Repayment shall be calculated in accordance with paragraph 10.2.

10.2 A Working Capital Repayment, if payable in any Reporting Period, shall be equal to the following:

WCR =	FCCP – BCP
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where:

FCCP	means the Forecast Closing Cash Position applicable to the preceding Reporting Period.
BCP	means the Base Cash Position.

10.3 The value of FWCA shall equal:

FWCA =	Total WCP – Total WCR
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where:

Total WCP	the aggregate of all Working Capital Payments and all Emergency Working Capital Payments paid to TfWRL during the Rail Services Term
Total WCR	the aggregate of all Working Capital Repayments paid by TfWRL during the Rail Services Term

10.4 The value of FWCA shall be payable as an adjustment to the Rail Services Payment payable in the Reporting Period immediately following the expiry of the Rail Services Term. FWCA may be positive or negative.

10.5 If TfWRL fails to provide any information in accordance with its obligations in Schedule 11.2 (Management Information) to enable the Authority to calculate any Working Capital Repayment or the Final Working Capital Adjustment the Authority shall (without prejudice to its other rights) be entitled (but not obliged) to determine the amount of WCR or FWCA (as the case may be) in accordance with this paragraph 10 but by reference to the relevant information available to the Authority at the time of such determination.

11 FURTHER AUTHORITY RIGHTS IN RELATION TO ACCOUNTING MATTERS

- 11.1 Where the Authority reasonably considers that in calculating any matter which impacts the calculation of a Rail Services Payment Component, any particular item or transaction has not been accounted for on a reasonable basis (including where the accounting treatment looks to the form rather than the substance, of the item or transaction) and having regard to all circumstances, including GAAP (as may be amended from time to time), the Authority shall be entitled to require it to be accounted for on such other basis as the Authority may reasonably determine and notify to TfWRL provided that the Authority shall not be entitled pursuant to this paragraph to alter the accounting policies of TfWRL from those set out in the Supporting Materials.
- 11.2 Where the Annual Audited Accounts are subject to adjustment or restatement the Authority shall have a discretion to require the recalculation of any affected Rail Services Payment Component for the relevant Service Year and to require that TfWRL shall pay to the Authority the amount which is the difference between:
- (a) any amount actually paid to the Authority or adjusted in favour of the Authority and the amount that would have been paid or adjusted had the affected Rail Services Payment Component been originally calculated on the basis that such adjustment or revision was included in the Annual Audited Accounts; and/or
 - (b) any amount actually paid by the Authority or adjusted in favour of TfWRL and the amount that would have been paid or adjusted had the affected Rail Services Payment Component been originally calculated on the basis that such adjustment or revision was included in the Annual Audited Accounts.
- 11.3 Any payment due to the Authority shall be paid by TfWRL within thirty (30) days of the Authority notifying TfWRL that the Authority requires a payment to be made pursuant to this paragraph.

12 NOT USED

13 NOT USED

Schedule 8.2 – Not used

Schedule 8.3 – Not used

Schedule 8.4 – Not used

Schedule 8.5 - Not used

Schedule 8.6 – Taffs Well Depot

For the purposes of this Schedule 8.6 only, the following words and expressions shall have the following meanings:

"Taff's Well Depot" means the depot to be designed and constructed by TfWRL in accordance with the Taff's Well Depot D&B Contract;

"Taff's Well Depot D&B Contract" means the Taff's Well Depot Design and Build Contract dated 17 December 2020 and made between Keolis Amey Operations / Gweithrediadau Keolis Amey Limited and Amey Rail Limited (as novated to the Previous ODP and then transferred to TfWRL pursuant to a transfer scheme made by the Authority under section 12 and schedule 2 of the Railways Act 2005 immediately prior to the Service Commencement Date); and

"Taff's Well Depot Novation Date" means the date on which the Taff's Well Depot D&B Contract shall novate to TfW.

1 TFWRL OBLIGATIONS IN RESPECT OF TAFF'S WELL DEPOT

1.1 TfWRL shall discharge all of the obligations of the Employer under the Taff's Well D&B Contract and shall prudently and diligently exercise all rights of the Employer under the Taff's Well D&B Contract from the Service Commencement Date until the Taff's Well Depot Novation Date.

1.2 Where instructed by the Authority, TfWRL shall:

- (a) as soon as reasonably practicable thereafter enter into a novation agreement to novate the Taff's Wells Depot D&B Contract to TfW; and
- (b) deliver or cause to be delivered such instruments and other documents at such times and places as are reasonably necessary (and shall take any other action reasonably requested by the Authority) for the purpose of effecting such novation.

2 PAYMENT OF ACTUAL CAPEX INCURRED UNDER THE TAFF'S WELL DEPOT D&B CONTRACT

2.1 Prior to the Taff's Well Depot Novation Date, the Authority shall pay TfWRL any Actual Capex incurred by TfWRL pursuant to the Taff's Well Depot D&B Contract in accordance with paragraph 4 of Schedule 8.1 (Rail Services Payments).

3 **NOT USED**

4 **NOT USED**

5 **NOT USED**

Appendix 1 to Schedule 8.6 – Not used

Schedule 8.7 – RSGF Payments

For the purposes of this Schedule 8.7 only, the following words and expressions shall have the following meanings:

- “Class 150 Units”** means the Class 150 units more particularly described in the table at Appendix 1 to Schedule 1.6;
- “Class 769 Units”** means the Class 769 units more particularly described in the table at Appendix 1 to Schedule 1.6;
- “Flex Modifications”** means the conversion of Class 319/0 units to Class 769/0 in accordance with Class 769 Flex Project Key Requirements Specification document number 4037065, Revision C, Draft 2 and Supplier Bill of Materials 4037000-01 (as amended from time to time);
- “RSGF Units”** means the Class 230 units the acquisition of which by TfWRL is to be capital funded by the Authority as agreed with the Authority and pursuant to this Schedule 8.7 as more particularly described in the table at Appendix 1 to Schedule 1.6;
- “RS Upgrade Scope”** means the scope of the RS Upgrades agreed with the Authority and set out in Appendix 1 to this Schedule 8.7, as may be varied from time to time pursuant to paragraph 1.2 of this Schedule 8.7;
- “RS Upgrades”** means the rolling stock and other upgrades, training and service improvements which TfWRL is obliged to deliver as agreed with the Authority; and
- “Wheel Lathes”** means the wheel lathes to be installed at Canton and Chester the acquisition of which by TfWRL is to be capital funded by the Authority as agreed with the Authority and pursuant to this Schedule 8.7.

1 DELIVERY OF THE RS UPGRADES

- 1.1 TfWRL shall deliver the RS Upgrades in accordance with and subject to the terms and conditions of this Schedule 8.7 and in accordance with the RS Upgrade Scope.
- 1.2 The Authority shall be entitled to request a change to the RS Upgrade Scope by means of a variation to be agreed in writing between the Parties in accordance with clause 20 (Variations) of this Agreement.
- 1.3 Not used.

2 PAYMENT OF ACTUAL CAPEX INCURRED IN CONNECTION WITH THE RS UPGRADES

2.1 The Authority shall pay TfwRL any Actual Capex incurred by TfwRL in connection with the RS Upgrades in accordance with paragraph 4 of Schedule 8.1 (Rail Services Payments).

3 NOT USED

4 NOT USED

5 NOT USED

Appendix 1 to Schedule 8.7 - RS Upgrade Scope

1 RSGF ADDITIONAL UNITS

1.1 TfWRL shall ensure that any manufacture and supply agreement ("**MSA**"), train services agreement ("**TSA**") or other agreement entered into with any third party in respect of the design, build, maintenance, overhaul, servicing, repair or operation of the RSGF Units shall include such protections as are reasonably necessary or desirable for the protection of the condition of the RSGF Units and / or their long-term economic or operational value including those set out in paragraphs 1.2 to 1.5 below.

1.2 The MSA shall contain appropriate provisions in respect of the following, provided that the assessment of what is appropriate shall take into account what is reasonable in the context of all of the circumstances relating to the negotiation and entry into of the MSA including Good Industry Practice:

- (a) the capital payment profile;
- (b) the output specification of the RSGF Units (including key performance characteristics and service offering);
- (c) any proposed derogations from relevant applicable laws and standards;
- (d) deliverables for the key milestones and acceptance tests;
- (e) an appropriate warranty package and remedies;
- (f) intellectual property rights granted to TfWRL to use, maintain, service, repair, overhaul and modify the RSGF Units throughout the design life of the RSGF Units and which are capable of being passed to any other person carrying on those activities in succession to TfWRL at no cost to such person;
- (g) manufacturer termination events;
- (h) incentives for the manufacturer to deliver on time (including liquidated damages);
- (i) the liability profile of the manufacturer including with regard to the rectification of defects under any key warranties; and
- (j) the right of the Authority or its representatives to be present at any acceptance test(s).

1.3 The TSA shall contain appropriate provisions in respect of the following, provided that the assessment of what is appropriate shall take into account what is reasonable in the context of all of the circumstances relating to the negotiation and entry into of the TSA including Good Industry Practice:

- (a) the scope and adequacy of services to be provided in respect of activities undertaken to maintain, service, repair, overhaul and modify the RSGF Units for the duration of the TSA;
- (b) except where already provided in the MSA, intellectual property rights granted to TfWRL in respect of activities undertaken to maintain, service, repair, overhaul and modify the RSGF Units throughout the design life of the RSGF Units which are capable of being passed to any other person carrying on those activities in succession to TfWRL at no cost to such person;
- (c) any accruals for heavy maintenance, particularly if any major overhauls are likely to become due following expiry or earlier termination of this Agreement;
- (d) maintainer termination events;
- (e) run-off warranties at the end of the TSA; and
- (f) the liability profile of the maintainer.

1.4 TfWRL shall keep the Authority fully informed of progress in respect of the design, build and operation of the RSGF Units, including any proposal to accept RSGF Units and shall have regard to the Authority's reasonable representations in respect of any of the same where any such matter may affect the condition of the RSGF Units and / or their long-term economic or operational value and including in respect any:

- (a) right to enforce warranties or indemnities or other similar rights or protections against any third party contractor;
- (b) proposed performance or remedial improvement plans

and TfWRL shall not, without the prior consent of the Authority in writing, settle any claim relating to such rights or protections or agree any performance or remedial plans where the same may affect the condition of the RSGF Units and / or their long-term economic and / or operational value.

1.5 Neither the MSA nor the TSA may be varied without the prior consent in writing of the Authority. Where any part of the MSA or TSA (including any schedule thereto) is stated to require further development between the parties thereto following signature TfWRL shall ensure that this occurs prior to the relevant date for completion of such part or schedule set out therein.

1.6 TfWRL shall not permit any changes to the maintenance regime applicable to the RSGF Units without the prior consent in writing of the Authority.

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- 1.7 TfWRL acknowledges that the RSGF Units are being procured by TfWRL, that the Authority disclaims any responsibility for and makes no representation or warranty in respect of the specification, design, manufacture, condition, suitability, fitness for purpose, adequacy or any other matter relating to the RSGF Units and, to the fullest extent permitted by law, the Authority excludes any liability to TfWRL associated with the foregoing and TfWRL waives any right which it may have in respect thereof.
- 1.8 TfWRL hereby indemnifies and agrees to hold the Authority harmless against any claim brought by any person against the Authority in respect of the RSGF Units arising out of or in connection with the ownership, possession, use, maintenance, overhaul, modification or repair of the RSGF Units, to the extent such claim relates to the period in which TfWRL has title to and / or possession of the RSGF Units, and including where any such claim, loss or expense relates to any damage to property (including infrastructure) and / or the death of or any personal injury to any person. Save where TfWRL is in default of any of its obligations under this Schedule 8.7, TfWRL shall not be liable under the foregoing provisions of this paragraph 1.8 for any diminution in the residual value of the RSGF Units.
- 1.9 TfWRL shall accrue for all major maintenance exams or overhauls, refurbishments or other periodic upgrades to the RSGF Units due over the design life of the RSGF Units by reference to the maintenance plan for the RSGF Units, to the extent due after the end of the Rail Services Term and referable to the period of time prior to the end of the Rail Services Term, with the balance being maintained so as to be capable of being passed to the successor operator of the RSGF Units (or such other person as the Authority may direct), and such balance shall be transferred by TfWRL to the successor operator of the RSGF Units (or such other person as the Authority may direct) upon the earlier of termination or expiry of this Agreement.
- 1.10 The Authority and its representatives shall be entitled on reasonable notice from time to time to inspect the RSGF Units with a view to establishing the condition of the RSGF Units and any defects which it is the responsibility of TfWRL to resolve in accordance with paragraph 1.13 prior to handover of the RSGF Units to any successor operator and the Authority, acting reasonably, may require TfWRL to establish an account in the name of the Authority (the "**Inspection Security Account**") into which TfWRL shall deposit such amount as the Authority (acting reasonably) may specify as security for the performance of the obligations of TfWRL under paragraph 1.13.
- 1.11 On expiry or the earlier termination of this Agreement the RSGF Units shall be provided by TfWRL to the successor operator (or such other person as the Authority may direct) at the Wrexham depot (or such other location as may be agreed between the parties) and such units shall be in accordance with the specification (as provided for under the MSA) subject to fair wear and tear and maintained up to date by reference to their position in

the maintenance programme, fit for purpose and free from faults and defects, with any modifications (other than mandatory modifications) removed (save where the Authority has provided its prior consent in writing to the same not being removed) (the "**Transfer Condition**").

- 1.12 The Authority shall, acting reasonably, advise within six weeks of the RSGF Units being provided to the successor operator (or such other person as the Authority may direct) of any defects or other non-compliance with the Transfer Condition which existed as at the date of provision of such units to the successor operator.
- 1.13 Where the RSGF Units are not in the Transfer Condition as at the date of provision of such units to the successor operator the Authority shall have the option, by notifying TfWRL in writing, to require TfWRL to rectify any defects or non-compliances or to pay such reasonable costs as the Authority or any successor operator (or other person nominated by the Authority) may incur in rectifying such defects or non-compliances. The Authority shall be entitled to claim any reasonable costs or expenses associated with the RSGF Units being taken out of service or otherwise not being available for use in revenue earning passenger carrying service while any such defects or other non-compliances are rectified, excluding any loss of revenue and any indirect or consequential loss. TfWRL shall be entitled to apply any credit balance held in the Inspection Security Account to make payments or otherwise apply the same towards the reasonable cost of repairs in fulfilment of its obligations under this paragraph 1.13.

2 **CLASS 769 UNITS**

- 2.1 TfWRL shall ensure that the following enhancements to the Class 769 Rolling Stock as provided for in a lease of such rolling stock between TfWRL and the relevant RS Lessor are undertaken and completed in accordance with the terms of such lease:
- (a) Flex Modifications;
 - (b) installation of ethernet backbone for Wi-Fi;
 - (c) installation of forward facing CCTV and saloon CCTV;
 - (d) installation of guards operating panel;
 - (e) installation of USB power sockets at each 'bay' (single socket plate with two USB chargers);
 - (f) internal refurbishment: grab handles, seat grab handles, seat moquette, interior paint saloon vestibules, interior paint bodyside, interior paint ceilings, gangway, toilet, cab interior paint, vestibule and saloon vinyl heavy clean, saloon heater covers/kicking strips heavy clean, saloon pedestals to be repaired before

spraying, saloon under seat/behind equipment enclosures to be repaired before spraying, saloon luggage racks repaired before painting, saloon luggage rack ends panels repaired before painting, saloon litter bins repaired before coating, cab lino heavy clean, cab desk fabric panel re-trim and cab desk repair before painting;

- (g) train wrap to rebrand exterior of the vehicles in line with branding approved by the Authority;
- (h) TTG Energymesier DAS fitment; and
- (i) reliability improvements: traction motor condition assessment, replacement air compressor delivery hose, replacement compressor contactors, check of equipment case seals and locks, fuse cupboard door switch (reset or replace) and door relays (10% change out included).

3 **CLASS 150 UNITS**

3.1 TFWRL shall ensure that the following enhancements to the Class 150 Rolling Stock as provided for in a lease of such rolling stock between TFWRL and the relevant RS Lessor are undertaken and completed in accordance with the terms of such lease:

- (a) train wrap to rebrand exterior of the vehicles in line with branding approved by the Authority;
- (b) internal refurbishment: seat cover replacement, grab pole repainting, floor covering replacement, vinyl on toilet walls and wall panel replacement or wrapping to match branding approved by the Authority;
- (c) fitment of automatic passenger counting to 25% of the fleet; and
- (d) fitment of WSP system.

4 **NOT USED**

5 **WHEEL LATHES**

5.1 The Wheel Lathes shall be designed, built, supplied, operated and maintained in such manner as is reasonably necessary or desirable for the protection of the condition of the Wheel Lathes and their long-term economic and / or operational value, taking into account what is reasonable in the context of all of the circumstances at the time including Good Industry Practice.

5.2 Any contract with a third party for the design, build, supply, operation and / or maintenance of the Wheel Lathes shall be a Key Contract and TFWRL shall ensure that any such contract shall include such provisions as are reasonably necessary or desirable

for the protection of the condition of the Wheel Lathes and their long-term economic and / or operational value including the following, taking into account what is reasonable in the context of all of the circumstances relating to the negotiation and entry into of such contract including Good Industry Practice:

- (a) the output specification of the Wheel Lathes;
- (b) any proposed derogations from relevant applicable laws and standards;
- (c) deliverables for the key milestones and acceptance tests;
- (d) an appropriate warranty package and remedies;
- (e) intellectual property rights granted to TfWRL adequate to use, maintain, service, repair, overhaul and modify the Wheel Lathes throughout the design life of the Wheel Lathes and which are capable of being passed to any other person carrying on those activities in succession to TfWRL at no cost to such person;
- (f) manufacturer termination events;
- (g) incentives for the manufacturer to deliver on time;

the liability profile of the manufacturer including with regard to the rectification of defects under any key warranties.

Appendix 2 to Schedule 8.7 – Not used

Schedule 8.8 – Not used

Schedule 8.9 – Intermodal Concessionary Smart Card CRM Services Payments

For the purposes of this Schedule 8.9 only, the following words and expressions shall have the following meanings:

“Intermodal Concessionary Smart Card CRM Services” means the delivery, support and maintenance of intermodal concessionary smart card CRM services by TfWRL, the scope of which is set out in the Intermodal Concessionary Smart Card CRM Services Scope;

“Intermodal Concessionary Smart Card CRM Services Payment” means the payments to be made by the Authority to TfWRL in accordance with this Schedule 8.9 for the delivery of Intermodal Concessionary Smart Card CRM Services;

“Intermodal Concessionary Smart Card CRM Services Maximum Amount” means the amount set out in the final column of the bottom row in the table entitled “Table 1: Intermodal Concessionary Smart Card CRM Services Payments” at Appendix 2 to this Schedule 8.9 (and, in respect of each Intermodal Concessionary Smart Card CRM Service, means the annual maximum amount set out in the column corresponding to the relevant Service Year, of the row corresponding to such Intermodal Concessionary Smart Card CRM Service, in the table entitled “Table 1: Intermodal Concessionary Smart Card CRM Services Payments” at Appendix 2 to this Schedule 8.9,) subject to any adjustment for any change to the Intermodal Concessionary Smart Card CRM Services Scope agreed pursuant to paragraph 1.3;

“Intermodal Concessionary Smart Card CRM Services Assessment Date” means the fifteenth (15th) day of each month provided that if any such date is not a Weekday, then the Intermodal Concessionary Smart Card CRM Services Assessment Date shall occur on the following Weekday;

“Intermodal Concessionary Smart Card CRM Services - TfWRL Additional Support Services” means those support services provided by TfWRL directly and not by the Intermodal Concessionary Smart Card CRM Services Developer and Maintainer;

- “Intermodal Concessionary Smart Card CRM Services - TfWRL Additional Support Services Payment”** means the payment for Intermodal Concessionary Smart Card CRM Services - TfWRL Additional Support Services;
- “Intermodal Concessionary Smart Card CRM Services Payment Due Date”** has the meaning given to it in paragraph 2.10 of this Schedule 8.9;
- “Intermodal Concessionary Smart Card CRM Services Payment Notice”** has the meaning given to it in paragraph 2.9 of this Schedule 8.9;
- “Intermodal Concessionary Smart Card CRM Services Reimbursement”** has the meaning given to it in paragraph 2.13 of this Schedule 8.9;
- “Intermodal Concessionary Smart Card CRM Services Scope”** means the scope of the Intermodal Concessionary Smart Card CRM Services as set out in Appendix 1 to this Schedule 8.9, as may be varied from time to time pursuant to paragraph 1.3 of this Schedule 8.9;
- “Intermodal Concessionary Smart Card CRM Services Developer and Maintainer”** means ixRM Limited, a company registered in England and Wales, with registered number 10627522 and registered office located at 12 Cliffe Park Way, Bruntcliffe Road, Morley, Leeds LS27 ORY or other Subcontractor appointed by TfWRL and agreed by the Authority from time to time to supply such services.
- “Intermodal Concessionary Smart Card CRM Services Specification”** means the “Application Processing System – Specification” subject to any subsequent amendment agreed by the parties and any other specification documents that may be agreed by the parties specifying the Intermodal Concessionary Smart Card CRM Services;
- “Support and Maintenance Services Payment”** means those amounts of Intermodal Concessionary Smart Card CRM Services Payments attributable to the support and maintenance of the Intermodal Concessionary Smart Card CRM Services, such amounts being subject to the annual maximum amounts as set out in the corresponding row of Table 1 (Intermodal

Concessionary Smart Card CRM Services Payments) to
Appendix 2 to this Schedule 8.9.

1 GRANT FUNDING PAYMENTS

- 1.1 TfWRL shall deliver the Intermodal Concessionary Smart Card CRM Services in accordance with the Intermodal Concessionary Smart Card CRM Services Scope.
- 1.2 The Authority shall pay TfWRL for delivering the Intermodal Concessionary Smart Card CRM Services by means of the Intermodal Concessionary Smart Card CRM Services Payments to be paid by the Authority to TfWRL in accordance with this Schedule 8.9.
- 1.3 The Authority shall be entitled to request a change to the Intermodal Concessionary Smart Card CRM Services Scope by means of a variation to be agreed in writing between the Parties in accordance with clause 20 (Variations) of this Agreement.

2 PAYMENT OF GRANT FUNDING PAYMENTS

- 2.1 TfWRL shall assess the amount it considers to be due from the Authority in accordance with this Schedule 8.9 and submit an application for payment to the Authority for any amount considered to be due in accordance with this Schedule 8.9 on each Intermodal Concessionary Smart Card CRM Services Assessment Date.
- 2.2 Subject to paragraphs 2.3, 2.4, 2.5, 2.6 and 2.16 of this Schedule 8.9, TfWRL, in each application for payment submitted pursuant to paragraph 2.1, shall be entitled to include an amount equivalent to any payment:
- (a) which is due from and is properly payable by TfWRL; or
 - (b) in relation to which TfWRL provides the Authority with evidence that such payment will become due from and properly payable by TfWRL within the relevant month,

to the Intermodal Concessionary Smart Card CRM Services Developer and Maintainer and the payment directly relates to the delivery of Intermodal Concessionary Smart Card CRM Services by the Intermodal Concessionary Smart Card CRM Services Developer and Maintainer to TfWRL.

- 2.3 Following the first Service Year, prior to the start of each Service Year, TfWRL shall provide to the Authority the forecast expenditure profile in respect of any Intermodal Concessionary Smart Card CRM Services to be delivered in such Service Year.

- 2.4 TfWRL shall include in any application for payment submitted pursuant to paragraph 2.1 a reconciliation to reflect any difference between the amount forecast as due in respect of such payment by TfWRL and the amount of the relevant Intermodal Concessionary Smart Card CRM Services Payment claimed by TfWRL in such application for payment.
- 2.5 TfWRL shall not be entitled to include in any application for payment pursuant to paragraph 2.1 any amount where:
- (a) not used;
 - (b) not used;
 - (c) the relevant Intermodal Concessionary Smart Card CRM Services has not been (or TfWRL has reasonable grounds to believe that it will not be) completed in accordance with the Intermodal Concessionary Smart Card CRM Services Scope;
 - (d) such amount represents or includes any element of VAT charged by TfWRL or by any person supplying goods or services to TfWRL; and / or
 - (e) not used.
- 2.6 Applications for payment submitted by TfWRL pursuant to paragraph 2.1 shall include:
- (a) a description of the amount claimed and how this relates to any relevant Intermodal Concessionary Smart Card CRM Services;
 - (b) reasonable documentary evidence to substantiate the amounts claimed, including details of the conformity of the relevant Intermodal Concessionary Smart Card CRM Services with the relevant Intermodal Concessionary Smart Card CRM Services Scope, together with copies of any Intermodal Concessionary Smart Card CRM Services Developer and Maintainer invoices relating to the same;
 - (c) documentary evidence of costs incurred by TfWRL for Intermodal Concessionary Smart Card CRM Services - TfWRL Additional Support Services Payments for example the time sheets for staff;
 - (d) any amounts in connection with any changes to the Intermodal Concessionary Smart Card CRM Services Scope agreed pursuant to paragraph 1.3; and
 - (e) any interest pursuant to paragraph 3 below.
- 2.7 If the Authority disputes the amount contained in an application for payment, including where the Authority is not satisfied that the relevant Intermodal Concessionary Smart Card CRM Services has been (or the Authority has reasonable grounds to believe that it

will not be) completed in accordance with the Intermodal Concessionary Smart Card CRM Services Scope, the Parties shall discuss to attempt to resolve such dispute, failing which paragraph 4 below shall apply. Following resolution of any such dispute, the Authority shall pay any further amount which is agreed or determined to be payable (if any) within seven (7) days of such agreement or determination, together with interest thereon at the Interest Rate from the date falling seven (7) days after the date of such agreement or determination.

- 2.8 A dispute as to any amount payable under this Schedule 8.9 shall not relieve the Authority of its obligation to pay any undisputed amount pursuant to this Schedule 8.9.
- 2.9 In respect of undisputed amounts, not later than five (5) days after receipt of the application for payment, the Authority shall issue a notice (a "**Intermodal Concessionary Smart Card CRM Services Payment Notice**") to TfWRL stating the amount of payment made or proposed to be made, which shall be calculated in accordance with the provisions of this Schedule 8.9.
- 2.10 The amount stated in the Intermodal Concessionary Smart Card CRM Services Payment Notice shall be payable on or before the date that is seven (7) days after the issue of the Intermodal Concessionary Smart Card CRM Services Payment Notice (the "**Intermodal Concessionary Smart Card CRM Services Payment Due Date**").
- 2.11 The Authority shall pay the amount stated in an Intermodal Concessionary Smart Card CRM Services Payment Notice on or before the Intermodal Concessionary Smart Card CRM Services Payment Due Date.
- 2.12 Each Intermodal Concessionary Smart Card CRM Services Payment shall be made by the Authority:
- (a) by automatic electronic funds transfer in pounds sterling to such bank account in the United Kingdom nominated in writing by TfWRL; and
 - (b) so that cleared funds are received in that account on or before the Intermodal Concessionary Smart Card CRM Services Payment Due Date.
- 2.13 Without prejudice to any other right of the Authority under this Agreement, where the Authority makes any Intermodal Concessionary Smart Card CRM Services Payment and:
- (a) the relevant Intermodal Concessionary Smart Card CRM Services is subsequently discovered to have not been completed in accordance with the relevant Intermodal Concessionary Smart Card CRM Services Scope; or

- (b) where it is subsequently discovered TfWRL has not materially complied with any of its obligations as set out in the Intermodal Concessionary Smart Card CRM Services Scope

TfWRL shall promptly reimburse the Authority for any reasonable costs or losses or diminution in value of the Intermodal Concessionary Smart Card CRM Services (being an **“Intermodal Concessionary Smart Card CRM Services Reimbursement”**).

2.14 Where TfWRL subsequently rectifies any such non-compliance with the Intermodal Concessionary Smart Card CRM Services Scope, the Authority shall return a proportionate amount of the Intermodal Concessionary Smart Card CRM Services Reimbursement to TfWRL, less any reasonable costs or losses or diminution in value of the Intermodal Concessionary Smart Card CRM Services suffered or incurred by the Authority (it being acknowledged for these purposes that the completion of the Intermodal Concessionary Smart Card CRM Services in a timely manner is closely linked to delivery of the benefits associated therewith).

2.15 Any Intermodal Concessionary Smart Card CRM Services Reimbursement payable by TfWRL to the Authority shall, at the Authority’s discretion:

- (a) be made by TfWRL:
- (i) by automatic electronic funds transfer in pounds sterling to such bank account in the United Kingdom as the Authority may have previously specified to TfWRL in writing; and
 - (ii) so that cleared funds are received in that account on or before the Intermodal Concessionary Smart Card CRM Services Payment Due Date; or
- (b) set off by the Authority against any future Intermodal Concessionary Smart Card CRM Services Payment which may become due from the Authority to TfWRL.

2.16 Subject to the provisions in paragraphs 1.2, 1.3 and 1.4 of Appendix 2 to this Schedule 8.9, TfWRL shall not be entitled to be paid more pursuant to this Schedule 8.9 than the Intermodal Concessionary Smart Card CRM Services Maximum Amount.

2.17 Not used.

3 **INTEREST**

3.1 If either Party fails to make a payment in accordance with this Schedule 8.9 at the date such payment falls due, the relevant Party shall in addition pay simple interest on such amount at the Interest Rate, calculated on a daily basis, from the relevant due date to the

date on which payment is made, which shall constitute a substantial remedy for the purposes of section 9(1) of the Late Payment of Commercial Debts (Interest) Act 1998.

3.2 Any interest payable pursuant to this Schedule 8.9 shall be included in the first application for payment provided by TfWRL to the Authority after the late payment is made.

4 DISPUTES UNDER SCHEDULE 8.9

4.1 If a dispute arises in relation to any Intermodal Concessionary Smart Card CRM Services Payment, including any dispute as to:

- (a) the amount of any Intermodal Concessionary Smart Card CRM Services Payment;
- (b) any other dispute as to whether an Intermodal Concessionary Smart Card CRM Services Payment is due;
- (c) any other dispute as to whether an Intermodal Concessionary Smart Card CRM Services Payment should be reimbursed by TfWRL to the Authority; or
- (d) any dispute as to whether TfWRL has complied with the Intermodal Concessionary Smart Card CRM Services Scope.

then the dispute shall, unless the Parties otherwise agree, be resolved in accordance with the provisions of clause 11 (Dispute Resolution Procedure) of this Agreement. Any such dispute shall not affect the obligation of the Authority to pay an Intermodal Concessionary Smart Card CRM Services Payment claimed in accordance with this Schedule 8.9.

5 NO DOUBLE RECOVERY

5.1 TfWRL shall not be entitled to payment more than once in respect of any Intermodal Concessionary Smart Card CRM Services which has already been the subject of a payment pursuant to this schedule 8.9 or otherwise in this Agreement. This provision shall not serve to prevent part payments for any Intermodal Concessionary Smart Card CRM Services which may then be the subject of a subsequent payment.

6 COLLATERAL WARRANTY AND THIRD PARTY RIGHTS

6.1 TfWRL shall procure that as soon as reasonably practicable following the Service Commencement Date:

- (a) the Intermodal Concessionary Smart Card CRM Services Developer and Maintainer shall duly execute and deliver to the Authority a collateral warranty for the Intermodal Concessionary Smart Card CRM Services; or

- (b) TfWRL and the Intermodal Concessionary Smart Card CRM Services Developer and Maintainer shall otherwise amend the sub-contract with the Intermodal Concessionary Smart Card CRM Services Developer and Maintainer to provide third party rights to the Authority.

**Appendix 1 to Schedule 8.9 - Intermodal Concessionary Smart Card CRM
Services Scope**

1 NOT USED

**2 INTERMODAL CONCESSIONARY SMART CARD CRM SERVICES MAINTENANCE
& SUPPORT**

2.1 TfWRL shall provide maintenance and telephone support for the Intermodal Concessionary Smart Card CRM Services. The Authority may cease to receive such provision of maintenance and support (and cease to pay the Support and Maintenance Services Payment) by providing a minimum of three months' notice.

**3 INTERMODAL CONCESSIONARY SMART CARD CRM SERVICES LICENCING AND
OTHER ITEMS**

3.1 TfWRL shall provide licencing for the Intermodal Concessionary Smart Card CRM Services to cover Microsoft Dynamics 365 Licences in numbers as required by the Authority by prior written notice.

3.2 TfWRL shall provide licencing for the Intermodal Concessionary Smart Card CRM Services to cover the following matters and in numbers as incurred by the Authority or as required by the Authority by prior written notice:

- (a) Postcode lookup; and
- (b) SMS Subscription.

3.3 TfWRL shall provide web portal hosting for the Intermodal Concessionary Smart Card CRM Services ("**CRM Web Portal Hosting**") as required by the Authority by prior written notice including technical specification. Such CRM Web Portal Hosting shall include the following:

- (a) Production and staging Web Server hosting set-up and establishment including testing to include:
 - (i) project management
 - (ii) infrastructure rollout
 - (iii) documentation
 - (iv) support
 - (v) testing
 - (vi) code deployments across autoscaling clusters.

- (b) Each Server to (as a minimum) provide the following specification
 - (i) Virtual private cloud
 - (ii) Load balancing
 - (iii) Dual webserver (Dual Central Processing Unit, 8 x 1Gb Random Access Memory)
 - (iv) Global Roaming Server Shared Storage 50Gb
 - (v) Standard Query Language Database with 50Tb storage - Global Roaming Server Virtual Private Network Gateway 2Tb Bandwidth allowance
 - (vi) Content delivery network

4 **INTERMODAL CONCESSIONARY SMART CARD CRM SERVICES – FURTHER DEVELOPMENT**

- 4.1 TfWRL shall provide resourcing for further development of the Intermodal Concessionary Smart Card CRM Services (“**Further Development**”) as required by the Authority by prior written notice.

Appendix 2 to Schedule 8.9

1 INTERMODAL CONCESSIONARY SMART CARD CRM SERVICES MAXIMUM AMOUNT

1.1 The Intermodal Concessionary Smart Card CRM Services Maximum Amounts for support and maintenance are as set out in Table 1.

1.2 No maximum amount is set for:

- (a) Microsoft Dynamics 365 Licences;
- (b) Postcode Lookup; and
- (c) SMS Subscription,

as such associated costs are set by third parties and dependent on the amount of use and/or number of licenses (as relevant) incurred or required (as the case may be) by the Authority.

1.3 No maximum amount is set for CRM Web Portal Hosting. CRM Web Portal Hosting is as required by the Authority by written notice, subject to the following rates:

- (a) Web Server hosting set-up and establishment including testing [REDACTED]
- (b) Azure Web Hosting (per calendar month) [REDACTED]

Including the following:

- (i) Staging Environment Server and Cloudflare Content Delivery Network, and
 - (ii) Live Environment Server and Cloudflare Content Delivery Network.
- (c) Azure Web Hosting Additional Items:
- (i) Additional Servers (per calendar month) [REDACTED]
 - (ii) Auto-scaling (per hour) [REDACTED]
 - (iii) This charge applied is per hour of exceeding available size. Should this continue over a sustained period a review of server capacity will be undertaken.
 - (iv) Server Fail-over (per 24-hour day) [REDACTED]

(d) Azure Virtual Server set-up and establishment including testing
[REDACTED]

(e) Azure Virtual Server (per calendar month) [REDACTED]

Including the following:

(i) A fixed IP address, and

(ii) Transaction volume charge up to [REDACTED] which is sufficient in current volume estimate.

1.4 No maximum amount is set for Further Development. Further Development is as required by the Authority by written notice, subject to the following rates:

(a) [REDACTED]per day;

(b) [REDACTED] per half day (remote work only); or

(c) [REDACTED] per hour (remote work only).

Table 1: Intermodal Concessionary Smart Card CRM Services Payments (such figures are based on 2019/20 figures and subject to indexation)

Service	Service Year 1	Service Year 2	Service Year 3	Service Year 4	Service Year 5	Service Year 6	Service Year 7
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Support & Maintenance	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Intermodal Concessionary Smart Card CRM Services - TfWRL Additional Support Services	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Intermodal Concessionary Smart Card CRM Services - TfWRL Additional Support Services (per annum)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Appendix 3 to Schedule 8.9 - Intermodal Concessionary Smart Card CRM Services – Data Protection

Personal Data Breach and appropriate technical and organisational measures: as defined in the Data Protection Requirements.

1 DATA PROTECTION

1.1 Both Parties will comply with all applicable requirements of the Data Protection Requirements. This paragraph 1.1 is in addition to, and does not relieve, remove or replace, a Party's obligations or rights under the Data Protection Requirements.

1.2 The Parties acknowledge that for the purposes of the Data Protection Requirements, in relation to the purposes of the Intermodal Concessionary Smart Card CRM Services only, the Authority is the Controller and TfWRL is the Processor. Part A of this Appendix 3 to Schedule 8.9 sets out the scope, nature and purpose of processing by TfWRL, the duration of the processing and the types of Personal Data and categories of Data Subject.

1.3 Without prejudice to the generality of paragraph 1.1, the Authority will ensure that it has all necessary and appropriate consents and notices in place to enable lawful transfer of the Personal Data to TfWRL and/or lawful collection of the Personal Data by TfWRL on behalf of the Authority for the duration and purposes of this Agreement.

1.4 Without prejudice to the generality of paragraph 1.1, TfWRL shall, in relation to any Personal Data processed in connection with the performance by TfWRL of its obligations under this Agreement:

- (a) process that Personal Data only on the documented written instructions of the Authority which are set out in Part A of this Appendix 3 to Schedule 8.9 unless TfWRL is required by Law to otherwise process that Personal Data. Where TfWRL is relying on Law as the basis for processing Personal Data, TfWRL shall promptly notify the Authority of this before performing the processing required by the Law unless the Law prohibits TfWRL from so notifying the Authority;
- (b) notify the Authority immediately if it considers that any of the Authority's instructions infringe the Data Protection Requirements;
- (c) ensure that it has in place appropriate technical and organisational measures, reviewed and approved by the Authority, to protect against unauthorised or unlawful processing of Personal Data and against accidental loss or destruction of, or damage to, Personal Data, appropriate to the harm that might result from the unauthorised or unlawful processing or accidental loss, destruction or damage and the nature of the data to be protected, having regard to the state of technological development and the cost of implementing any measures (those

measures may include, where appropriate, pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of its systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of the technical and organisational measures adopted by it);

- (d) ensure that:
 - (i) all personnel who have access to and/or process Personal Data do not process Personal Data except in accordance with the instructions set out in this Appendix 3;
 - (ii) it takes all reasonable steps to ensure the reliability and integrity of any personnel who have access to and/or process Personal Data and ensure that they:
 - (A) are aware of and comply with TfWRL's duties as a Processor under this Appendix 3;
 - (B) are subject to appropriate confidentiality undertakings;
 - (C) are informed of the confidential nature of the Personal Data and do not publish, disclose or divulge any of the Personal Data to any third party unless directed in writing to do so by the Authority or as otherwise permitted by this Schedule 8.9 and Appendix 3; and
 - (D) have undergone adequate training in the use, care, protection and handling of Personal Data;
- (e) not transfer any Personal Data outside of the UK unless the prior written consent of the Authority has been obtained and the following conditions are fulfilled:
 - (i) the Authority or TfWRL has provided appropriate safeguards in relation to the transfer as determined by the Authority;
 - (ii) the data subject has enforceable rights and effective legal remedies;
 - (iii) TfWRL complies with its obligations under the Data Protection Requirements by providing an adequate level of protection to any Personal Data that is transferred; and
 - (iv) TfWRL complies with reasonable instructions notified to it in advance by the Authority with respect to the processing of the Personal Data;

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- (f) fully assist the Authority, at the Authority's cost, in responding to any request, complaint or communication from a Data Subject and in ensuring compliance with its obligations under the Data Protection Requirements with respect to security, breach notifications, impact assessments, consultations and any other communications with the Information Commissioner or regulators. In relation to its obligations under this paragraph 1.4(f), TfWRL's obligations shall include promptly providing;
- (i) the Authority will full details and copies of any such request, complaint or communication;
 - (ii) such assistance as it reasonably requested by the Authority to enable the Authority to comply with any Data Subject request within the relevant timescales set out in the Data Protection Requirements;
 - (iii) the Authority, at its request, with any Personal Data it holds in relation to a Data Subject;
 - (iv) assistance as requested by the Authority following a Personal Data Breach;
 - (v) assistance as requested by the Authority with respect to any request from the Information Commissioner's, or any consultation by the Authority with the Information Commissioner;
- (g) notify the Authority without undue delay on becoming aware of a Personal Data Breach;
- (h) at the written direction of the Authority, delete or return Personal Data and copies thereof to the Authority on termination of the agreement unless required by Law to store the Personal Data; and
- (i) maintain complete and accurate records and information to demonstrate its compliance with this paragraph 1.4 and allow for audits by the Authority or the Authority's designated auditor and immediately inform the Authority if, in the opinion of TfWRL, an instruction infringes the Data Protection Requirements.

1.5 The Authority consents to TfWRL appointing the entities listed as 'third party processors' in Part B of this Appendix 3 to Schedule 8.9 as a third-party processor of Personal Data under this Agreement. TfWRL confirms that it has entered or (as the case may be) will enter with the third-party processor into a written agreement incorporating terms which are substantially similar to those set out in this Appendix 3 and in either case which TfWRL confirms reflect and will continue to reflect the requirements of the Data Protection Requirements. As between the Authority and TfWRL, TfWRL shall remain fully liable for

all acts or omissions of any third-party processor appointed by it pursuant to this Appendix 3.

- 1.6 Each Party shall designate its own data protection offer if required by the Data Protection Requirements.
- 1.7 The Authority may, at any time on not less than 30 days' notice, revise this Appendix 3 by replacing it with any applicable controller to processor standard clauses or similar terms adopted by the Information Commissioner or forming part of an applicable certification scheme (which shall apply when replaced by attachment to this Agreement).

Part A -
Processing, Personal Data and Data Subjects

1 DATA PROTECTION OFFICERS

	The Authority	TfWRL
Name of Data Protection Officer	[REDACTED]	[REDACTED]
Email	[REDACTED]	[REDACTED]
Contact telephone number(s)	[REDACTED]	[REDACTED]

2 DETAILS OF PROCESSING OF PERSONAL DATA IN RELATION TO SCHEDULE 8.9

Description	Details
Identity of the Controller and Processor	The Parties acknowledge that for the purposes of the Data Protection Requirements, the Authority is the Controller and TfWRL is the Processor in accordance with Paragraph 1.2 of Appendix 3 to Schedule 8.9.
Subject matter of the processing	The processing is required in order to ensure that TfWRL can effectively deliver the services set out in Schedule 8.9.
Duration of the processing	Process only to be conducted by the processor for the duration of this agreement.
Nature and purposes of the processing	<p>Processing will be carried out if the data subject submits an enquiry or ask us for further information, either by completing the "contact us" for on this website, emailing us or speaking to one of our staff;</p> <p>Processing is necessary to perform our obligations for example:</p> <p style="padding-left: 40px;">(i) email or residential address so we can deliver tickets to you;</p>

	<p>(ii) online accounts management and record journey history;</p> <p>(iii) administration of payments, issue tickets or other products</p> <p>(iv) to manage refunds, fees, compensation or charges</p> <p>(v) to recovering money owed to us or preventing us enabling fraud;</p> <p>Processing is necessary for compliance with our legal obligations, for example:</p> <p>(i) to share with government agencies or law enforcement authorities for the purposes of fraud prevention; and</p> <p>Processing is necessary to protect vital interests</p> <p>(i) if subject is taken ill on a train or there is an emergency we may need to share your details with the emergency services;</p> <p>(ii) to carry out health and safety assessments, and keep records of incidents at stations from which we operate or on our services where it is necessary to comply with a legal obligation, necessary to protect the vital interests of any individual;</p> <p>Processing is necessary for our legitimate interests or those of any third party recipients that receive personal data, for example:</p> <p>(i) to improve our services or develop our products or website;</p> <p>(ii) journey information or notification of any changes to our service;</p> <p>(iii) to notify regarding changes to our website, terms of business, Privacy Notice or other terms and conditions in order to keep our customers up to date with our most recent policies, maintaining our network security and administering our IT services;</p>
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	<p>(iv) to monitor our website and use data analytics to improve our website, products, services, and marketing, and to ensure that the content on our website is presented is effective as possible;</p> <p>(v) to develop our products and services and in informing our marketing and corporate strategy; and</p> <p>(vi) comply with court orders and exercise and/or defend our legal rights.</p> <p>Processing of sensitive personal data under specific circumstances, these include where:</p> <p>(i) have been given explicit consent to such processing for example, where we obtain consent for processing health data to provide passenger assistance services;</p> <p>(ii) the processing is necessary to protect subjects vital interests someone else's, or where subject is incapable of giving consent for example, if you are taken ill on a train or there is an emergency we may need to share details with the emergency services; and</p> <p>(iii) the processing is necessary for the establishment, exercise or defence of legal claims for example, where we need to provide personal data to the British Transport Police.</p>
<p>Type of Personal Data being processed</p>	<p>The following types of Personal Data will be processed during the Term of this agreement:</p> <p>Names, Email addresses, Season ticket details, Payment details, Contact telephone number, Home Address, Language preference, Data concerning a natural person's physical or mental health or condition, Political opinions; and Gender security information including videos and images of you</p>

	obtained through CCTV cameras in operation on our trains and at stations
Categories of Data Subject	Employees, Customers, Suppliers, members of the public, website users, passengers, additional service users.
Plan for return and destruction of the data once processing is complete	Data should only be held for as long as required to conduct data processing and no longer than the length of this agreement, unless required by legal or other obligations which take precedence.

**Part B -
Approved Sub-Processors**

Not Used

Schedule 9

Changes and Variations

Schedule 9.1	Not used
Schedule 9.2	Not used
Schedule 9.3	Not used
Schedule 9.4:	Strategic Review

Schedule 9.1 – Not used

Schedule 9.2 – Not used

Schedule 9.3 – Not used

Schedule 9.4 – Strategic Review

1 Purpose of the Strategic Review

1.1 The Parties acknowledge that:

- (a) the COVID-19 pandemic has had a significant impact on the operation of the Rail Services;
- (b) a package of emergency measures were agreed between the Authority and the Previous ODP as a result of the exceptional circumstances presented by the COVID-19 pandemic and were in effect immediately prior to the Service Commencement Date; and
- (c) in order to address the ongoing impact of the COVID-19 pandemic, the Parties intend to carry out a Strategic Review and consider whether the terms set out in this Agreement (including the scope of the Rail Services) and the manner in which the Rail Services are delivered by TfWRL continue to reflect the Authority's requirements and represent value for money.

1.2 For the avoidance of doubt, where this Schedule 9.4 specifies a time period within which an activity must be undertaken, the Parties may agree in writing that an alternative time period should apply.

2 Timing of the Strategic Review Meeting

2.1 Unless the Parties agree otherwise, the Parties shall conduct the Strategic Review Meeting by the end of the sixth (6th) Reporting Period in the second (2nd) Service Year.

3 Preparation for Strategic Review Meetings

3.1 At least two (2) Reporting Periods in advance of the Strategic Review Meeting, the Authority shall provide TfWRL with a paper:

- (a) setting out the matters that will be the subject of the Strategic Review Meeting which shall include without limitation the matters set out in paragraph 3.2 of this Schedule 9.4;
- (b) inviting TfWRL to comment on the matters that the Authority proposes to cover at the Strategic Review Meeting and propose further matters for consideration; and
- (c) requesting any information that the Authority requires to inform the Strategic Review (the "**Strategic Review Paper**").

3.2 The agenda for the Strategic Review Meeting shall include without limitation a review of:

- (a) the scope of the Train Service Requirement referred to in paragraph 9.3 of Part 2 to Schedule 1.1 (Rail Services and Service Development) and the timescales for any revised Train Service Requirement taking effect;
- (b) the Committed Obligations to be delivered by TfWRL in accordance with Schedule 6.2 (Committed Obligations);
- (c) the Benchmarks agreed for the purposes of Schedule 7 (Performance);
- (d) the Rolling Stock Minimum Requirements, Train Fleet and any associated definitions or provisions related to these and/or Schedule 1.6 and its Appendices;
- (e) any plans or strategies in place from time to time in relation to the Rail Services that either Party recognises as requiring review, including the;
 - (i) Marketing and Communications Strategy;
 - (ii) Marketing and Communications Plan;
 - (iii) Service Improvement Plan and any additional proposals for improvements to the Rail Services (including any associated investment proposals) proposed by either Party;
 - (iv) Station Asset Management Plan;
 - (v) Station Improvement Plan;
 - (vi) Station Social and Commercial Development Plan;
 - (vii) Customer and Staff Engagement Strategy;
 - (viii) Plan for Network Rail Co-operation;
 - (ix) Innovation Strategy;
 - (x) Sustainable Development Plan;
 - (xi) Skills and Leadership Strategy;
 - (xii) Environmental Management Plan;
 - (xiii) Waste Management Plan;
 - (xiv) Active Travel and Cycling Policy and Strategy;
 - (xv) Welsh Language Implementation Plan; and
- (f) the proposed Budget for the delivery of Rail Services in the next Service Year.

3.3 At least one (1) Reporting Period in advance of the Strategic Review Meeting, TfWRL shall provide the Authority with its response to the Strategic Review Paper (including the provision of any information requested by the Authority therein).

4 **Attendance at the Strategic Review Meeting**

4.1 The Strategic Review Meeting shall be attended by:

- (a) the Authority's Representative;
- (b) the Contract Manager; and
- (c) such other senior representatives of the Authority, TfWRL and Transport for Wales as the Parties may agree.

4.2 The Authority shall provide TfWRL with a proposed agenda at least five (5) Weekdays in advance of the Strategic Review Meeting.

4.3 The Authority shall provide TfWRL with minutes of the Strategic Review Meeting within five (5) Weekdays of the relevant meeting taking place.

4.4 Where the Authority identifies a need for any variation to this Agreement at the Strategic Review Meeting, such variation shall be agreed in accordance with clause 20 (Variations) of this Agreement.

Schedule 10

Remedies, Events of Default and Termination Events

Schedule 10.1:	Protected Rolling Stock Termination
Schedule 10.2:	Not used
Schedule 10.3:	Force Majeure and Business Continuity
Schedule 10.4:	Not used

Schedule 10.1 – Protected Rolling Stock Termination

1 PROTECTED ROLLING STOCK TERMINATION

- 1.1 If this Agreement expires, is terminated or ceases to be in full force and effect prior to the PRS Backstop Date, the Authority shall (at its sole discretion) either:
- (a) provided the Authority has complied with any of paragraphs (a), (b), or (c) of the definition of Successor Agreement Conditions, notify TfWRL in writing that it requires the Protected Rolling Stock Leases to be novated to the Successor Operator on the PRS Termination Date; or
 - (b) pay the PRS Termination Fixed Payment to TfWRL or, if TfWRL so requests, into an escrow account in the name of TfWRL, details of which have been provided to the Authority within thirty (30) days of the PRS Termination Date, such sum to be paid by TfWRL to the relevant RS Lessor to discharge TfWRL's liability for rental payments arising under the relevant Protected Rolling Stock Lease in respect of the PRS Protected Period.
- 1.2 Notwithstanding paragraph 1.1(b) above, where the RS Lessor leases the Protected Rolling Stock to the Successor Operator or any other train operator at any time during the PRS Protected Period, the Authority may recover the PRS Termination Fixed Payment from TfWRL, to the extent that the RS Lessor has received payment for the use of the Protected Rolling Stock from such Successor Operator or other train operator during the PRS Protected Period.
- 1.3 Where the Authority notifies TfWRL in writing that it requires the relevant Protected Rolling Stock Lease to be novated to the Successor Operator pursuant to paragraph 1.1(a) of this Schedule 10.1:
- (a) TfWRL shall enter and shall procure that the relevant RS Lessor enters into a deed of novation in respect of the relevant Protected Rolling Stock Lease in such form as is agreed by the Authority (acting reasonably) (the "**Agreed Form Deed of Novation**") with effect from the PRS Termination Date; and
 - (b) the Authority shall procure that the Successor Operator enters into the Agreed Form Deed of Novation with effect from the PRS Termination Date.
- 1.4 Where any relevant Protected Rolling Stock Lease is novated to the Successor Operator as referred to in paragraph 1.1(a) of this Schedule 10.1 or the Authority pays the PRS Termination Fixed Payment to TfWRL pursuant to paragraph 1.1(b) of this Schedule 10.1, TfWRL shall not be entitled to recover from the Authority any additional losses, costs, liabilities or expenses in respect of such Protected Rolling Stock Lease.

Schedule 10.2 – Not used

Schedule 10.3 - Force Majeure and Business Continuity

1 DEFINITION OF FORCE MAJEURE EVENTS

1.1 The following events shall constitute "**Force Majeure Events**", subject to the conditions specified in paragraph 2 being satisfied:

(a) TfWRL or any of its agents or subcontractors is prevented or restricted by Network Rail (including by virtue of the implementation of any Contingency Plan) from gaining access to any section or part of track (including any track running into, through or out of a station). For the purposes of this paragraph 1:

(i) references to a party being prevented or restricted from gaining access to any section or part of track shall mean that such party is not permitted to operate any trains on the relevant section or part of track, or is only permitted to operate a reduced number of trains from that which it was scheduled to operate;

(ii) the period of such prevention or restriction shall be deemed to commence with effect from the first occasion on which TfWRL is prevented or restricted from operating a train on such section or part of track;

(iii) references in paragraphs 1.1(a)(i) and 1.1(a)(ii) to the operation of trains include scheduled empty rolling stock vehicle movements; and

(iv) "**Contingency Plan**" means a contingency plan (as defined in the Railway Operational Code or where the Railway Operational Code ceases to exist such other replacement document of a similar or equivalent nature which contains a definition of contingency plan similar to that contained in the Railway Operational Code) implemented by and at the instigation of Network Rail, or such other contingency or recovery plan as the Authority may agree from time to time;

(b) TfWRL or any of its agents or subcontractors is prevented or restricted by Network Rail or any Facility Owner (other than a Facility Owner which is an Affiliate of TfWRL) from entering or leaving:

(i) any station or part thereof (excluding any prevention or restriction from gaining access to any section or part of track running into, through or out of a station); or

- (ii) any depot or part thereof (including the movement of trains on tracks within any depot but excluding any prevention or restriction from gaining access to any track outside such depot running into or out of that depot);
- (c) any of the following events occurs:
 - (i) a programme of Mandatory Modifications commences;
 - (ii) any Rolling Stock Units are damaged by fire, vandalism, sabotage or a collision and are beyond repair or beyond economic repair; or
 - (iii) a government authority prevents the operation of Rolling Stock Units on the grounds of safety,

and, in each case, the greater of two (2) Rolling Stock Units and ten (10) percent of all rolling stock vehicles used by TfWRL in the provision of the Passenger Services in relation to any Service Group are unavailable for use in the provision of the Passenger Services as a result of the occurrence of such event;

- (d) TfWRL prevents or restricts the operation of any train on safety grounds provided that:
 - (i) TfWRL has, either before or as soon as reasonably practicable after initiating such prevention or restriction, sought the confirmation of the ORR in exercise of its safety functions, or any relevant other body with statutory responsibility for safety in the circumstances, of the necessity of such prevention or restriction; and
 - (ii) if and to the extent that the ORR, or other relevant body with statutory responsibility for safety in the circumstances, in exercise of its safety functions indicates that such prevention or restriction is not necessary, then no Force Majeure Event under this paragraph 1.1(d) shall continue in respect of that restriction or prevention after the receipt of such indication from the ORR or other relevant body;
- (e) act of God, war damage, enemy action, terrorism or suspected terrorism, riot, civil commotion or rebellion (together "**Emergency Events**") or the act of any government instrumentality (including the ORR but excluding the Authority) in so far as the act of government instrumentality directly relates to any of the Emergency Events, provided that there shall be no Force Majeure Event under this paragraph 1.1(e) by reason of:
 - (i) the suicide or attempted suicide of any person that does not constitute an act of terrorism;

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- (ii) the activities of the police, fire service, ambulance service or other equivalent emergency service that are not in response to acts of terrorism or suspected terrorism; or
 - (iii) an act of God which results in TfWRL or its agents or subcontractors being prevented or restricted by Network Rail from gaining access to any relevant section or part of track; and
- (f) any strike or other Industrial Action by any or all of the employees of:
- (i) Network Rail;
 - (ii) the operator of any other railway facility;
 - (iii) TfWRL performing Rail Services where such strike or Industrial Action directly arises from a requirement of the Authority as set out in paragraph 9 (Train Service Requirement) of Schedule 1.1 or Appendix 1 (Rolling Stock Requirements Table) to Schedule 1.6 of this Agreement;
 - (iv) TfWRL performing Rail Services in respect of a dispute solely arising in the CVL;
 - (v) TfWRL performing Rail Services in respect of a dispute solely arising in respect of WCB or in WCB and CVL (subject to the determination as to whether such event constitutes a Force Majeure Event being the Authority's sole discretion); or
 - (vi) any person with whom TfWRL has a contract or arrangement for the lending, seconding, hiring, contracting out or supervision by that person of train drivers, conductors, other train crew or station or depot staff used by TfWRL in the provision of the Rail Services,

or of the agents or sub-contractors of any such person listed in paragraphs 1.1(f)(i) to 1.1(f)(vi).

2 CONDITIONS TO FORCE MAJEURE EVENTS

2.1 The occurrence, and continuing existence of a Force Majeure Event shall be subject to satisfaction of the following conditions:

- (a) in relation to an event occurring under paragraph 1.1(a), that event has continued for more than twelve (12) consecutive hours;
- (b) TfWRL notifies the Authority within two (2) Weekdays of it becoming aware or, if circumstances dictate, as soon as reasonably practicable thereafter, of:

- (i) the occurrence or likely occurrence of the relevant event; and
 - (ii) the effect or the anticipated effect of such event on TfWRL's performance of the Passenger Services;
- (c) at the same time as TfWRL serves notification on the Authority under paragraph 2.1(b), it informs the Authority of the steps taken and/or proposed to be taken by TfWRL to prevent the occurrence of, and/or to mitigate and minimise the effects of, the relevant event and to restore the provision of the Passenger Services;
- (d) the relevant event did not occur as a result of:
 - (i) any act or omission to act by TfWRL or its agents or subcontractors, save that in respect of the occurrence of Industrial Action in accordance with paragraph 1.1(f) the provisions of paragraph 2.2 apply; or
 - (ii) TfWRL's own contravention of, or default under, this Agreement, any Access Agreement, Rolling Stock Related Contract, Property Lease or any other agreement;
- (e) TfWRL used and continues to use all reasonable endeavours to avert or prevent the occurrence of the relevant event and/or to mitigate and minimise the effects of such event on its performance of the Passenger Services and to restore the provision of the Passenger Services as soon as reasonably practicable after the onset of the occurrence of such event; and
- (f) TfWRL shall, to the extent reasonably so requested by the Authority, exercise its rights and remedies under any relevant agreement to prevent the occurrence or recurrence of any such event and to obtain appropriate redress and/or compensation from any relevant person.

2.2 Where:

- (a) Industrial Action in accordance with paragraph 1.1(f) occurs as a result of an act or omission to act by TfWRL or its agents or subcontractors;
 - (b) the Authority reasonably believes that it was reasonable for TfWRL, its agents or subcontractors (as the case may be) so to act or omit to act; and
 - (c) the other conditions specified in paragraph 2.1 have been satisfied,
- such occurrence shall be a Force Majeure Event.

3 CONSEQUENCES OF FORCE MAJEURE EVENTS

3.1 TfWRL shall not be responsible for any failure to perform any of its obligations under this Agreement, nor shall there be any contravention of this Agreement if and to the extent that such failure is caused by any Force Majeure Event.

3.2 Not used

4 BUSINESS CONTINUITY

4.1 Obligation to Produce a BCP

(a) Within one (1) month following the Service Commencement Date TfWRL shall produce and provide to the Authority a written Business Continuity Plan in respect of the Rail Services and the people, facilities and assets used to provide them which is consistent with the requirements of ISO 22301.

(b) Within one (1) month of the end of each Service Year TfWRL shall provide to the Authority a certificate addressed to the Authority and signed by a statutory director of TfWRL confirming that the Business Continuity Plan is consistent with the requirements of the ISO 22301.

4.2 No Relief under Force Majeure

(a) Nothing in paragraph 3 (Consequences of Force Majeure Events) will relieve TfWRL from its obligations under this Agreement to create, implement and operate the Business Continuity Plan.

(b) If a Force Majeure Event affecting TfWRL occurs which is an event or circumstance that is within the scope of the Business Continuity Plan, then paragraph 3.1 will only apply to that Force Majeure Event to the extent that the impacts of that Force Majeure Event would have arisen even if:

(i) TfWRL had complied with this paragraph 4; and

(ii) the Business Continuity Plan had been fully and properly implemented and operated in accordance with this paragraph 4 and the terms of the Business Continuity Plan in respect of that Force Majeure Event.

Schedule 10.4 – Not used

Schedule 11

Rail Services Performance Meetings and Management Information

Schedule 11.1:	Rail Services Performance Meetings
Schedule 11.2:	Management Information
	Appendix 1: Not used
	Appendix 2: Operational Information

Schedule 11.1 – Rail Services Performance Meetings

1 RAIL SERVICES PERFORMANCE MEETINGS

- 1.1 The Parties shall hold a Rail Services Performance Meeting at least once in every Reporting Period (or such other interval as the Authority may notify to TfWRL in writing) at a time and location notified to TfWRL by the Authority.
- 1.2 TfWRL shall ensure that:
- (a) the representatives of TfWRL at a Rail Services Performance Meeting shall include such directors and/or senior managers of TfWRL as the Authority may require; and
 - (b) not used.
- 1.3 Not used.
- 1.4 TfWRL shall prepare and present such Additional Reports as the Authority may reasonably request following the process defined in Schedule 11.2 Paragraph 8 (“**Additional Reports**”) to each Rail Services Performance Meeting. TfWRL's obligations under this paragraph 1.4 are subject to TfWRL receiving at least twenty eight (28) days' notice of the requirement to prepare and present any such Additional Report.
- 1.5 No comment or failure to comment nor any agreement or approval, implicit or explicit by either Party at a Rail Services Performance Meeting shall relieve TfWRL of any of its obligations, constitute a waiver of an obligation or otherwise vary the terms of this Agreement. The terms of this Agreement shall only be capable of waiver or variation in writing in accordance with clause 14.1 (Waivers).

Schedule 11.2 - Management Information

1 CORPORATE INFORMATION

1.1 TfWRL shall provide the following information to the Authority on the Service Commencement Date and shall notify the Authority of any change to such information within twenty one (21) days of such change:

- (a) its name;
- (b) its business address and registered office;
- (c) its directors and company secretary;
- (d) its auditors;
- (e) its trading name or names;
- (f) to the best of TfWRL'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 twenty percent (20%) of the votes at general meetings of TfWRL; and
- (g) not used.

1.2 TfWRL shall inform the Authority of any:

- (a) material change or proposed material change in its business (which shall include the employment or the termination of employment of any Key Personnel or the termination of any Key Contract);
- (b) material change in or restructuring of the capitalisation or financing of TfWRL; and
- (c) litigation or other dispute which may have a material effect on its business.

2 INFORMATION ABOUT ASSETS USED IN THE RAIL SERVICES

TfWRL shall at all times during this Rail Services Term maintain (and shall provide copies to the Authority when requested to do so from time to time) records covering the following information:

- (a) for each asset which is the subject of, or operated under, a Key Contract:
 - (i) the progress and completion of all work described in the maintenance schedules and manuals;
 - (ii) all operating manuals (including any safety related regulations); and

- (iii) all permits, licences, certificates or other documents required to operate such asset; and
- (iv) a printed or electronic list of all assets owned by TfWRL from time to time (excluding, unless otherwise requested by the Authority, any office furniture and consumable items).

3 IDENTIFICATION OF KEY PERSONNEL, PROVISION OF ORGANISATION CHART AND RESOURCE PLAN

3.1 TfWRL shall identify and provide to the Authority a schedule of Key Personnel who shall be employed by TfWRL in the performance of this Agreement. This shall include but not be limited to the following persons:

- (a) a managing director whose role will include the overall management of the operation of the Rail Services;
- (b) a train service delivery director, whose role will include responsibility for ensuring compliance by TfWRL with Schedule 7.1 (Operational Performance);
- (c) a safety director, whose role will include responsibility for ensuring that TfWRL complies with its legal obligations in relation to the Rail Services including the Safety Certificate;
- (d) a Sustainable Development Manager pursuant to paragraph 4 of Schedule 13.3;
- (e) a finance director, whose role will include responsibility in relation to Budget review process; and
- (f) not used.

3.2 TfWRL shall nominate a board level director of TfWRL within seven (7) days of the date of this Agreement. Such director's responsibilities include overseeing, at a strategic level, TfWRL's interface with the Authority or the Secretary of State in relation to sections 119 to 121 (inclusive) of the Act and co-ordinating relevant activities and delivery of counter terrorist security on behalf of TfWRL in connection with TfWRL's compliance with relevant instructions issued by the Authority or the Secretary of State under section 119 of the Act from time to time. Such director shall be identified by job title in the organisation chart referred to in paragraph 3.3 and shall be deemed part of the Key Personnel.

3.3 On or before the Service Commencement Date TfWRL shall provide to the Authority an organisational chart detailing the responsibilities and reporting lines of each of the Key Personnel and shall update such chart (and provide a copy to the Authority promptly thereafter) as and when any material changes occur.

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- 3.4 TfWRL shall, where reasonably possible, obtain the prior written consent of the Authority before removing or replacing any Key Personnel during the Rail Services Term, and, where practicable, at least one (1) month's written notice shall be provided by TfWRL of its intention to replace Key Personnel.
- 3.5 The Authority shall not unreasonably delay or withhold its consent to the appointment of a replacement for any relevant Key Personnel by TfWRL. The Authority may give notice of its requirement to interview the candidates for Key Personnel positions before they are appointed.
- 3.6 TfWRL acknowledges that the Key Personnel are essential to the proper provision of the Rail Services. TfWRL shall ensure that the role of any Key Personnel is not vacant for any longer than fifteen (15) days and that any replacement shall be fully qualified to carry out such role and is fully competent to carry out the tasks assigned to the Key Personnel whom he or she has replaced, provided always that TfWRL may in satisfaction of this provision appoint an interim replacement from among its management staff in an acting capacity pending the appointment of a permanent replacement.
- 3.7 TfWRL shall use reasonable endeavours to ensure that each of the Key Personnel shall work for such a period of time in the performance of the Rail Services that is commensurate with and sufficient to perform the obligation of that person's role unless the Authority otherwise gives its prior written consent. To the extent that it can do so without disregarding its statutory obligations, TfWRL shall take reasonable steps to ensure that it retains the services of all the Key Personnel.
- 3.8 The Authority may acting reasonably identify any of the Rail Services Employees as Key Personnel, who will then be included on the list of Key Personnel by TfWRL.
- 3.9 The Authority may acting reasonably require TfWRL to remove any Key Personnel that the Authority considers in any respect unsatisfactory, provided always that the Authority shall give TfWRL no less than two (2) months' notice, prior to the date of the required removal, of the Authority's performance concerns in respect of any Key Personnel.
- 3.10 The Parties acknowledge and agree that the Resource Plan sets out TfWRL's resourcing plan.
- 3.11 TfWRL shall:
- (a) provide a Resource Plan to the Authority by the end of the third Reporting Period following the Service Commencement Date,
 - (b) periodically update and maintain the Resource Plan (including core roles, skills and responsibilities) to reflect the actual resourcing of the Rail Services; and

- (c) provide the most up-to-date Resource Plan to the Authority as soon as reasonably practicable (but in any event no later than one month) following a request by the Authority for such plan.

3.12 The Parties acknowledge and agree that resourcing of the Rail Services is a TfWRL responsibility and that the Resource Plan is to be used exclusively for:

- (a) reporting purposes and (where applicable) for information in respect of the Budget process; and
- (b) in the event of any relevant contravention by TfWRL of this Agreement, TfWRL shall, where requested by the Authority, be required to assess and justify to the Authority any material reduction or change in resourcing relevant roles from the Resource Plan which may have contributed (directly or indirectly) to such contravention.

4 **OPERATIONAL PERFORMANCE INFORMATION**

4.1 TfWRL shall provide to the Authority the information specified in Appendix 2 (Operational Information) to this Schedule 11.2 at the times specified therein.

5 **MAINTENANCE OF RECORDS**

5.1 TfWRL shall at all times create and maintain true, up to date and complete records and other materials relating to the:

- (a) operation and maintenance of the Rail Services Assets;
- (b) operation of the Rail Services; and
- (c) financial performance of business,

in each case exercising that degree of care, skill, diligence, prudence, efficiency, foresight and timeliness which would reasonably be expected from a prudent Train Operator and in order to fulfil the requirements of this Agreement including in relation to the continued maintenance of the Rail Services as a going concern in accordance with paragraph 1 of Schedule 14.1 (Maintenance as a Going Concern).

5.2 Unless otherwise agreed by the Authority, all records and materials required to be maintained by TfWRL in accordance with this Schedule 11.2 shall be held in a form that is capable of audit for a period of not less than six (6) years following the Expiry Date.

5.3 References to records and materials in this Schedule 11.2 shall include records and materials maintained under any Previous ODP Grant Agreement to the extent that such records relate to services equivalent to the Rail Services and TfWRL has access to them (which it shall use all reasonable endeavours to secure). Notwithstanding the requirements of paragraphs 5.2 and 5.4, TfWRL shall only be required to hold such records and materials created under any

Previous ODP Grant Agreement for a period of six (6) years following the date of this Agreement.

- 5.4 TfWRL shall not be responsible for any records maintained under any Previous ODP Grant Agreement, as referred to in paragraph 5.3, being true, complete and up to date. As soon as reasonably practicable after becoming aware that any such records are not true, complete and up to date, TfWRL shall take all reasonable steps to remedy any such deficiency, and shall thereafter maintain such records in accordance with paragraph 5.1.

6 RIGHT TO INSPECT

- 6.1 TfWRL shall, if requested by the Authority, allow the Authority and its representatives and advisers:

- (a) to inspect and copy any records referred to in this Schedule 11.2 and the Authority may verify any such records; and
- (b) to inspect and copy at any reasonable time any books, records and any other material kept by or on behalf of TfWRL and/or its auditors and any assets (including the Rail Services Assets) used by TfWRL in connection with the Rail Services.

- 6.2 TfWRL shall make available to the Authority, its representatives and advisers the information referred to in paragraph 6.1 and grant or procure the grant of such access (including to or from third parties) as the Authority, its representatives and advisers shall reasonably require in connection therewith. The obligation of TfWRL under this paragraph 6.2 shall include an obligation on TfWRL to grant or procure the grant of such access to premises (including third party premises) where the information referred to in paragraph 6.1 is kept by or on behalf of TfWRL.

- 6.3 The Authority, its representatives and advisers shall be permitted to take photographs, film or make a video recording, or make any other kind of record of any such inspection.

- 6.4 If any inspection reveals that information previously supplied to the Authority was, in the reasonable opinion of the Authority, inaccurate in any material respect or if such inspection reveals any other contravention of TfWRL's obligations under this Agreement which the Authority considers to be material, the costs of any such inspection shall be borne by TfWRL.

7 INFORMATION TO OTHER BODIES

TfWRL shall comply with any reasonable requests and guidance issued by the Authority from time to time in respect of the provision of information to and co-operation and consultation with "Transport Focus" (the Passenger Council, established by Section 20 of Railways Act 2005 and subsequent amendments and which has an operating name of Transport Focus), the Department for Transport, the UK Government, other devolved governments, Local Authorities

Rail User Groups, Community Rail Partnerships, and other relevant passenger or public transport organisations.

8 **ADDITIONAL REPORTS**

8.1 TfWRL shall prepare and submit to the Authority additional reports other than those specified within this Schedule 11.2 and otherwise in this Agreement in each Reporting Period which shall:

- (a) contain such information as the Authority may specify from time to time for the previous Reporting Period, or such other period as may be reasonably required; and
- (b) disaggregated to the extent required by the Authority ("**Additional Reports**").

8.2 TfWRL's obligations under this paragraph 8.2 are subject to TfWRL receiving at least twenty eight (28) days' notice of:

- (a) the requirement to prepare any such report; and
- (b) any amendments required to the contents of such report.

9 **FINANCIAL INFORMATION**

9.1 **Accounting Records**

TfWRL shall prepare and at all times during the Rail Services Term maintain true, up to date and complete accounting records as are required to be kept under Section 386 of the Companies Act 2006. Such records shall be prepared on a consistent basis for each Reporting Period.

9.2 **Reporting Period Financial Information**

- (a) Not used
- (b) TfWRL shall deliver to the Authority, within ten (10) Weekdays of the end of each Reporting Period:
 - (i) Management Accounts for such Reporting Period, setting out a cashflow statement, profit and loss account and balance sheet for that Reporting Period and cumulatively for the Service Year to date;
 - (ii) written confirmation that the Management Accounts, to the best of the knowledge, information and belief of the board of directors of TfWRL, contain a true and accurate reflection of the current assets and liabilities of TfWRL (including contingent assets or liabilities and known business risks and opportunities) and, to the extent that they do not, identify in a written report relevant issues in reasonable detail and provide such further information that the Authority shall reasonably require; and

- (iii) not used.
- (c) Not used.
- (d) The Management Accounts shall also set out:
 - (i) not used
 - (ii) not used
 - (iii) not used
 - (iv) a comparison of TfWRL's financial performance during such period against the forecast provided by TfWRL in the then current Business Plan;
 - (v) a comparison of TfWRL's cumulative financial performance during the Service Year in which such period occurs against the forecast referred to in paragraph 9.2(d)(iv);
 - (vi) a detailed statement and a detailed and comprehensive written explanation of any material differences between such Management Accounts and the forecast referred to in paragraph 9.2(d)(iv);
 - (vii) where the level of financial performance reported in the Management Accounts is, in the reasonable opinion of the Authority, materially worse than forecast by TfWRL in its current Business Plan, the Authority may require TfWRL to prepare and submit to the Authority, as soon as reasonably practicable, a Financial Action Plan to ensure that the level of financial performance forecast in its current Business Plan for the remainder of the currency of that Business Plan is achieved and TfWRL shall use all reasonable endeavours to implement such Financial Action Plan;
 - (viii) not used; and
 - (ix) not used.

9.3 Quarterly Financial Information

- (a) Not used.
- (b) Within twenty (20) Weekdays after the end of the third (3rd), sixth (6th), ninth (9th) and twelfth (12th) Reporting Periods in each Service Year, TfWRL shall deliver to the Authority the following information:
 - (i) an updated version of the profit and loss forecast, cash flow forecast and forecast balance sheet provided in accordance with paragraph 10.1(iv) together with a detailed and comprehensive written explanation as to any

changes in such forecast from the previous forecast provided pursuant to the provisions of this Schedule 11.2, for each of the following thirteen (13) Reporting Periods;

- (ii) not used; and
 - (iii) Management Accounts for such quarterly periods, setting out a cashflow statement, profit and loss account and balance sheet for that quarterly period and cumulatively for the Service Year to date.
- (c) Where any Reporting Period falls partly within one Service Year and partly within another, the results for each section of such Reporting Period falling either side of such Service Year end shall be prepared on an accruals basis for each such section of such Reporting Period.

9.4 Annual Financial Information

- (a) Unless stated otherwise, TfWRL will deliver to the Authority within fifteen (15) Weekdays of the end of each Service Year, its Annual Management Accounts for that Service Year for the Rail Services.
- (b) TfWRL shall deliver to the Authority:
- (i) in respect of any Service Year other than the final Service Year, its Annual Financial Statements for that Service Year within three (3) Reporting Periods of the end of that Service Year; and
 - (ii) in respect of the final Service Year, its Annual Financial Statements for the period from the start of that Service Year to the end of the Rail Services Term within three (3) Reporting Periods of the end of the Rail Services,

each together with a reconciliation to the Management Accounts for the same period.

- (c) Within four (4) Reporting Periods after the end of each Service Year, TfWRL shall deliver to the Authority the following information:
- (i) certified true copies of its annual report and Annual Audited Accounts for that Service Year, together with copies of all related directors' and auditors' reports;
 - (ii) a reconciliation to the Management Accounts for the same period in a format to be agreed with the Authority;
 - (iii) not used; and
 - (iv) not used.

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- (d) Within four (4) Reporting Periods after the end of each Service Year, TfWRL shall deliver to the Authority the following information:
- (i) a reconciliation of the profit and loss account, cash flow and balance sheets required of TfWRL in paragraph 9.4(b) to the profit and loss account, cash flow and balance sheets required of TfWRL in paragraph at 9.4(c);
 - (ii) where there is a material difference between the reconciled values provided in paragraph at 9.4(d)(i) then TfWRL will provide a detailed statement and a detailed and comprehensive written explanation of any material differences; and
 - (iii) not used.

9.5 Accounting Standards and Practices

- (a) Each set of Management Accounts and Annual Management Accounts shall:
- (i) be in the formats developed by TfWRL and approved by the Authority prior to the Service Commencement Date or in such other format as the Authority may reasonably specify from time to time;
 - (ii) be prepared consistently in accordance with TfWRL's normal accounting policies, details of which shall be supplied on request to the Authority; and
 - (iii) identify to the reasonable satisfaction of the Authority, any changes in TfWRL's accounting policies from time to time.
- (b) The Annual Audited Accounts shall:
- (i) be prepared and audited in accordance with GAAP, consistently applied and in accordance with the Companies Act 2006; and
 - (ii) give a true and fair view of:
 - (A) the state of affairs, profits and financial condition of TfWRL for the period covered by such accounts; and
 - (B) the amount of its total revenue (being all revenue whatsoever from any source obtained from any commercial or non-commercial activity or undertaking of TfWRL, such revenue to be disaggregated by reference to revenue derived by TfWRL from:
 - 1) the sale of tickets;
 - 2) income received from Network Rail pursuant to Schedule 4 and Schedule 8 to the Track Access Agreement; and

3) other income categories,

or to such other level of disaggregation as may be notified to TfWRL by the Authority from time to time derived by TfWRL in respect of that Service Year.

(c) Not used.

9.6 **Not used**

9.7 **Not used**

10 **BUSINESS PLANS**

10.1 **Initial Business Plan**

(a) Within three (3) Reporting Periods of the Service Commencement Date, TfWRL shall deliver to the Authority its Initial Business Plan:

(i) describing its planned activities for each Service Year during the Rail Services Term, which shall include:

(A) a description as to how TfWRL will meet its obligations under this Agreement for the Rail Services Term, supported by operational plans demonstrating this;

(B) details of any investments proposed to be made or procured by TfWRL in relation to the Rail Services during the Rail Services Term;

(C) a summary of TfWRL's plans for marketing and developing the Rail Services;

(D) populated tables for inclusion at Appendix 1 to Part 3 of Schedule 13.3 (TfWRL Commitments) in relation to numbers of full time equivalent jobs, apprenticeships and graduate schemes and work experience or work placements; and

(ii) a profit and loss forecast, cash flow forecast and forecast balance sheet for each of the first thirteen (13) Reporting Periods following the Service Commencement Date and each subsequent Service Year, together with a list of assumptions on the basis of which each such forecast has been prepared.

(b) Not used

10.2 **Annual Business Plans**

(a) TfWRL shall provide to the Authority an annual business plan (in written or electronic form which describes TfWRL's planned activities or describes the manner in which

TfWRL will meet its obligations under this Agreement in respect of that Service Year (the "**Business Plan**"). Where TfWRL does not produce an annual business plan it shall notify the Authority of all the periodic plans that it does produce and:

- (i) the Authority shall be entitled to copies of such periodic plans as it shall reasonably determine; and
 - (ii) any such periodic plans shall be deemed to be Annual Business Plans for the purposes of this paragraph 10.2.
- (b) Not more than three (3) Reporting Periods and not less than one (1) Reporting Period prior to the start of each Service Year, TfWRL shall provide to the Authority:
- (i) a revised profit and loss forecast, cash flow forecast and forecast balance sheet for each of the thirteen (13) Reporting Periods in the relevant Service Year and each subsequent Service Year of the Rail Services Term;
 - (ii) not used;
 - (iii) an annual improvement plan providing:
 - (A) details of any new technologies, processes, developments and/or proposals which could improve the provision of the Rail Services, reduce the cost of providing the Rail Services or enable the Rail Services to be provided more efficiently;
 - (B) an analysis of the impact of any technologies, processes, developments and/or proposals that are proposed in relation to the Rail Services, including analyses of the costs of and timescale for effecting such changes and the impact on the provision of the Rail Services;
 - (C) details of those technologies, processes, developments and/or proposals which TfWRL proposes to implement during the relevant Service Year;
 - (D) an analysis of the technologies, processes, developments and/or proposals which TfWRL implemented in the previous Service Year including details of any cost reductions and/or efficiency gains arising from the same and a reconciliation to the annual improvement plan for that previous Service Year; and
 - (iv) a statement from each of, a statutory director of TfWRL confirming that the Annual Business Plan has been considered and endorsed by the board of directors and that they are not aware of any other plan which may alter, vary

of impact on the Business Plan and shall at any time during the following twelve (12) months notify the Authority should any of them become aware of any such plan.

- (c) If at any time during an Service Year TfWRL produces any other annual business plan or periodic plan it shall at the same time as delivering such plan notify the Authority of all such plans and shall explain to the Authority how (if at all) such further plan alters, amends or otherwise varies or impacts on the applicable Annual Business Plan or Initial Business Plan. The Authority shall be entitled to copies of such further plans as they shall reasonably request.
- (d) The Authority may at any time require TfWRL to produce a Business Action Plan in respect of any aspect of the Business Plan. Such Business Action Plan may include steps relating to:
 - (i) timetable and service pattern development;
 - (ii) Station facility improvement;
 - (iii) performance management improvement;
 - (iv) customer service improvement;
 - (v) asset management and improvement; and
 - (vi) improvements in the quality of service delivery or the efficiency of delivery of the Rail Services.
- (e) TfWRL shall comply with any guidance issued by the Authority about how and with whom any consultation on the content of a Business Action Plan is to take place.
- (f) Any proposal in a Business Action Plan shall only be implemented if and to the extent that the Authority decides it is appropriate to do so and subject to any conditions which it may impose.

11 SAFETY INFORMATION

11.1 Safety

- (a) TfWRL shall co-operate with any request from any relevant competent authority for provision of information and/or preparation and submission of reports detailing or identifying compliance with safety obligations set out in the Safety Regulations including any breaches of the Safety Regulations.
- (b) TfWRL shall notify the Authority as soon as practicable of the receipt and contents of any formal notification relating to safety or any improvement or prohibition notice

received from the ORR. Immediately upon receipt of such notification or notice, TfWRL shall provide the Authority with a copy of such notification or notice.

- (c) TfWRL shall participate in industry groups and committees addressing the domestic and European safety agenda of the Railway Group.

12 FURTHER INFORMATION

12.1 TfWRL shall:

- (a) deliver to the Authority, or procure the delivery to the Authority of, such information, records or documents as it may request within such period as it may reasonably require and which relate to or are connected with TfWRL's performance of this Agreement; and
- (b) procure that each Affiliate of TfWRL complies with paragraph 12.1(a) in respect of any information, records or documents that relate to its dealings with TfWRL in connection with TfWRL's performance of its obligations under this Agreement.

12.2 The information referred to in paragraph 12.1 shall include:

- (a) any agreement, contract or arrangement to which TfWRL is a party in connection with any rolling stock vehicles used in the operation of the Passenger Services;
- (b) in so far as TfWRL has or is able to obtain the same, any other agreement contract or arrangement which may be associated with the procurement, leasing, financing or maintenance of any such rolling stock vehicles;
- (c) any agreement for the manufacture or supply of any rolling stock vehicles; or
- (d) any arrangements for the securitisation of any lease granted in respect of such rolling stock vehicles.

12.3 The Authority may require TfWRL to provide:

- (a) the information required to be provided under this Schedule 11.2 more frequently than set out in this Schedule 11.2;
- (b) the information required to be provided under this Schedule 11.2, or, in the Authority's discretion, more detailed financial information, at any time in connection with the re-letting of the Rail Services; and
- (c) such unaudited accounts under such accounting policies as may be prescribed by the Authority, acting reasonably, from time to time.

13 INFORMATION FROM THIRD PARTIES

- 13.1 TfWRL shall, if the Authority so requests, use all reasonable endeavours to ensure that the Authority has direct access to any information, data or records relating to TfWRL which is or are maintained by third parties and to which the Authority is entitled to have access, or of which the Authority is entitled to receive a copy under this Agreement.
- 13.2 TfWRL shall, if the Authority so requests, procure the provision by RSP to the Authority of such information, data and records as TfWRL is entitled to receive under the Ticketing and Settlement Agreement, in such form as the Authority may specify from time to time.
- 13.3 The obligations of TfWRL under this Schedule 11.2 to provide information to the Authority shall not apply if the Authority notifies TfWRL that it has received the relevant information directly from any other person (including Network Rail or RSP). TfWRL shall, if the Authority so requests, confirm or validate any such information which is received from any such other person.
- 13.4 TfWRL shall promptly advise the Authority of any changes that are to be made to its systems or processes or the systems and processes of the RSP that will, in the reasonable opinion of TfWRL, materially affect the continuity of any of the records that are provided pursuant to this Schedule 11.2. Any such advice shall include an assessment of the materiality of the relevant change.

14 COMPATIBILITY OF INFORMATION

- 14.1 All financial, operational or other information and reports required to be provided to the Authority under this Agreement shall be provided in formats specified by the Authority acting reasonably. This may include paper and electronic formats including spreadsheets. Where calculations or other summarisation is made within such reports, the formulas utilised and any external linked data shall be made available to the Authority.
- 14.2 All financial, operational or other information, and any data and records required to be provided to the Authority under this Agreement shall be provided, if so requested by the Authority, in a form compatible with the Authority's electronic data and records systems at the Service Commencement Date, as modified from time to time in accordance with paragraphs 5 and 9 of Schedule 13.1 (Rail Industry Initiatives).
- 14.3 TfWRL shall ensure that the interconnection of such systems or the provision of such information, data and records to the Authority under this Agreement will not result in any infringement of any third party Intellectual Property Rights to which its systems or such information, data or records may be subject.

Appendix 1 to Schedule 11.2 – Not used

Appendix 2 to Schedule 11.2 - Operational Performance Information

1 INFORMATION ABOUT THE OPERATIONAL PERFORMANCE OF TFWRL

1.1 TFWRL shall at all times during the Rail Services Term maintain records in relation to its operational performance under this Agreement, covering the areas and the information described in this Appendix 2. Such information shall include details as to whether or not any curtailment, diversion, delay or failure to attain any connection is attributable, in TFWRL's opinion, to either a Force Majeure Event or the implementation of a Service Recovery Plan.

1.2 TFWRL shall, subject to paragraph 1.3, provide to the Authority 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**".

1.3 TFWRL shall make such information available for review by the Authority by reference to:

- (a) disaggregation of CVL and WCB Rail Services;
- (b) disaggregation of stations in England and stations in Wales; and
- (c) disaggregation of Rail Services to or within England.

1.4 When so requested by the Authority, TFWRL shall, within such reasonable period as the Authority may specify, make such information available for review by the Authority by reference to:

- (a) Such additional level of disaggregation (including by Route or Service Group) as is reasonably specified by the Authority; and
- (b) any particular day, week or other longer period as is reasonably specified by the Authority.

1.5 The following key shall apply to the table in this Appendix 2:

A =	Information to be provided on or before any Passenger Change Date;
B =	Information to be provided for every Reporting Period within ten (10) days of the last day of each Reporting Period; and
C =	Information to be provided annually within ten (10) Weekdays of the last day of each Service Year.

1.6 This Appendix 2 shall be interpreted in accordance with any guidance issued by the Authority from time to time for that purpose.

Table 1 - Operational Information		
Information to be provided	Information (format)	When information to be provided
Number of Passenger Services		
Number of Passenger Services in the Timetable	Number	B
Number of Passenger Services in the Enforcement Plan of the Day	Number	B
Number of Cancellations and Partial Cancellations		
Number of Passenger Services in the Enforcement Plan of the Day which were the subject of a Cancellation	Number	B
Number of Passenger Services in the Enforcement Plan of the Day which were the subject of a Partial Cancellation	Number	B
Number of Passenger Services in the Enforcement Plan of the Day which were the subject of a Cancellation attributable to TfWRL's implementation of a Service Recovery Plan	Number	B
Number of Passenger Services in the Enforcement Plan of the Day which were the subject of a Partial Cancellation attributable to TfWRL's implementation of a Service Recovery Plan	Number	B
Number of Passenger Services in the Enforcement Plan of the Day which were the subject of a Network Rail Cancellation	Number	B
Number of Passenger Services in the Enforcement Plan of the Day which were the subject of a Network Rail Partial Cancellation	Number	B
Number of Passenger Services in the Enforcement Plan of the Day which were the subject of a Disputed Cancellation	Number	B
Number of Passenger Services in the Enforcement Plan of the Day which were the subject of a Disputed Partial Cancellation	Number	B

Table 1 - Operational Information		
Information to be provided	Information (format)	When information to be provided
Number of Disputed Cancellations and Disputed Partial Cancellations for the twelve (12) preceding Reporting Periods for which the attribution remains in dispute between Network Rail and TfWRL	Number	B
Number of Disputed Cancellations and Disputed Partial Cancellations from the twelve (12) preceding Reporting Periods for which disputed attribution has been resolved or determined since TfWRL's previous report including whether each relevant Disputed Cancellation and/or Disputed Partial Cancellation was attributed to Network Rail or to TfWRL	Number	B
Where there is a difference between the Timetable and the Plan of the Day on any day the following: (a) the fact of such difference; and (b) the number of: (i) Passenger Services affected; and (ii) Cancellations or Partial Cancellations which would have arisen if the Timetable on that day had been the same as the Plan of the Day	Number	B

Table 1 - Operational Information		
Information to be provided	Information (format)	When information to be provided
Where there is a difference between the Plan of the Day and the Enforcement Plan of the Day on any day: (a) the fact of such difference; (b) the number of: (i) Passenger Services affected; and (ii) Cancellations or Partial Cancellations which would have arisen if the Plan of the Day had been the same as the Enforcement Plan of the Day	Number	B
Number of Passenger Services in the Enforcement Plan of the Day which were the subject of a cancellation and which satisfied the conditions of the term Cancellation, except that such cancellations occurred for reasons attributable to the occurrence of a Force Majeure Event	Number	B
Number of Passenger Services in the Enforcement Plan of the Day which were the subject of a partial cancellation and which satisfied the conditions of the term Partial Cancellation, except that such partial cancellations occurred for reasons attributable to the occurrence of a Force Majeure Event	Number	B
Number of Short Formations		
Number of Passenger Services that have less than the required Passenger Carrying Capacity specified in the Train Plan	Number	B
Number of Passenger Services that have less than the required Passenger Carrying Capacity specified in the Train Plan attributable to TfWRL's implementation of a Service Recovery Plan	Number	B

Table 1 - Operational Information		
Information to be provided	Information (format)	When information to be provided
Number of Passenger Services that have less than the required Passenger Carrying Capacity specified in the Train Plan attributable to the occurrence of a Force Majeure Event	Number	B
Number of Passenger Services scheduled (excluding Cancellations or Partial Cancellations)	Number	B
Minutes Delay		
Number of Minutes Delay attributable to TfWRL	Minutes	B
Number of Minutes Delay attributable to Network Rail;	Minutes	B
Number of Minutes Delay attributable to any other Train Operator	Minutes	B
Number of Minutes Delay for such Reporting Period for which the attribution is in dispute between Network Rail and TfWRL	Minutes	B
Number of Minutes Delay for the twelve (12) preceding Reporting Periods for which the attribution remains in dispute between Network Rail and TfWRL	Minutes	B
Number of Minutes Delay from the twelve (12) preceding Reporting Periods for which disputed attribution has been resolved or determined since TfWRL's previous report and the number of such Minutes Delay attributed to each of TfWRL and Network Rail as a result of such resolution or determination	Minutes	B
Number of Minutes Delay attributed to the occurrence of a Force Majeure Event	Minutes	B
CaSL and PPM		
Number of Passenger Services in the Plan of the Day	Number	B

Table 1 - Operational Information		
Information to be provided	Information (format)	When information to be provided
Number of Passenger Services cancelled. For these purposes, “ cancelled ” shall have the same meaning as adopted by Network Rail for the calculation of PPM.	Number	B
Number of Passenger Services as specified in the Plan of the Day which arrive at their scheduled terminating station 30 minutes or more late	Number	B
Number of Passenger Services as specified in the Plan of the Day which arrive at their terminating station within the PPM punctuality threshold for that Passenger Service.	Number	B
Train Mileage		
Planned Train Mileage	Mileage	A
Actual Train Mileage	Mileage	B
Passenger Time Lost Delay (“PTL”)		
The Deemed Minutes Late for each Service Group allocated to TfWRL, calculated in accordance with paragraph 5.12 to Schedule 8 of the Track Access Agreement.	Minutes	B
The average minutes late for each Service Group allocated to TfWRL, calculated in accordance with paragraph 5.12 to Schedule 8 of the Track Access Agreement.	Minutes	B
Punctuality		
Number of Passenger Services as specified in the Plan of the Day which arrive at their terminating station on time.	Number	B
Aggregate total of the number of Passenger Services as specified in the Plan of the Day which arrive at each station within three minutes of the scheduled arrival time.	Number	B

Schedule 12

Financial Covenants

1 OBLIGATIONS

1.1 Except to the extent that the Authority may otherwise agree from time to time, TfWRL shall not:

- (a) incur any liability or financial indebtedness except in the ordinary course of providing and operating the Rail Services;
- (b) make any loan or grant any credit, or have or permit to subsist any loan or any credit, to any person (other than the deposit of cash with a Bank as permitted under paragraph (d) or to an employee in the ordinary course of its business);
- (c) create or permit to subsist any Security Interest over any of their assets or property or give any guarantee or indemnity to or for the benefit of any person or otherwise assume liability or become obliged (actually or contingently) in respect of any obligation of any other person, in each case other than in the ordinary course of the business of providing and operating the Rail Services; or
- (d) create or acquire any subsidiary or make or have any investment in any other entity, except for the deposit of cash with a Bank.

2 NOT USED

3 NOT USED

4 NOT USED

5 NOT USED

6 NOT USED

Appendix 1 to Schedule 12

Not used

Appendix 2 to Schedule 12

Not used

Schedule 13

Rail Industry Initiatives, Innovation Obligations and Sustainability and Ethical Procurement

Schedule 13.1:	Rail Industry Initiatives
	Appendix 1: Community Rail Partnerships
	Appendix 2: Proposed Community Rail Partnerships
	Appendix 3: Plan for Network Rail Co-operation
Schedule 13.2:	Innovation Obligations
	Appendix 1: Initial Innovation Strategy
Schedule 13.3:	Sustainability and Ethical Procurement
	Part 1: Scope
	Part 1 Appendix 1: Not used
	Part 1 Appendix 2: Not used
	Part 2: Economic and Ethical Procurement
	Part 3: Social
	Part 3 Appendix 1: TfWRL Commitments
	Part 4: Environment
	Part 4 Appendix 1: Sustainability and Ethical Procurement Reporting
	Part 4 Appendix 2: Environment Targets
	Part 5: Culture

Schedule 13.1 – Rail Industry Initiatives

1 BRITISH TRANSPORT POLICE

- 1.1 TfWRL shall give due consideration to any request by the British Transport Police to provide suitable accommodation (including additional or alternative accommodation) or facilities at Stations to enable the British Transport Police to effectively perform the services owed to TfWRL under any contract or arrangement entered into between the British Transport Police and TfWRL.
- 1.2 TfWRL shall:
- (a) work with the British Transport Police to:
 - (i) reduce crime and anti-social behaviour on the railway;
 - (ii) reduce minutes lost to police-related disruption; and
 - (iii) increase passenger confidence with personal security on train and on station;
 - (b) work in partnership with the British Transport Police and conduct an annual assessment of the security and crime risk at all Stations and across the Rail Services generally;
 - (c) co-operate with the British Transport Police to provide it with access to records and/or systems maintained by TfWRL which relate to lost property to enable the British Transport Police to have access to such information when dealing with items reported to them as lost; and
 - (d) consult with the British Transport Police as to its requirements in relation to records and/or systems and shall ensure that the British Transport Police has access to such records and/or systems within fifteen (15) Weekdays of the Service Commencement Date and in any event within five (5) Weekdays of the notification of a crime by the British Transport Police.
- 1.3 TfWRL shall consult with the British Transport Police in relation to plans to develop any part of the land within a Property Lease which could affect staff or customers and give the British Transport Police an opportunity to advise on and/or provide comments on any opportunities for the enhancement of safety and reduction in crime.
- 1.4 TfWRL shall from the Service Commencement Date (unless otherwise agreed by the Authority) spend [REDACTED] (indexed) annually (such amount to be pro-rated for any part year) in contribution to the funding of

additional Police Community Support Officers, inspectors or such other resource to assist with the matters of safety and crime reduction (“**Additional BTP Funding**”).

1.5 Within two (2) months of the end of each Service Year, TfWRL shall submit to the Authority for approval its proposed plan for the forthcoming Service Year in respect of Additional BTP Funding, such plan shall set out:

- (a) (where applicable) Additional BTP Funding spent in the previous Service Year;
- (b) Additional BTP Funding to be committed in the forthcoming Service Year including details on the allocation of such funding; and
- (c) proposed targets to be met by TfWRL in respect of the enhancement of safety and reduction of crime through the Additional BTP Funding for the forthcoming Service Year and (where applicable) a report on whether such targets were met (with supporting evidence) in respect of the previous Service Year.

such plan being the “**Additional BTP Funding Plan**”.

1.6 Not used.

2 **SUICIDE PREVENTION**

2.1

- (a) As soon as reasonably practicable after the Service Commencement Date TfWRL shall, in consultation with the British Transport Police and the wider cross-industry suicide prevention group, develop a draft suicide prevention plan that fully delivers and complies with the Suicide Prevention Strategy and the Suicide Prevention Duty Holders’ Group’s 9 Point Plan and submit it to the Suicide Prevention Duty Holders Group (or such other group as may replace the Suicide Prevention Duty Holders Group from time to time) for approval.
- (b) TfWRL shall make such amendments to the draft suicide prevention plan as:
 - (i) the British Transport Police shall require for the purposes of ensuring that it fully delivers and complies with the Suicide Prevention Strategy; and
 - (ii) the Suicide Prevention Duty Holders Group (or such other group as may replace the Suicide Prevention Duty Holders Group from time to time) shall require for the purposes of ensuring that it fully delivers and complies with the Suicide Prevention Duty Holders’ Group’s 9 Point Plan.

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- (c) TfWRL shall submit a completed suicide prevention plan (the “**Plan**”) to the Authority together with written confirmation from the British Transport Police that the Plan complies with the requirements of the Suicide Prevention Strategy and from the Suicide Prevention Duty Holders Group (or such other group as may replace the Suicide Prevention Duty Holders Group from time to time) that the Plan complies with the Suicide Prevention Duty Holders’ Group’s 9 Point Plan as soon as reasonably practicable and in any event within twelve (12) months of the Service Commencement Date.
- (d) TfWRL shall review and update the Plan:
- (i) at least once every twelve (12) months; and
 - (ii) as soon as reasonably practicable following any amendment to, or replacement of, the Suicide Prevention Strategy and/or the Suicide Prevention Duty Holders’ Group’s 9 Point Plan.

2.2 Such review and any updating shall be by reference to changing circumstances, new relevant information and any amended or replaced Suicide Prevention Strategy and/or the Suicide Prevention Duty Holders’ Group’s 9 Point Plan with the intention that it is kept as up to date and effective as reasonably possible. TfWRL shall consult with the British Transport Police and wider cross-industry suicide prevention group (as appropriate) in relation to any such review and update of the Plan. TfWRL shall deliver a copy of any revised and/or updated Plan to the Authority as soon as is reasonably practicable together with written confirmation from the British Transport Police that the Plan complies with the requirements of the Suicide Prevention Strategy and the Suicide Prevention Duty Holders’ Group’s 9 Point Plan and accordingly remains approved by it.

2.3 TfWRL shall implement the Plan as it may be revised and/or updated pursuant to paragraph 2.1 in accordance with its then prevailing provisions.

3 COMMUNITY RAIL PARTNERSHIPS

3.1 TfWRL shall become a member of and shall continue to participate in the Community Rail Partnerships relevant to the Passenger Services, including but not limited to the Community Rail Partnerships listed in the table in Appendix 1 to this Schedule 13.1 (and any successor Community Rail Partnership).

3.2 TfWRL shall comply with reasonable requests of the Authority to:

- (a) co-operate with the Authority, to further the success of the Community Rail Partnerships;
- (b) co-operate with and/or participate in any Community Rail Partnership;

-
- (c) provide technical support in respect of timetable specification for the Community Rail Partnerships, including providing appropriate journey and revenue data, such support, where in excess of TfWRL's obligations for timetable development as required in Schedule 1.1, to be provided at TfWRL's expense up to a number of hours per Quarter as the Parties, acting reasonably, shall agree between them from time to time, and at the Authority's expense above that level, at a value to be agreed by both Parties acting reasonably; and
- (d) co-operate in the development of the Authority's initiatives to examine:
- (i) options for a more cost effective delivery of the railway passenger services operated on any Community Rail Route (such options to include changes in working practices of the relevant Rail Services Employees, reducing rolling stock lease costs and maximising opportunities for obtaining local funding of development at relevant stations and developing new ways of maintaining and renewing relevant railway infrastructure);
 - (ii) the actual costs incurred in operating and, to the extent such information is available to TfWRL, maintaining and renewing the infrastructure relevant for such Community Rail Route; and
 - (iii) where required by the Authority, co-operate with the Authority and Network Rail in the designation of Community Rail Routes.

such support where in excess of TfWRL's obligations concerning the Rail Services for the Community Rail Routes to be provided at TfWRL's expense up to a number of hours per Quarter as the Parties, acting reasonably, shall agree between them from time to time, and at the Authority's expense above that level, at a value to be agreed by both Parties acting reasonably.

3.3 TfWRL shall use reasonable endeavours to assist the Authority to develop and implement the Community Rail Partnership's initiatives in order to increase the use of the Passenger Services by non-users of the Passenger Services and tourists including, where appropriate, the development of and implementation of marketing strategies.

3.4 Not used.

3.5 Not used

3.6 Not used.

3.7 Not used.

3.8 Not used.

-
- 3.9 Not used.
- 3.10 Not used.
- 3.11 TfWRL shall attend any annual conference for the Community Rail Partnership's officers and station adopters organised by the Authority to encourage the spread of best practice and to communicate plans for rail services development.

- 3.12 TfWRL shall use reasonable endeavours to assist the Authority in identifying sources of third party funding for the Community Rail Partnerships and encourage such third parties including other Train Operators running services on the Community Rail Routes to make funding commitments.

4 **STATION ADOPTION**

- 4.1 TfWRL shall cooperate with the relevant Community Rail Partnership and other organisations wishing to devise and implement a “**station adopters scheme**” under which members of the local community can “**adopt**” a local Station and engage in activities such as:

- (a) promotion of the Passengers Services calling at the Station;
- (b) monitoring and reporting faults, damage, anti-social and criminal behaviour;
- (c) carrying out minor Station cleaning and maintenance tasks and the development and cultivation of Station gardens;
- (d) promoting national and local culture and heritage; and
- (e) other relevant activities which will improve passenger experience at the Station.

- 4.2 TfWRL shall use all reasonable endeavours to provide safety and other training to participants in the station adoption scheme.

- 4.3 TfWRL shall, if required by the Authority, encourage station adoption by the offer by TfWRL (at the Authority's expense) of free travel on the Passenger Services to members of the local community involved in the station adoption scheme to the value of [REDACTED] per annum (indexed) for individual adopters and [REDACTED] per annum (indexed) for local community group adopters with a minimum of four (4) members.

- 4.4 TfWRL shall use reasonable endeavours to collaborate with relevant Station adopters, the relevant Community Rail Partnership, and other Stakeholders to identify sources of third party funding for Station adoption and encourage such third parties to make funding commitments.

5 CO-OPERATION WITH LOCAL AUTHORITIES

- 5.1 TfWRL shall fully and effectively co-operate with any Local Authority or group thereof that seeks to promote a scheme for the provision of additional or varied Passenger Services including by attending meetings, contributing to feasibility schemes and project plans and liaising with relevant industry participants including Network Rail.
- 5.2 Paragraph 5.1 does not oblige TfWRL to incur any cost in the actual provision of the revised Passenger Services.

6 STAKEHOLDER CONSULTATION

- 6.1 In respect of material changes to the Rail Services TfWRL shall consult with and take into account the views of the TfWRL Responsible Stakeholders as relevant. TfWRL shall request consultation with relevant community organisations to be undertaken by the Transport for Wales Stakeholder Team and shall take into account the views of relevant community organisations to the extent that such views are communicated to TfWRL by the Transport for Wales Stakeholder Team.
- 6.2 TfWRL shall take into account the views of relevant multi-organisational transport bodies within Wales and the areas served by the Rail Services where nominated from time to time by the Authority and including the following:
- (a) Cross Border Forum; and
 - (b) North Wales and Mersey Dee Rail Task Force.

7 DEVELOPMENT OF INDUSTRY SYSTEMS

TfWRL shall fully and effectively co-operate with Network Rail, the Authority, ORR and all other relevant railway industry bodies and organisations in relation to the development of anything that can reasonably be considered to be a railway industry system including systems in relation to the attribution of train delay, the allocation of revenue and the collection and dissemination of industry wide information.

8 CO-OPERATION WITH INDUSTRY SCHEMES

TfWRL shall fully and effectively co-operate with the Authority, the relevant Local Authority and/or any other affected railway industry parties in the development and the implementation of initiatives relating to its participation in multi-modal fares schemes and Traveline including Traveline Cymru (the “**Industry Schemes**”), where such Industry Schemes relate to the Rail Services.

9 CO-OPERATION WITH NETWORK RAIL AND ALLIANCING

9.1 TfWRL shall use all reasonable endeavours to work with Network Rail to identify ways in which co-operation between TfWRL and Network Rail can be enhanced with the following objectives:

- (a) improvement of the resilience of the Passenger Services;
- (b) reduction of costs for provision of the Passenger Services;
- (c) efficient and effective maintenance and renewal on Network Rail infrastructure utilised by TfWRL in the provision of the Passenger Services;
- (d) minimisation of service disruptions;
- (e) management of possessions;
- (f) effective management of and communication concerning perturbation;
- (g) improved services for passengers;
- (h) deliver safety improvements;
- (i) deliver improvements in operational performance of the Passenger Services (including improvements to service quality);
- (j) develop joint initiatives and projects that deliver value for money for the railway;
and
- (k) provide better value for passengers, the Authority and any other relevant stakeholders.

9.2 TfWRL shall to the extent reasonably requested by Network Rail share with Network Rail all relevant data including GPS data and data derived from geometry measurement systems, forward facing CCTV, driver advisory systems and train condition monitoring systems fitted to any rolling stock within the Train Fleet. Any such data provided to Network Rail shall be provided in such format as Network Rail may reasonably request without charge.

9.3 TfWRL shall enter into agreements or other arrangements with Network Rail as set out in the "Plan for Network Rail Co-operation" as set out in Appendix 3 to this Schedule 13.1. Prior to any such agreements being entered into TfWRL shall provide such agreement to the Authority for its approval and TfWRL shall not enter such agreement without the Authority's written consent.

9.4 TfWRL agrees that any approval of an agreement entered into with Network Rail in accordance with paragraph 9.3 shall (without prejudice to the unfettered discretion of the Authority to refuse to consent to such agreement) be conditional upon:

- (a) the Authority being satisfied that such agreement(s) with Network Rail is / are consistent with the objectives set out in paragraph 9.1 above; and
- (b) not used.

10 **ROUTE EFFICIENCY BENEFIT SHARE MECHANISM/REBS MECHANISM**

10.1 Where participation in a Route Efficiency Benefit Share Mechanism is made available under a Track Access Agreement, TfWRL shall elect not to participate in such a mechanism for all its Routes.

11 **ERTMS**

11.1 **ERTMS Programme**

- (a) TfWRL shall co-operate in good faith with the relevant third parties involved in the implementation of the ERTMS Programme (including Network Rail and any relevant ROSCO) with the intention of ensuring the timely, efficient and cost effective development and implementation of the ERTMS Programme.
- (b) The Parties agree and acknowledge that Network Rail shall be responsible for the capital costs arising from the implementation of the infrastructure elements of the ERTMS Programme and the National Joint ROSCO Project.
- (c) The Parties agree and acknowledge that the Authority shall be responsible for the Fleet Fitment and Mobilisation Costs of implementing the ERTMS Programme.
- (d) TfWRL shall prepare the ERTMS Plan and submit such plan to the Authority within six (6) months of the Service Commencement Date (and keep such plan under review and provide an updated plan to the Authority on a quarterly basis).
- (e) TfWRL shall ensure that the ERTMS Plan is prepared so that it is consistent with the Network Rail ERTMS Implementation Plan, to the extent such plan is obtainable by TfWRL. TfWRL shall include within the ERTMS Plan details of how TfWRL will deliver those activities for which TfWRL is responsible under the ERTMS Programme including:
 - (i) TfWRL's team responsible for delivering TfWRL's responsibilities under the ERTMS Programme, including the team's structure and how it is integrated into the overall governance of TfWRL's organisation;

- (ii) milestones for ERTMS entering into service operations;
 - (iii) milestones for and requirements for obtaining approvals, consents and certification for fitment of ERTMS equipment;
 - (iv) milestone and requirements for the installation, testing and commissioning of any relevant ERTMS equipment;
 - (v) milestones and requirements for the training of Rail Services Employees who are drivers, rolling stock maintenance staff and other relevant Rail Services Employees, and training of any other rolling stock maintenance providers;
 - (vi) any requirements in respect of the readiness of depot and stabling points; and
 - (vii) details of mobilisation activities and issues including the on-going maintenance of any ERTMS equipment.
- (f) TfWRL shall comply with the terms of the ERTMS Plan, as prepared and amended in accordance with this Schedule 13.1.
- (g) TfWRL shall provide a copy of the ERTMS Plan to Network Rail at the request of the Authority (acting reasonably) subject to redactions agreed by both Parties provided that in the absence of agreement between the Parties the redaction of the ERTMS Plan shall be determined by the Authority (acting reasonably).
- (h) The Authority may request from TfWRL such other information in relation to the implementation of the ERTMS Plan, including additional progress reports and the latest ERTMS Plan (as at the date of such request), as the Authority may reasonably require to satisfy itself that that the ERTMS Plan is robust and deliverable and that TfWRL is co-operating with the implementation of the ERTMS Programme.
- (i) TfWRL shall as soon as reasonably practicable and in any event within five (5) Weekdays following the date of receipt by TfWRL of any such request under paragraph 7.2(h), provide such information to the Authority.
- (j) TfWRL shall, upon reasonable notice, attend any meeting as the Authority may reasonably require for the purposes of discussing and explaining the ERTMS Plan (including progress on the implementation of such plan).
- (k) Not used.

11.2 Network Change Compensation Claims

- (a) TfWRL shall use all reasonable endeavours to ensure that any Track Access Agreement that it enters into with Network Rail reflects the following principles:
- (i) there will be no right for TfWRL to claim compensation from Network Rail under Condition G.2 of the Network Code in relation to the direct or indirect consequences of any and all impacts on the Passenger Services due to the implementation of the ERTMS Programme except in the circumstances provided in paragraph 11.2(a)(ii) (“**Network Change Compensation Claims**”); and
 - (ii) TfWRL will have the right to claim under Condition G.2 of the Network Code for any additional costs (which for these purposes shall include any loss of revenue which TfWRL is entitled to claim thereunder) it incurs where there is a material change to the actual implementation plans (including the relevant timescales for the delivery of such plans) adopted by Network Rail in respect of the ERTMS Programme when compared to the plans as specified in the Network Rail ERTMS Implementation Plan except where such material change is wholly attributable to the actions or inactions of TfWRL.
- (b) If and to the extent that the Track Access Agreement entered into by TfWRL does not reflect any of the principles set out in paragraph 11.2(a) including as a result of:
- (i) TfWRL not being able to obtain the ORR's approval to any such terms; or
 - (ii) TfWRL not complying with its obligations under paragraph 7.3(a) and entirely without prejudice to the other rights the Authority may have under this Agreement consequent upon a contravention by TfWRL of the provisions of paragraph 7.3(a),

then TfWRL shall immediately pay to the Authority (as a debt), an amount equal to any amounts received by TfWRL from Network Rail in respect of any Network Change Compensation Claim(s).

- (c) Any amounts payable by TfWRL to the Authority pursuant to this paragraph 11.2 shall be paid on the next Payment Date following receipt by TfWRL of any such amounts from Network Rail or where no such Payment Date exists shall be paid within thirty (30) days of receipt by TfWRL of any such amounts from Network Rail.

12 HS2 PROJECT

- 12.1 TfWRL shall from the Service Commencement Date until the completion of the HS2 Project fully and effectively co-operate and engage constructively with all relevant parties responsible for the delivery of the HS2 Project with the intention of assisting in the timely, efficient and cost effective implementation and delivery of the HS2 Project in a manner which provides the best overall solution for the network. To the extent that the HS2 Project leads to TfWRL having rights under railway industry procedures including Network Change or Station Change TfWRL shall not act in a way designed to directly or indirectly prevent, prejudice or frustrate the delivery of the HS2 Project and TfWRL shall not unreasonably raise any objection under any railway industry procedure including Network Change or Station Change. It is acknowledged that TfWRL may make reasonable objections with a view to mitigating the impact of the HS2 Project and their implementation on passengers and the Rail Services, while recognising the need for the HS2 Project to be able to be undertaken in a reasonable manner.
- 12.2 TfWRL shall provide such information in respect of the HS2 Project as the Authority may reasonably request from time to time.

Appendix 1 to Schedule 13.1 - Community Rail Partnerships

	Community Rail Partnership	Rail Line/Services forming Community Rail Partnership	Status at Service Commencement Date
1.	Borderlands Line Rail Partnership	Wrexham to Bidston line	Existing
2.	Cambrian Rail Partnership	Cambrian Line	Existing
3.	Conwy Valley Rail Initiative	Conwy Valley Line	Existing
4.	Heart of Wales Development Company	Heart of Wales Line	Existing
5.	Chester to Shrewsbury Rail Partnership	Chester to Shrewsbury	Existing

Appendix 2 to Schedule 13.1 – Not used

Appendix 3 to Schedule 13.1 – Plan for Network Rail Co-operation

The plan agreed between the Authority and the Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement.

Schedule 13.2 - Innovation Obligations

1 INNOVATION STRATEGY

- 1.1 TfWRL shall at all times comply with the Innovation Strategy.
- 1.2 TfWRL shall provide reasonable assistance to, and shall co-operate with, the Authority with regard to the Authority implementing the Welsh Government Innovation Strategy including implementation of the following programmes:
- (a) SMART Innovation;
 - (b) SMART Expertise; and
 - (c) SMART Cymru.
- 1.3 By the Strategic Review Meeting and each anniversary thereafter, TfWRL shall submit to the Authority for approval (such approval not to be unreasonably withheld) a revised Innovation Strategy updated in accordance with the requirements of paragraph 1.4.
- 1.4 Each Innovation Strategy submitted in accordance with this paragraph 1 shall set out:
- (a) how TfWRL has developed, and proposes to develop during the Rail Services Term, its innovation capability, including leadership, employees, technology, systems and processes, and how progress is measured;
 - (b) how TfWRL has utilised, and proposes to utilise during the Rail Services Term, smart techniques for capturing ideas from employees, passengers, the community, industry partners and the supply chain;
 - (c) how, during the Rail services Term, TfWRL will partner and collaborate with other organisations (including but not limited to Innovate UK and the Rail Safety Standards Board) and seek third party funding (where appropriate) for a minimum of one (1) new project each Service Year that will bring innovative and viable technologies (including traction power technologies), processes, business models and products to the rail market that meet the requirements of one (1) or more key Capabilities in the Rail Technical Strategy Capability Delivery Plan (or successor documents), that are viable for implementation during the Rail Services Term and that offer better value to the Authority, improved services for passengers and/or other benefits;
 - (d) a roadmap for innovation in the Rail Services identifying anticipated changes within the following five (5) years.

- (e) a list of innovations for the Rail Services categorised according to their maturity, proximity to implementation, demonstration, proof of concept and other steps proposed to move them towards full implementation;
- (f) where and how existing UK wide innovation programmes such as Innovate UK Accelerating Innovation in Rail will be leveraged to achieve cost effective delivery; and
- (g) specific innovations that TfWRL plans to introduce to the Rail Services with specific timescales.

2 **NOT USED**

3 **NOT USED**

Appendix 1 to Schedule 13.2 – Innovation Strategy

The Innovation Strategy agreed between the Authority and the Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement.

Schedule 13.3 - Sustainability and Ethical Procurement

Part 1 to Schedule 13.3 - Scope

1 **NOT USED**

2 **SUSTAINABILITY – GENERAL OBLIGATIONS**

2.1 In carrying out the Rail Services TfWRL shall:

- (a) have regard to the objectives and requirements of the Well-being of Future Generations (Wales) Act 2015;
- (b) fully and effectively co-operate with, the Authority to allow the Authority to comply with the Well-being of Future Generations (Wales) Act 2015;
- (c) comply with TfWRL's obligations as set out in this Schedule 13.3 (Sustainability and Ethical Procurement); and
- (d) comply with the Welsh Government's Code of Practice for Ethical Employment in Supply Chains.

3 **NOT USED**

4 **SUSTAINABILITY AND OTHER RELATED INITIATIVES**

4.1 **Sustainable Development Plan**

- (a) Unless otherwise agreed between the Parties in writing, TfWRL shall adopt the Sustainable Development Plan agreed between the Authority and the Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement with effect from the Service Commencement Date.
- (b) Each year following the Service Commencement Date, TfWRL shall consult with the Authority and other Stakeholders as agreed between the Authority and TfWRL (or, in the absence of agreement, such Stakeholders as the Authority shall determine) in order to agree:
 - (i) key priority sustainable development areas;
 - (ii) the outcomes associated with such key priority and sustainable development areas;
 - (iii) the annual traction carbon trajectory (CO₂E/vehicle km) for the duration of the Rail Services Term; and

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- (iv) target levels according to the Rail Safety and Standards Board Sustainable Development Self-Assessment Framework that will be reached by the end of the first (1st) and fourth (4th) Service Years.
- (c) Not used.
- (d) TfWRL shall at all times comply with the Sustainable Development Plan. Any amendments to the Sustainable Development Plan must be agreed by the Authority.
- (e) By no later than three (3) months following the end of the first (1st) and fourth (4th) Service Years, TfWRL shall, at its own cost, procure a suitably qualified independent body (such independent body to be appointed only with the prior written approval of the Authority) to undertake an assessment of performance against the requirements of this Schedule 13.3, Welsh Government legislation and policy and the Rail Safety and Standards Board's Sustainable Development Self-Assessment Framework, and produce a report in respect of such assessment, such assessment to review performance against the targets set out in the Sustainable Development Plan. Without prejudice to such periodic assessments, the Authority further reserves the right to appoint an independent body, at the cost of the Authority, to undertake such additional assessments as the Authority may require from time to time during the Rail Services Term.
- (f) TfWRL shall submit a copy of the assessment report produced by the independent body pursuant to paragraph 4.1(e) to the Authority within six (6) months following the end of the first (1st) and fourth (4th) Service Years.
- (g) Where the assessment report identifies a significant shortfall against the targets set out in the Sustainable Development Plan, TfWRL shall as soon as reasonably practicable and in any event within two (2) months, produce an improvement plan which, in the reasonable opinion of the Authority, is capable of achieving the targets set out within the Sustainable Development Plan.
- (h) TfWRL shall use all reasonable endeavours to implement the improvement plan referred to in paragraph 4.1(g) and improve its performance against the targets set out in the Sustainable Development Plan against the agreed timeframes for performance as set out in the revised Sustainable Development Plan.
- (i) TfWRL shall within three (3) months following the end of each Service Year provide to the Authority a report showing:
- (i) progress against the outcomes in key priority sustainable development areas;

- (ii) progress on development of Rail Services Future Generations Team to ensure they have the skills and knowledge required to deliver a sustainable franchise; and
 - (iii) all proposed revisions to the Sustainable Development Plan (such revisions to include those revisions reflecting feedback and advice from sustainability and industry relevant).
- (j) On request by the Authority, TfWRL shall publish (in such form as the Authority may reasonably determine):
 - (i) all or any part of its Sustainable Development Plan; and/or
 - (ii) all or any of the information described in paragraphs 4.1(i)(i) to (i)(iii).

Appendix 1 to Part 1 Schedule 13.3 – Not used

Appendix 2 to Part 1 Schedule 13.3 – Not Used

Not used.

Part 2 to Schedule 13.3 – Economic and Ethical Procurement

1 LOCAL SUPPLIERS, SMALL AND MEDIUM SIZE ENTERPRISES (SMES) AND THIRD SECTOR ENTERPRISES (TSES)

- 1.1 In delivering the Rail Services, TfWRL shall provide opportunities for:
- (a) Local Suppliers;
 - (b) SMEs; and
 - (c) TSEs in Wales and outside Wales in locations served by the Rail Services.
- 1.2 In providing the Rail Services where there are tender opportunities for sub-contractors to TfWRL, TfWRL shall work collaboratively with Business Wales and other relevant Welsh Government agencies and/or departments to hold regular events and workshops (involving where appropriate its sub-contractors) and advertise, where reasonably practicable, all new tender opportunities in respect of the provision of the Rail Services through Sell2Wales to help ensure resulting business opportunities are maximised with Local Suppliers, SMEs and TSEs.
- 1.3 TfWRL shall at all times keep accurate and complete records of its use of and interaction with Local Suppliers, SMEs and TSEs in delivering the Rail Services.
- 1.4 Within 30 days of the end of each Quarter TfWRL shall deliver to the Authority a breakdown of the following supplier data:
- (a) number of Local Suppliers, Large Enterprises; SMEs and TSEs used by TfWRL in providing the Rail Services during such Quarter; and
 - (b) the amount paid by TfWRL to Local Suppliers, Large Enterprises, SMEs and TSEs in order to deliver the Rail Services during such Quarter.

2 USE OF ETHICAL RESOURCES

- 2.1 TfWRL shall ensure that the materials used by it and its sub-contractors comply with the requirements of “BES 6001 Responsible Sourcing of Construction Products”.
- 2.2 TfWRL shall make all reasonable endeavours to ensure that the following resources are not used in the delivery of the Rail Services:
- (a) ‘dumped’ steel which is steel provided at a cost that is subsidised by a foreign government;
 - (b) timber without Forest Stewardship Council (FSC) certification; and

- (c) any other materials or resources the use of which would cause material damage to the reputation of the Authority through lack of ethical resourcing.

2.3 In delivering the Rail Services, TfWRL shall fully and effectively co-operate with the Authority with regard to the Authority's commitment to:

- (a) responsible and sustainable sourcing of raw materials part finished and finished products; and
- (b) Wales' status as a Fair Trade Nation and commitment to International Labour Organisation standards.

3 ETHICAL EMPLOYMENT

3.1 As soon as reasonably practicable following the Service Commencement Date, TfWRL shall sign up to and comply with the Welsh Government's Code of Practice for Ethical Employment in Supply Chains and provide an annual action plan and report to the Authority. Unless the Parties agree otherwise, TfWRL shall deliver this annual action plan and report to the Authority within 30 days of the end of each Service Year.

Part 3 to Schedule 13.3 – Social

1 SKILLS GAP ANALYSIS

- 1.1 TfWRL shall fully and effectively co-operate with the Authority to identify the skills needed to deliver the Rail Services including through TfWRL's supply chain which shall include (but not be limited to) the Authority's development of its own initial skills gap analysis.
- 1.2 TfWRL shall provide to the Authority, within six (6) months of the date of this Agreement, an Initial Skills Plan and Skills Gap Analysis setting out the:
- (a) skills required to deliver the Rail Services during the Rail Services Term;
 - (b) skills available to TfWRL within its current workforce and its wider supply chain; and
 - (c) skills gap which is required to be covered by training or recruitment.

2 SKILLS DEVELOPMENT

- 2.1 TfWRL shall fully and effectively co-operate with the Authority in order to establish (where not currently in existence) and support:
- (a) training facilities related to the skills required to deliver the Rail Services as notified by the Authority to TfWRL. This may involve working with, amongst others, Qualifications Wales, Network Rail, local colleges and universities, private providers, trade bodies and the Construction Wales Innovation Centre; and
 - (b) rail training centres in Wales.
- 2.2 Unless otherwise agreed between the Parties in writing, TfWRL shall maintain a Skills and Leadership Strategy which:
- (a) sets out the comprehensive, robust and deliverable strategy of TfWRL for providing an appropriately skilled and trained workforce of Rail Services Employees based on the skills gap analysis and the delivery of the Apprenticeships specified in Table 2 of Appendix 1 to Part 3 of Schedule 13.3;
 - (b) sets out the steps that TfWRL intends to take to further the Authority's ambition to increase the number of women and BAME candidates;
 - (c) takes into account the likely short, medium and long term requirements of TfWRL and any Successor Operators including in the context of expected change to the Rail Services (including as a result of technological change) and the age profile of the Rail Services Employees; and

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- (d) includes a management and leadership maturity model, to help target and improve investment in developing leadership and management.
- 2.3 TfWRL shall, with effect from the Service Commencement Date, adopt the Skills and Leadership Strategy agreed between the Authority and the Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement.
- 2.4 TfWRL shall:
- (a) on or about the date of expiry of the second (2nd) and fourth (4th) Service Years, undertake and complete a review of its Skills and Leadership Strategy; and
- (b) provide the Authority with any proposed revisions to the Skills and Leadership Strategy and the Apprenticeships specified in the Table 2 of Appendix 1 to Part 3 of this Schedule 13.3 arising out of such review by no later than the end of each such Service Year.
- 2.5 The aim of such review shall be to update the Skills and Leadership Strategy by reference to an updated skills gap analysis and to ensure that the Skills and Leadership Strategy continues to effectively achieve its purposes to the greatest extent reasonably practicable. The review shall check compliance with the targets contained in the Apprenticeships specified in the Table 2 of Appendix 1 to Part 3 of this Schedule 13.3 and, if they have not been met, shall propose robust and effective strategies and methodologies to be contained in the revised Skills and Leadership Strategy to ensure delivery in future. The review may propose amendments to the Apprenticeships specified in the Table 2 of Appendix 1 to Part 3 of this Schedule that are consistent with any proposed revisions to the Skills and Leadership Strategy. Any revisions to the Skills and Leadership Strategy (including the Apprenticeships specified in this Schedule 13.3 Table 2 of Appendix 1 to Part 3) shall require the consent of the Authority (such consent not to be unreasonably withheld or delayed). TfWRL shall implement any revised Skills and Leadership Strategy in accordance with its terms from the date that the Authority consents to the relevant revisions.

3 TAKING WALES FORWARD

- 3.1 TfWRL shall fully and effectively co-operate with, the Authority and relevant third parties to support the Authority's objectives to implement the Welsh Government's "Taking Wales Forward" programme or any equivalent subsequent programme.

4 RAIL SERVICES EMPLOYEES

- 4.1 TfWRL shall, in carrying out the Rail Services during the Rail Services Term, deliver:

- (a) a minimum number of Full Time Equivalent Jobs during the Rail Services Term as enumerated for each Service Year in Table 1 within Appendix 1 to Part 3 of this Schedule 13.3;
 - (b) a minimum number of Full Time Equivalent Jobs to be provided for Apprentices and Graduate Schemes as enumerated for each Service Year in Table 2 within Appendix 1 to Part 3 of this Schedule 13.3; and
 - (c) a minimum number of Person-weeks of employment to be made available as work experience or work placements as enumerated for each Service Year in Table 3 within Appendix 1 to Part 3 of this Schedule 13.3.
- 4.2 The requirements in paragraphs 4.1(b) and 4.1(c) shall be subject to a pro rata reduction in relation to the first Service Year and in relation to the final Service Year.
- 4.3 In relation to each Reporting Period TfWRL shall record:
- (a) the qualifications and competency of each Rail Services Employee;
 - (b) the full date of birth of each Rail Services Employee;
 - (c) the gender of each Rail Services Employee (except in relation to those who do not permit disclosure);
 - (d) each Rail Services Employee who is of BAME origin (except in relation to those who do not permit disclosure);
 - (e) the number of new Apprenticeships created in that Reporting Period and the postcode of the location at which each Rail Services Employee who enters into an Apprenticeship is principally employed at (such location being the relevant train crew depot of train crew); and
 - (f) the first half of each Rail Services Employee's residential postcode.
- 4.4 Such information shall be provided to the Authority with the quarterly financial information to be provided pursuant to paragraph 9.3 of Schedule 11.2 (Management Information) or at such other time as the Authority may specify.

5 APPRENTICES AND GRADUATE SCHEMES

- 5.1 TfWRL shall remunerate Apprentices providing the Rail Services in accordance with TfWRL's terms and conditions of employment, such remuneration to be in accordance with the Apprentice Rate.
- 5.2 TfWRL shall assist each Apprentice providing the Rail Services to achieve relevant Qualifications Wales qualifications or equivalent.

- 5.3 TfWRL shall meet the Specification of Apprenticeship Standards for Wales.
- 5.4 TfWRL shall keep accurate and complete records of the training and apprenticeships offered by TfWRL and its UK based supply chain in delivering the Rail Services.
- 5.5 By no later than 31 January in each year (and within one (1) month of the end of the Rail Services Term) TfWRL shall deliver to the Authority a breakdown of the number of training and apprenticeships offered by TfWRL and its supply chain in providing the Rail Services during the calendar year (or part thereof) which ended on the immediately preceding 31 December or at the end of the Rail Services Term (as applicable).

6 LIVING WAGE

- 6.1 TfWRL shall pay the Living Wage to its employees provided that this requirement does not apply to Apprentices.
- 6.2 TfWRL shall procure, by no later than the date which is twelve (12) months from the Service Commencement Date, that its sub-contractors shall pay (in respect of provision of the Rail Services such requirement to be included in the sub-contract) the Living Wage to their respective employees provided that this requirement does not apply to Apprentices.

7 VOLUNTEERING

- 7.1 In recognition of the value of volunteering to the community TfWRL shall support its staff in voluntary community work and relevant schemes that encourage, support and reward volunteering in the communities that are served by the Rail Services.

8 TFWRL STAFF SAFETY AND WELLBEING

- 8.1 TfWRL shall support and improve the health and well-being of Rail Services Employees, including by:
- (a) monitoring, managing and improving occupational health risks, level of Rail Services Employee engagement and morale and general wellbeing of the workforce; and
 - (b) supporting the management of individual health risk.
- 8.2 TfWRL shall use all reasonable endeavours to safeguard the security of Rail Services Employees and shall seek to reduce the incidence and fear of crime and anti-social behaviour against Rail Services Employees at Stations and on trains, including by:
- (a) implementing systems, including staff training, to control and minimise crime and security incidents; and

- (b) assessing and reviewing regularly the security and crime risk to Rail Services Employees and other rail employees across the Rail Services.

9 NO COMPULSORY REDUNDANCY

- 9.1 TfWRL shall not, and shall procure that no subcontractor shall, for the duration of the Rail Services Term, terminate the employment of any Protected Employee by reason of redundancy within the meaning of section 139 of the Employment Rights Act 1996 (without the prior written consent of the Authority), provided that this clause shall apply only to any such termination by reason of compulsory redundancy and shall not apply in respect of any termination of employment by TfWRL or a subcontractor by reason of voluntary redundancy, by way of voluntary exit or voluntary severance, for any other reason or otherwise.

10 PONTYPRIDD HEADQUARTERS

- 10.1 TfWRL shall co-locate its headquarters with the Authority at a site in Pontypridd ("**Pontypridd HQ**") from such date as is notified by the Authority to TfWRL in writing, provided always that the Authority shall give no less than six (6) months' written notice to TfWRL of the date of commencement of this obligation.
- 10.2 TfWRL shall ensure that no less than [REDACTED] Rail Services Employees connected to delivery of the Rail Services are permanently based at the Pontypridd HQ and a satellite headquarters in North Wales.

Appendix 1 to Part 3 of Schedule 13.3 – TfWRL Commitments

- 1 The Parties acknowledge and agree that the contents of the tables in this Appendix will be agreed as part of the Initial Business Plan.

Table 1 – Minimum Number of Full Time Equivalent Jobs (including Apprentices and Graduate Schemes):

Service Year	Number of Full Time Equivalent Jobs

Table 2 – Minimum Number of Full Time Equivalent Jobs (Apprenticeships and Graduate Schemes):

Service Year	Number of Full Time Equivalent Jobs (Apprenticeships and *Graduate Schemes)

Table 3 – Person-weeks of employment for work experience or work placements:

Service Year	Number of Person-weeks

Part 4 to Schedule 13.3 – Environment

1 ENVIRONMENTAL MANAGEMENT AND ACCREDITATION

- 1.1 TfWRL shall at all times maintain certification pursuant to Green Dragon EMS (Level 5 for offices, depots and major stations and determine suitable levels for other stations relevant to their size and scale) and ISO50001:2011 or equivalent standard.
- 1.2 TfWRL shall provide the Authority with copies of the certificated audit reports and a copy of their ISO50001 Energy Review within four (4) weeks of their certification and each subsequent recertification during the Rail Services Term.

2 ENVIRONMENT - GENERAL OBLIGATIONS

- 2.1 In delivering the Rail Services, TfWRL shall assist the Authority in meeting its obligations under the following:
- (a) the Environment (Wales) Act 2016;
 - (b) the “Towards Zero Waste Strategy”;
 - (c) the Construction Demolition Sector Plan; and
 - (d) the recommendations of the Green Growth Wales Paper.

3 NATURAL ENVIRONMENT AND BIODIVERSITY

- 3.1 In delivering the Rail Services, TfWRL shall use its best endeavours not to do anything that would have an adverse effect on the integrity of any SSSI or Natura 2000 site.
- 3.2 In delivering the Rail Services, TfWRL shall have due regard to conserving and enhancing biodiversity and, have due regard to:
- (a) the United Nations Environmental Programme Convention on Biological Diversity of 1992;
 - (b) any list of living organisms and types of habitat published under section 42 of the Natural Environment and Rural Communities Act 2006; and
 - (c) and conserving biodiversity includes, in relation to a living organism or type of habitat, restoring or enhancing a population or habitat.
- 3.3 In delivering the Rail Services, TfWRL shall take all reasonable precautions to reduce or prevent pollution of air, soils and water, and meet the costs of fully rectifying any pollution caused by the Rail Services in accordance with the Polluter Pays Principle.

3.4 TfWRL shall implement a plan that details the major environmental risks associated with the Rail Services and the measures adopted to mitigate such risks (the "**Environmental Management Plan**"). The Environmental Management Plan must include details of the identities, roles, responsibilities and experience of those responsible for managing and monitoring the environmental performance of the Services. From the Service Commencement Date, TfWRL shall adopt the Environmental Management Plan agreed between the Authority and the Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement. The Environmental Management Plan shall be reviewed as part of the Strategic Review.

4 **WASTE MANAGEMENT AND RECYCLING**

4.1 In delivering the Rail Services, TfWRL shall, and shall use reasonable endeavours to procure that its sub-contractors shall, use reasonable endeavours to minimise the impact of waste through implementing a plan that deals with waste in the following descending order of priority:

- (a) prevention of waste;
- (b) minimisation of waste;
- (c) re-use of waste;
- (d) recycling of waste; and
- (e) disposal of waste,

being the "**Waste Management Plan**"

4.2 Unless otherwise agreed between the Parties in writing, with effect from the Service Commencement Date, TfWRL shall adopt the Waste Management Plan (including the separate collection requirements as set out in Part IV of the Environment (Wales) Act 2016) agreed between the Authority and the Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement. The Waste Management Plan shall be reviewed as part of the Strategic Review.

4.3 In delivering the Rail Services, TfWRL shall implement measures across the Rail Services which seek to minimise water usage. TfWRL shall determine a baseline of water consumption by the end of the second (2nd) Service Year, such baseline to be agreed with the Authority. TfWRL shall develop a target to reduce water consumption against the agreed baseline referred to above by the end of the fourth (4th) Service Year, such target to be agreed with the Authority.

4.4 In delivering the Rail Services, TfWRL shall:

- (a) use all reasonable endeavours to use recycled aggregates and recycled paint; and
- (b) ensure that by the second Service Year and for each Service Year thereafter a minimum of seventy percent (70%) of all paper used in the delivery of the Rail Services shall be recycled paper.

5 **CARBON REDUCTION**

5.1 TfWRL shall:

- (a) adopt a low carbon impact strategy to help minimise the greenhouse gas emissions arising from provision of the Rail Services in accordance with the principles and goals set out in the Welsh Government publication 'Climate Change Strategy for Wales' and 'Prosperity for All: A Low Carbon Wales';
- (b) set Carbon Reduction Targets to comply with the Authority's requirements as set out in Part 2 Appendix 2 of this Schedule and those of ERDF (where relevant) in respect of this Agreement and shall comply with such targets as set out in Part 2 Appendix 2 of this Schedule;
- (c) calculate on the Service Commencement Date and in each Service Year thereafter the estimated carbon emissions that will be produced in carrying out the Rail Services and, as soon as reasonably practicable after such calculation, provide to the Authority each annual estimate and a breakdown of how the same was calculated;
- (d) implement a low carbon impact strategy in relation to traffic and traffic miles to help monitor and minimise the movements to and from sites for the transporting of the workforce and materials;
- (e) deliver and operate the CVL Rail Services taking into account the Authority's objective of zero decarbonisation by 2030; and
- (f) implement measures to minimise energy usage in relation to the Rail Services.

6 **ACTIVE TRAVEL**

6.1 In carrying out the Rail Services, and in addition to other requirements concerning the Rail Services and Rail Services Assets, TfWRL shall have due regard to the desirability of acting in a manner which facilitates end to end journeys that involve travel by all transport modes (including cycles).

6.2 TfWRL shall have regard to and provide support to the Authority in undertaking responsibilities under the Active Travel (Wales) Act including to support an increase in

walking and cycling. TfWRL shall attend meetings and participate in the Authority's Active Travel Board and the Authority's Integration Alliance Board ("IAB").

6.3 TfWRL shall use all reasonable endeavours in co-operation with Local Authorities and others as relevant to:

- (a) enable safe walking access to stations from neighbouring communities;
- (b) enable safe cycle access to stations; and
- (c) promote travelling by rail to destinations for leisure cycling and walking;
- (d) promote rail as part of active travel; and
- (e) co-operate with Local Authorities' active travel planning.

6.4 Unless otherwise agreed between the Parties in writing, with effect from the Service Commencement Date, TfWRL shall:

- (a) adopt the Active Travel and Cycling Policy and Delivery Plan aligned with the Authority's adopted Active Travel Policy and overarching strategy, agreed between the Authority and the Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement; and
- (b) make such strategy and policy available to passengers.

6.5 TfWRL shall implement the Active Travel and Cycling Policy and Delivery Plan and shall set out in the Sustainable Development Plan how such implementation will be achieved.

6.6 TfWRL shall review and revise the Active Travel and Cycling Policy and Delivery Plan as part of the Strategic Review and every two (2) years thereafter, and following such review and agreement or determination shall make the strategy and policy available to passengers.

7 **OBLIGATION TO PROCURE ENERGY FROM RENEWABLE SOURCES**

7.1 Where the procurement of electricity is within TfWRL's control and electricity from Renewable Resources is available for procurement, TfWRL shall procure, and shall ensure that its agents or subcontractors procure, the percentage of electricity that is used in the performance of the Rail Services is procured from Renewable Sources as defined by s.32Z2(2) of the Electricity Act 1989 for each Service Year shall be as set out in the table below. Such percentages shall include any microgeneration of electricity from renewable sources undertaken by TfWRL at Stations or other premises and which the Authority wishes to see increased as set out in the Green Growth Wales Paper.

Service Year	Percentage of electricity procured from Renewable Sources
1	100
2	100
3	100
4	100
5	100
6	100

8 **SUSTAINABLE CONSTRUCTION**

8.1 For any works required as part of this Agreement (including building refurbishment or fit out):

- (a) which are either being funded by TfWRL or in respect of which TfWRL has design responsibility; and
- (b) in respect of which the total capital cost exceeds [REDACTED] (indexed by the Retail Prices),

TfWRL shall use reasonable endeavours to achieve certification under the Constructing Excellence Wales Exemplar Scheme at both the design stage and the post-construction stage. In relation to significant scale construction projects the Authority may reasonably request accreditation at least an 'excellent' rating from an accredited assessor using the CEEQUAL standard.

9 **REPORTING**

9.1 TfWRL shall record the sustainability benefits it achieves in providing the Rail Services and shall provide support to the Authority to deliver an Annual Sustainable Development Update on delivery of such benefits on an annual basis. This update will be completed to be reported to The Authority Company Board in April each year and published for the public and stakeholders by June each year. The report shall cover as a minimum the matters included within Appendix 1 to Part 2 of this Schedule 13.3 and shall record progress to achievement of the targets as set out in Appendix 2 to Part 2 of this Schedule 13.3.

Appendix 1 to Part 4 of Schedule 13.3 - Sustainability and Ethical Procurement reporting

These reports shall be made following the Welsh Government's Community Benefits Measurement tool and must relate specifically to the relevant Service Year or Reporting Period.

1 LOCAL SUPPLIERS, SMALL AND MEDIUM SIZE ENTERPRISES (SMES) AND THIRD SECTOR ENTERPRISES (TSES)

Description	Unit of Measure	TfWRL to Report	Frequency of Reporting
The amount of the contract that relates to goods, services, and overheads	£	Total £ contract value for the Reporting Period	Annual
The amount spent with businesses based in Wales and the borders providing goods, services, or overheads	£	Total £ amount for the Reporting Period	Annual
The amount spent with small and medium-size enterprises (SMEs) based in Wales and the borders	£	Total £ amount spent for the Reporting Period	Annual
The amount spent with Third Sector Enterprises (TSEs) based in Wales and the borders during the period.	£	Total £ amount for the Reporting Period	Annual
The percentage (%) of sub-contractors paid within 30 days during the period.	%	% paid within 30 days for the Reporting Period	Annual

2 SKILLS, DISADVANTAGED GROUPS AND TRAINING

Skills

Description	Unit of Measure	TfWRL to Report	Frequency of Reporting
The amount of the contract that relates to staff and labour	£	Total £ value for the Reporting Period	Annual
The amount paid to people living in Wales and the borders who are/were employed as a result of this contract	£	Total £ paid for the Reporting Period	Annual
Has this contract allowed the contractor or subcontractors to retain staff who would have been made redundant without the work provided by this contract?	Yes/No	Yes/No for the Reporting Period	Annual
Staff, living in Wales and the borders retained as a result of this contract.	Number	Number of people retained for the Reporting Period	Annual
People living in Wales and the borders, who were previously unemployed but are now employed by the contractor and/or subcontractors during the period as a result of this contract	Number	Number of previously unemployed people employed for the Reporting Period	Annual

Disadvantaged groups – specific information required per individual

Was this individual <u>UNEMPLOYED</u> for up to 6 months immediately prior to being taken on?
Would this individual have been considered a <u>DISADVANTAGED</u> worker prior to being taken on for this contract? i.e. unemployed for 6 months or more but less than 24 months or falls into one of the categories in the definition of disadvantaged workers
Would this individual have been considered a <u>SEVERELY DISADVANTAGED</u> worker prior to being taken on for this contract? i.e. unemployed for 24 months or more
Is this individual considered to be a <u>DISABLED</u> worker?
Was this individual <u>recruited through the LIFT programme</u> ?
Will the contractor and/or subcontractors continue to employ this individual after the current contract?

Training

Description	Unit of Measure	TfWRL to Report	Frequency of Reporting
Apprenticeships started by people living in Wales and the borders as part of this contract	Number	Number of apprenticeships started for the Reporting Period	Annual
Apprenticeship weeks completed by people living in Wales and the borders as part of this contract	Number	Number of apprenticeship weeks completed for the Reporting Period	Annual
Traineeships by people living in Wales and the borders were started and completed as part of this contract	Number	Number of traineeships started and completed for the Reporting Period	Annual
Work experience / internship opportunities for people living in Wales and the borders were started and completed	Number	Number of work experience / internship opportunities started and completed for the Reporting Period	Annual

Work experience / internship weeks in total completed as part of this contract	Number	Total number of work experience / internship weeks started and completed for the Reporting Period	Annual
Graduate placements for people living in Wales and the borders started and completed as part of this contract	Number	Number of graduate placements started and completed for the Reporting Period	Annual
Graduate placement weeks in total completed as part of this contract	Number	Total number of graduate placements started and completed for the Reporting Period	Annual
Work trial weeks in total completed as part of this contract	Number	Number of work trial weeks for the Reporting Period	Annual
Voluntary work opportunities completed as part of this contract	Number	Number of voluntary work opportunities for the Reporting Period	Annual
Voluntary work weeks completed as part of this contract	Number	Number of voluntary work weeks completed for the Reporting Period	Annual
Accredited training opportunities of any level completed as part of this contract NB do not include Apprenticeship training here,	Number	Number of accredited training opportunities completed for the Reporting Period	Annual
Accredited training weeks of any level completed as part of this contract	Number	Number of accredited training weeks completed for the Reporting Period	Annual

Non-accredited training opportunities completed as part of this contract	Number	Number of non-accredited training opportunities completed for the Reporting Period	Annual
Non-accredited training weeks provided as part of this contract	Number	Number of non-accredited training weeks provided for the Reporting Period	Annual

3 Environment

Description	Unit of Measure	TfWRL to Report	Frequency of Reporting
Traction fuel / energy EC4T	kWh	Breakdown per distinct fleet – metered	4-week period
Traction fuel / energy EC4T	kWh	Breakdown per distinct fleet - unmetered	4-week period
Traction fuel / energy Gas-oil	Litre	Breakdown per distinct fleet	4-week period
Non-Traction fuel / energy	kWh	Breakdown per distinct fleet – metered	4-week period
Non-Traction fuel / energy	kWh	Breakdown per distinct fleet - unmetered	4-week period
Non-Traction fuel / energy Gas-oil	Litre	Breakdown per distinct fleet	4-week period
Carbon (CO ₂ e) Scope 1 emissions (direct emissions)	Tonnes / km	Total tonnes and kg per passenger km	Annual

Carbon (CO2e) Scope 2 emissions (indirect emissions)	Tonnes / km	Total tonnes and kg per passenger km	Annual
Carbon (CO2e) Scope 3 emissions (other indirect emissions)	Tonnes / km	Total tonnes and kg per passenger km	Annual
Embodied (CO2e) carbon in new projects	Tonnes	Total tonnes per project	End of project
Energy and fuel from renewable sources	Kilowatt hours (kWh)	% of total fuel	Annual
Energy and fuel from Welsh renewable sources	Kilowatt hours (kWh)	% of total fuel	Annual
Waste generated	Tonnes	Tonnes	Annual
Tonnes of waste diverted from landfill for re-use or recycling or waste to energy.	Tonnes	Tonnes	Annual
Tonnes of hazardous waste disposed of.	Tonnes	Tonnes	Annual
Tonnes of waste going to landfill.	Tonnes	Tonnes	Annual
Mains water consumption	Cubic metres	Total cubic metres	Annual
Water recycling initiatives	n/a	Narrative	Annual
Noise Pollution	Total number of noise complaints received	Directly or forwarded from other sources	Annual
Air Pollution	Total oxides of nitrogen emitted per distinct fleet	Tonnes	Annual
Air Pollution	Total oxides of nitrogen avoided through	Tonnes	Annual

	passenger use of the Rail Services		
Enforcement/information notices	Number received	Number received	Immediately upon receipt
Environmental fines or prosecutions	Number received	Number received	Immediately upon receipt
Environmental incidents	Reported through EMS	Reported through EMS	Annual
Environmental training records	% personnel briefed/trained	% personnel briefed/trained	Annual

4 Cultural

Description	Unit of Measure	TfWRL to Report	Frequency of Reporting
Welsh speaking customer facing staff	Number	Number of staff for the Reporting Period	Annual
Stations adopted	Number	Number of stations for the Reporting Period	Annual

5 ETHICAL

Description	Unit of Measure	TfWRL to Report	Frequency of Reporting
Directly employed staff being paid no less than the Living Wage	%	% of staff for the Reporting Period	Annual
Staff employed in the supply chain being paid no less than the Living Wage	%	% of staff for the Reporting Period	Annual

Supply chain partners who have signed up to the Welsh Government's Code of Practice for Ethical Employment in Supply Chains	Number	Number of partners for the Reporting Period	Annual
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Appendix 2 to Part 4 of Schedule 13.3 - Environment Targets**Environment Targets**

Description	Target	TfWRL to Report	Granularity	Notes
<p>Carbon (CO₂e)</p> <p>Scope 1 emissions (direct emissions) - CVL Traction (diesel)</p>	<p>Minimum one hundred percent (100%) reduction by the end of [Service Year 5] sustained to the end of the Rail Services Term.</p>	<p>a) Kg per unit of Passenger Carrying Capacity kilometre (Target)</p> <p>b) kg per passenger km (no target)</p> <p>c) Total Tonnes (no target)</p>	<p>Annual</p>	<p>1) 5 yearly review of baseline with target review agreed acting reasonably.</p> <p>2) [Baseline of 2015/16 ATW CO₂e]</p> <p>3) Measurement mechanism to be agreed within 6 months of signature including any reasonable adjustment to ensure figures are like-for-like (e.g. PRM and air conditioning are factored in).</p> <p>4) Increase in services will increase carbon emissions. Per unit of Passenger Carrying Capacity kilometre target</p>

				<p>normalises train services.</p> <p>5) The baseline is 16.7g CO₂e per passenger carrying capacity km. Baseline to be confirmed as part of Preliminary Design and Discovery.</p> <p>6) The target may be changed by agreement of the parties acting reasonably to reflect a material change to the provision of the CVL Services.</p>
<p>Carbon</p> <p>(CO₂e) Scope 1 emissions (direct emissions) - WCB Traction (diesel)</p>	<p>Minimum thirty percent (30%) reduction by the end of [Service Year 5] sustained to the end of the Rail Services Term.</p>	<p>a) Kg per unit of Passenger Seating Capacity kilometre (Target)</p> <p>b) kg per passenger km (no target)</p> <p>c) Total Tonnes (no target)</p>	<p>Annual</p>	<p>1) 5 yearly review of baseline with target review agreed acting reasonably.</p> <p>2) [Baseline of 2015/16 ATW CO₂e]</p> <p>3) Measurement mechanism to</p>

				<p>be agreed within 6 months of signature including any reasonable adjustment to ensure figures are like-for-like (e.g. PRM and air conditioning are factored in)</p> <p>4) Increase in services will increase carbon emissions. Per unit of Passenger Seating Capacity kilometre target normalises train services.</p> <p>5) The baseline is 23.9g CO₂e per passenger carrying capacity km. Baseline to be confirmed with 3 months of Service Commencement Date.</p> <p>6) The target may be changed by agreement of the parties</p>
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				acting reasonably to reflect a material change to the provision of the WCB Services.
Carbon (CO2e) Scope 2 emissions (indirect emissions) – electricity procured by TfWRL	100% reduction by the end of [Service Year 5] sustained to the end of the Rail Services Term.	Total tonnes	Annual	
Carbon (CO2e) Scope 3 emissions – WCB operations	N/A	a) Total tonnes carbon saved through modal shift b) Total tonnes carbon saved through rail service assuming passenger journeys made by rail would have been made by road	Annual	Derived from passenger KM and modal shift modelling
Carbon (CO2e) Scope 3 emissions – CVL Operations	N/A	a) Total tonnes carbon saved through modal shift b) Total tonnes carbon saved through rail service assuming passenger journeys made by rail would have	Annual	Derived from passenger KM and modal shift modelling

		been made by road		
Energy and fuel from renewable sources from Wales or areas served by the Rail Services	Minimum fifty percent (50%)	Kilowatt hours (kWh), therms, litres % of total electricity % of other fuels and energy sources	Annual	
Waste diverted from landfill for re-use, recycling or other recovery applications including waste to heat / energy	Minimum ninety five percent (95%) by the end of [year 2] sustained to the end of the Rail Services Term.	% of total waste	Annual	
Waste to landfill	Maximum five percent (5%) by the end of [year 2] sustained to the end of the Rail Services Term.	% of total waste	Annual	1) Excluding hazardous waste.
Air Pollution	Minimum one hundred percent (100%) reduction for CVL and eighty percent (80%) reduction for WCB by the end of [Service Year 5] sustained to the end of the	a) kg NOx per passenger km (target) b) Total Tonnes	Annual	1) 5 yearly review of baseline with target review agreed acting reasonably. 2) Increase in services will increase NOx emissions. Per passenger km target

	Rail Services Term.			<p>normalises train services.</p> <p>3) Baseline to be required prior to Service Commencement Date.</p> <p>4) The target may be changed by agreement of the parties acting reasonably to reflect a material change to the provision of the Rail Services or material change to the predicted Passenger Demand because of exogenous factors during the Rail Services Term.</p>
Air Pollution	NA	<p>a) Total tonnes NOx saved through modal shift</p> <p>b) Total tonnes NOx saved through rail service assuming passenger journeys made by rail would have</p>	Annual	Derived from passenger KM and modal shift modelling

		been made by road		
Enforcement/information notices	Zero	Number received	Annual	
Environmental fines or prosecutions	Zero	Number received	Annual	
Environmental incidents	Zero	Reported through EMS	Annual	
Environmental training records	100% personnel briefed/trained	% personnel briefed/trained	Annual	

Part 5 of Schedule 13.3 – Culture

1 CULTURE – GENERAL REQUIREMENTS

- 1.1 The Authority wishes to see the language and culture of Wales promoted throughout the Rail Services. TfWRL shall engage with the Arts Council of Wales, Cadw and other third parties, to promote through and within the Rail Services the arts, culture, heritage and language of Wales and the arts, culture and heritage of other areas served by the Rail Services.
- 1.2 TfWRL shall support the use of the Welsh language in the Rail Services and shall have regard to:
- (a) the official status which the Welsh language has in Wales;
 - (b) the duties to use Welsh which are (or may be) imposed by law, and the rights which arise from the enforceability of those duties;
 - (c) the principle that, in Wales, the Welsh language should be treated no less favourably than the English language; and
 - (d) the principle that persons in Wales should be able to live their lives through the medium of the Welsh language if they choose to do so.
- 1.3 TfWRL shall comply with the Welsh Language Standards set out in Appendix 2 to this Part 5 of Schedule 13.

2 WELSH LANGUAGE – WRITTEN COMMUNICATIONS

- 2.1 All written communications by TfWRL to the public and passengers within Wales other than those covered by the provisions of paragraph 2.2 shall be provided in both English and Welsh including amongst others and without exclusion:
- (a) train and station notices including PIS, CIS and other electronic communications;
 - (b) timetables;
 - (c) ticketing machines;
 - (d) terms and conditions;
 - (e) marketing and communications materials;
 - (f) documents made available to the public;
 - (g) web site content and navigation;

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- (h) social media announcements and communications presence (including Twitter and Facebook); and
 - (i) other relevant written communications from TfWRL.

2.2 Communications to individual members of the public or passengers shall be provided in English and Welsh except where the individual has selected either Welsh or English as their preferred language of communication. Where such preference has been received and recorded by TfWRL, communications may be provided in the selected language of English or Welsh. Where a communication has been received in English or Welsh TfWRL may reply in that language only, subject to the response including an invitation for the individual members of the public or passengers to identify a language preference for future communications.

3 WELSH LANGUAGE - VERBAL COMMUNICATIONS

3.1 All public verbal one to many communications by TfWRL to the public and passengers within Wales shall be provided in both English and Welsh including amongst others and without exclusion:

- (a) advertisements;
- (b) audio and audio-visual communications;
- (c) station announcements including PIS, CIS and other electronic systems (excluding those provided by individual station staff who do not speak Welsh);
- (d) on-train announcements (excluding those provided by individual on-train staff who do not speak Welsh);
- (e) automated announcements; and
- (f) other relevant verbal communications from TfWRL.

4 WELSH LANGUAGE CUSTOMER COMMUNICATIONS

4.1 TfWRL shall offer Welsh and English language communications where requested for:

- (a) train enquiries (including providing a direct number by which services can be accessed); and
- (b) social media contact responses.

4.2 Where Welsh speaking staff are available Welsh language communications shall be provided at Station receptions and ticket offices. Where Welsh speaking staff are not available, remote staff with Welsh language skills shall be available by phone or other remote presence technologies.

5 WELSH LANGUAGE REQUIREMENTS

- 5.1 TfWRL shall offer Welsh language training to Rail Services Employees.
- 5.2 TfWRL shall use reasonable endeavours to ensure that by 31 March 2026 at least thirty percent (30%) of TfWRL's customer facing Rail Services Employees speak the Welsh language to the extent required to deal with passenger enquiries in Welsh.

6 WELSH LANGUAGE IMPLEMENTATION PLAN

- 6.1 Not used.
- 6.2 Unless otherwise agreed between the Parties in writing, TfWRL shall:
 - (a) from the Service Commencement Date, adopt the Welsh Language Implementation Plan agreed between the Authority and the Previous ODP immediately prior to the termination of the Previous ODP Grant Agreement; and
 - (b) prior to the Strategic Review, review such plan and submit a written proposal to the Authority setting out any changes it considers necessary to deliver the obligations set out in this Schedule 13.3.

Appendix 1 to Part 5 of Schedule 13.3 – Not used

Appendix 2 to Part 5 of Schedule 13.3 – Welsh Language Standards

1 BACKGROUND

- 1.1 The Welsh Language (Wales) Measure 2011 (the “**Measure**”) makes provision for compliance with standards of conduct in relation to the Welsh language. The Measure provides that the Welsh Language Commissioner may by notice require certain public bodies to comply with some or all of the standards specified by the Authority in regulations. The standards which are relevant to the Authority as at the Service Commencement Date are specified in the Welsh Language Standards (No. 1) Regulations 2015.
- 1.2 The Welsh Language Commissioner has issued a compliance notice to the Authority specifying which of the standards in the Welsh Language Standards (No. 1) Regulations 2015 apply to any activity or service provided by or on behalf of the Authority. A copy of the latest version of the compliance notice is available at <https://gov.wales/welsh-language-commissioners-compliance-notice>.

2 COMPLIANCE WITH THE WELSH LANGUAGE SERVICE DELIVERY STANDARDS

- 2.1 As TfWRL will be providing services on the Authority’s behalf in accordance with the terms of this Agreement, TfWRL shall ensure that the Rail Services comply with the relevant service delivery standards listed in the compliance notice issued to the Authority from time to time (the “**Welsh Language Service Delivery Standards**”).
- 2.2 The Authority shall notify TfWRL of any changes to the Welsh Language Service Delivery Standards with which the Rail Services must comply.
- 2.3 TfWRL shall submit a report to the Authority on its compliance with the Welsh Language Service Delivery Standards within ten (10) Weekdays of the end of each Reporting Period.
- 2.4 Any communications or marketing services provided by TfWRL in its delivery of the Rail Services pursuant to this Agreement shall be provided in accordance with the Authority’s *Guidance on the Use of the Welsh Language in Welsh Government communication and marketing work*, a copy of which is has been provided to TfWRL on the Service Commencement Date.

Schedule 14**Preservation of Assets**

Schedule 14.1:	Maintenance as a going concern
Schedule 14.2:	Maintenance of Operating Assets
Schedule 14.3:	Key Contracts
	Appendix 1: List of Key Contracts
Schedule 14.4:	Designation of Rail Services Assets
	Appendix 1: Not used
Schedule 14.5:	Dealing with Rail Services Assets
Schedule 14.6:	Not used
	Appendix 1: Not used
Schedule 14.7:	Not used

Schedule 14.1 - Maintenance of Rail Services

1 MAINTENANCE AS A GOING CONCERN

- 1.1 TfWRL shall maintain and manage the business of providing the Rail Services so that, to the greatest extent possible and practicable:
- (a) TfWRL is able to perform its obligations under this Agreement; and
 - (b) a Successor Operator would be able to take over the business of providing the Rail Services immediately at any time.
- 1.2 TfWRL's obligation under paragraph 1.1 shall include an obligation to ensure that any computer and information technology systems of TfWRL shared in whole or in part with Affiliates or third parties can be operated by a Successor Operator as a stand alone system without continued reliance on such Affiliates or other third parties immediately from the date of termination of this Agreement without any reduction in functionality or any increase in maintenance or support costs to the Successor Operator (this obligation being without prejudice to any requirement for TfWRL to obtain consent to such arrangements relating to sharing computer and information technology systems from the Authority).
- 1.3 TfWRL shall use all reasonable endeavours to ensure that such Successor Operator would have immediate access to all Rail Services Employees and Rail Services Assets for such purpose.
- 1.4 TfWRL shall maintain and manage the business of providing the Rail Services on the basis that such business will be transferred, in the manner contemplated under this Agreement, as a going concern at the end of the Rail Services Term to, and continued immediately thereafter by, a Successor Operator.
- 1.5 TfWRL shall use all reasonable endeavours to ensure that an appropriate number of employees (having sufficient skills, qualifications and experience) will transfer by operation of Law to any Successor Operator following the expiry of the Rail Services Term and in so doing shall plan for the recruitment and training of Rail Services Employees to continue up until the end of the Rail Services Term.
- 1.6 TfWRL shall comply with all reasonable requirements of the Authority to obtain or maintain the property and rights that a Successor Operator would require, or that it would be convenient for it to have, on the basis that the same will transfer by operation of Law to any Successor Operator following the expiry of the Rail Services Term.
- 1.7 Not used

2 POST RAIL SERVICES TIMETABLES

2.1 Both prior to and following the selection of a Successor Operator (whether a franchisee or otherwise and whether or not subject to the satisfaction of any conditions), TfWRL shall:

- (a) co-operate with, where a Successor Operator has been appointed, that Successor Operator, or where not, the Authority; and
- (b) take such steps as may reasonably be requested by the Authority, so as to ensure the continuity of, and orderly handover of control over of the Rail Services.

2.2 The steps that the Authority may reasonably request TfWRL to take pursuant to paragraph 2.1 include, without limitation:

- (a) participating in any timetable development process that takes place during the Rail Services Term, but which relates to any timetable period applying wholly or partly after the expiry of the Rail Services Term ("**Successor Operator Timetable**"), including bidding for and securing any Successor Operator Timetable, whether or not:
 - (i) the Successor Operator has been identified; or
 - (ii) there is in place an Access Agreement relating to the period over which that Successor Operator Timetable is intended to be operated;
- (b) using reasonable endeavours to seek amendments to and/or extensions of Access Agreements which can be transferred to the Successor Operator on expiry of the Rail Services Term;
- (c) assisting the Authority or the Successor Operator (as the case may be) in the preparation and negotiation of any new Access Agreement relating to any Successor Operator Timetable; and/or
- (d) entering into that Access Agreement in order to secure the relevant priority bidding rights required by the Successor Operator to operate that Successor Operator Timetable, provided that TfWRL shall not be required to enter into any such Access Agreement unless the Authority has first provided to it confirmation in writing that the Authority will include that Access Agreement in any Transfer Agreement pursuant to clause 9A (Transfer of Property Rights and Liabilities on Expiry) of this Agreement.

Schedule 14.2 - Maintenance of Operating Assets

1 OPERATING ASSETS

- 1.1 TfWRL shall maintain, protect and preserve the Operating Assets in good standing or good working order, subject to fair wear and tear.
- 1.2 TfWRL shall carry out its obligations under paragraph 1.1 so that the Operating Assets may be transferred at the end of the Rail Services Term to a Successor Operator and used by such Successor Operator in the provision or operation of similar services to the Rail Services.
- 1.3 Where any Operating Asset is lost, destroyed or otherwise beyond repair, TfWRL shall replace the Operating Asset with property, rights or liabilities in modern equivalent form to the Operating Asset to be replaced. TfWRL shall at all times maintain an appropriate volume of Spares, and/or an appropriate level of access to Spares from a third party, to enable it to perform its obligations under this Agreement.
- 1.4 The Authority may at any time require TfWRL to provide to the Authority a schedule specifying the condition of any asset or class of assets that the Authority specifies for this purpose. Such schedule shall cover such aspects of asset condition as the Authority may reasonably require. If the Parties are unable to agree the content of such schedule of condition, either Party may refer the dispute for resolution in accordance with the Dispute Resolution Rules. Until such dispute is resolved, TfWRL shall comply with the Authority's requirements in respect of such schedule of condition.

2 SPARES

- 2.1 The obligation of TfWRL to maintain, preserve and protect the Operating Assets under this Schedule 14.2 shall, in respect of Spares, include the obligation to replace any Spare which is a Rail Services Asset and which subsequent to it being a Rail Services Asset ceases to be part of the stock of Spares available to TfWRL for use in the provision of the Rail Services, with an equivalent Spare of equal or better quality than the Spare so replaced.

3 BRAND LICENCE AND BRANDING

3.1 Brand Licences and Brand Guidelines

TfWRL shall comply with its obligations under each of the Brand Licences and shall comply with the Brand Guidelines.

3.2 Branding

- (a) Subject to any applicable obligations or restrictions on TfWRL (including the terms of the Rolling Stock Leases) and to the Brand Guidelines, TfWRL may apply registered or unregistered trade marks (including company names, livery and other distinctive get-up) to any assets owned or used by it in the operation and provision of the Rail Services.
- (b) TfWRL may:
 - (i) in respect of unregistered Marks, provide or procure the provision of an irrevocable undertaking to any relevant Successor Operator to the effect that neither it nor the owner of the Marks will enforce such rights as it may have or may in the future have in respect of such Marks against such Successor Operator and its successors; and
 - (ii) in respect of registered Marks, grant or procure the grant of an irrevocable licence to use such Marks to such Successor Operator and its successors.
- (c) Any such licence or undertaking under paragraph 3.2(b) shall be in such form as the Authority shall reasonably require except that the terms of any such licence and, to the extent appropriate, any such undertaking shall accord with the provisions of paragraph 8.3 of Schedule 15.4 (Provisions Applying on and after Termination).
- (d) Not used.
- (e) TfWRL shall grant or procure the grant of a licence or undertaking complying with paragraphs 3.2(b) and (c) except that such licence shall only be for such period as may be agreed between TfWRL and the Successor Operator as being reasonably required by the Successor Operator to remove the Marks from all relevant assets without causing excessive disruption to the operation of services similar to the Rail Services provided by such Successor Operator. If such period cannot be agreed, TfWRL shall submit such dispute for resolution in accordance with such dispute resolution procedures as the Authority may require.
- (f) The Authority shall determine at or around the end of the Rail Services Term, and after consultation with TfWRL the maximum length of licence or undertaking under paragraph 3.2(e).
- (g) The provisions of paragraphs 3.2(b) to 3.2(f) shall not apply to the extent that the relevant asset is not to be used by a Successor Operator in the provision of

services similar to the Rail Services. The Authority shall notify TfWRL as soon as the Authority becomes aware of whether or not any such asset is to be so used.

Schedule 14.3 - Key Contracts

1 KEY CONTRACTS

1.1 This Schedule sets out the rights of the Authority to:

- (a) designate certain contracts or categories of contracts as Key Contracts where the Authority considers that such contracts or categories of contract are necessary for the purposes of securing continuity of the Rail Services by a Successor Operator on expiry of the Rail Services Term; and
- (b) in accordance with paragraph 5, require TfWRL to procure that a counterparty to a Key Contract enters into a Direct Agreement with the Authority.

This Schedule 14.3 shall apply to all contracts designated as Key Contracts from time to time.

1.2

- (a) The Key Contracts as at the date of this Agreement are set out in Appendix 1 (List of Key Contracts) to this Schedule 14.3.
- (b) TfWRL shall enter into any and all Key Contracts which are necessary for this Agreement to continue in accordance with clause 5 (Duration of this Agreement).
- (c) Where at any time after the date of this Agreement TfWRL proposes to enter into any agreement, contract, licence or other arrangement which falls within one of the categories listed in Appendix 1 (List of Key Contracts) to this Schedule 14.3 TfWRL shall:
 - (i) inform the Authority from time to time of any such agreement, contract, licence or other arrangement which it may be intending to enter into; and
 - (ii) comply with the provisions of paragraph 5.1 in respect of any such agreement, contract, licence or other arrangement.

1.3 Without prejudice to the provisions of paragraphs 2, 3 and 4 of this Schedule 14.3, Appendix 1 (List of Key Contracts) to this Schedule 14.3 shall be amended as considered necessary from time to time to take account of any:

- (a) designation by the Authority of any actual or prospective agreement, contract, licence or other arrangement or any category of agreement, contract, licence or other arrangement, to which or under which TfWRL is (or may become) a party or a beneficiary pursuant to paragraph 2 of this Schedule 14.3; or

- (b) de-designation by the Authority of any Key Contract pursuant to paragraph 3 of this Schedule 14.3; or
- (c) re-designation by the Authority pursuant to paragraph 4 of this Schedule 14.3.

2 DESIGNATION OF KEY CONTRACTS

- 2.1 Where the Authority considers that it is reasonably necessary for securing the continued provision of the Rail Services or the provision of services similar to the Rail Services by a Successor Operator in accordance with this Agreement, the Authority may make a designation pursuant to paragraph 2.2.
- 2.2 The Authority may at any time, by serving notice on TfWRL, designate as a Key Contract:
 - (a) any actual or prospective agreement, contract, licence or other arrangement; and/or
 - (b) any category of agreement, contract, licence or other arrangement, to which or under which TfWRL is (or may become) a party or a beneficiary,

with effect from the date specified in such notice.

- 2.3 Key Contracts may include any agreement, contract, licence or other arrangement whether in written, oral or other form, whether formal or informal and whether with an Affiliate of TfWRL or any other person and may include any arrangement for the storage of assets (including electronic systems or Computer Systems) or accommodation of employees.

3 DE-DESIGNATION OF KEY CONTRACTS

- 3.1 The Authority may at any time, by serving a notice on TfWRL, de-designate any Key Contract from continuing to be a Key Contract with effect from the date specified in such notice.

4 RE-DESIGNATION OF KEY CONTRACTS

- 4.1 The Authority may at any time, by serving notice on TfWRL, re-designate as a Key Contract anything which has ceased to be designated as a Key Contract in accordance with paragraph 3 with effect from the date specified in such notice.

5 DIRECT AGREEMENTS

- 5.1 Unless the Authority otherwise agrees, or unless directed to do so by the ORR, TfWRL shall not enter into any prospective Key Contract unless the counterparty to that prospective Key Contract has, prior to the Service Commencement Date, entered into a Direct Agreement with the Authority in respect of that prospective Key Contract, providing

on a basis acceptable to the Authority, amongst other things, for the continued provision of the Passenger Services and/or the continued operation of the Stations and Depots in the event of:

- (i) breach, termination or expiry of such Key Contract;
- (ii) termination or expiry of this Agreement; or
- (iii) not used.

5.2 Where the Authority designates or re-designates as a Key Contract:

- (a) any agreement, contract, licence or other arrangement to which TfWRL is already a party; or
- (b) any category of agreement, contract, licence or other arrangement where TfWRL is already a party to a contract, licence or other arrangement which, by virtue of the Authority's designation or re-designation, is classified in such category,

TfWRL shall use all reasonable endeavours to assist the Authority in entering into a Direct Agreement as envisaged by paragraph 5.1.

5.3 TfWRL shall pay to the Authority an amount equal to any losses, costs, liabilities, charges or expenses which may be suffered or incurred by the Authority under the provisions of any Direct Agreement and which may be notified to TfWRL as a result of, or in connection with:

- (a) any breach by TfWRL of the terms of the Key Contract to which the relevant Direct Agreement relates; or
- (b) any unsuccessful claim being brought by TfWRL against the counterparty of any such Key Contract in relation to the termination of such Key Contract.

6 **EMERGENCIES**

6.1 Where any emergency may arise in connection with the provision and operation of the Rail Services, TfWRL:

- (a) may enter into on a short-term basis such contracts, licences or other arrangements as it considers necessary or appropriate to deal with the emergency;
- (b) need not procure that the relevant counterparty enters into a Direct Agreement in respect of such contracts or use all reasonable endeavours to assist the Authority in entering into the same;

- (c) shall promptly inform the Authority of any such emergency and contracts, licences or other arrangements which it proposes to enter into; and
- (d) shall take such action in relation to such emergency, contracts, licences or other arrangements as the Authority may request.

7 NO AMENDMENT

- 7.1 TfWRL shall not without the prior consent of the Authority (which shall not be unreasonably withheld) vary, or purport to vary, the terms or conditions of any Key Contract at any time, unless directed to do so by the ORR.

8 REPLACEMENT OF KEY CONTRACTS

- 8.1 TfWRL shall, prior to the scheduled expiry date of any Key Contract (or, if earlier, such other date on which it is reasonably likely that such Key Contract will terminate), take all reasonable steps to enter into an appropriate replacement contract (whether with the counterparty to the existing Key Contract or not) and shall comply with the reasonable instructions of the Authority in relation to such replacement contract.

9 TERMINATION OF KEY CONTRACTS

- 9.1 TfWRL shall, to the extent so requested by the Authority, exercise its right to terminate any Key Contract on the Expiry Date.

10 DIRECT AGREEMENT WITH THE SECRETARY OF STATE

- 10.1 Where TfWRL provides services and/or assets to a Train Operator pursuant to a Key Contract, TfWRL acknowledges and agrees that this Agreement shall operate as a direct agreement in respect of those services and/or assets for the benefit of the Secretary of State.

Appendix 1 to Schedule 14.3 - List of Key Contracts

Subject to any de-designations by the Authority under paragraph 3 of Schedule 14.3 (Key Contracts), the following items have as at the date of this Agreement been agreed between the Parties to be Key Contracts:

- 1 any Access Agreement to which TfWRL is a party other than in its capacity as a Facility Owner;
- 2 any Property Lease and all side agreements relating to such relevant Property Lease;
- 3 any Rolling Stock Related Contract including the Rolling Stock Leases listed in Table 1 (Original Rolling Stock), Table 2 (Specified Rolling Stock) and Table 3 (Unspecified Additional Rolling Stock) of Appendix 1 (The Composition of the Train Fleet) to Schedule 1.6 (The Rolling Stock);
- 4 NOT USED;
- 5 any contract or arrangement for the lending, seconding, hiring, contracting out, supervision, training, assessment, or accommodation by another Train Operator or other third party of any train drivers, conductors or other train crew used by TfWRL in the provision of the Passenger Services;
- 6 any contract or arrangement for the subcontracting or delegation to another Train Operator or other third party of the provision of any of the Passenger Services (whether or not the consent of the Authority is required to such subcontracting or delegation under paragraph 4 of Schedule 1.1 (Rail Services and Service Development));
- 7 any contract or arrangement with a Train Operator or other third party (other than an Access Agreement) for the provision to TfWRL of train dispatch, performance or supervision of platform duties, security activities, evacuation procedures, advice or assistance to customers, assistance to disabled customers, operation of customer information systems, cash management or ticket issuing systems administration;
- 8 any contract or arrangement with a Train Operator or other third party for the provision of breakdown or recovery, and track call services to assist in the provision of the Passenger Services;
- 9 any contract or arrangement for the supply of spare parts or Spares;
- 10 any contract or arrangement for the maintenance of track and other related infrastructure;
- 11 any licences of Marks to TfWRL;
- 12 any contract or arrangement relating to the operation of smart ticketing;

- 13 any licence of any CRM System or Yield Management System;
- 14 any contract or arrangement for the provision or lending of Computer Systems (other than the CRM System and Yield Management System) that the Authority reasonably considers is essential for the delivery of the Rail Services; and
- 15 any MCS (*Mobile Communication Services*) contract.

Schedule 14.4 - Designation of Rail Services Assets

1 RAIL SERVICES ASSETS

1.1 Subject to paragraph 1.2, all property, rights and liabilities of TfWRL from time to time during the Rail Services Term shall be designated as Rail Services Assets and shall constitute Rail Services Assets for the purposes of section 27(11) of the Act.

1.2 The rights and liabilities of TfWRL in respect of the following items shall not be designated as Rail Services Assets and shall not constitute Rail Services Assets for the purposes of section 27(11) of the Act:

- (a) any contracts of employment;
- (b) this Agreement and any Transfer Agreement];
- (c) the Ticketing and Settlement Agreement;
- (d) any sums placed on deposit with a bank or other financial institution;
- (e) not used; and
- (f) any Rolling Stock Leases.

1.3 Not used.

2 NOT USED

3 NOT USED

4 NOT USED

5 NOT USED

6 NOT USED

7 NOT USED

8 NOT USED

9 NOT USED

10 NOT USED

11 NOT USED

Appendix 1 to Schedule 14.4 – Not used

Schedule 14.5 – Not used

Schedule 14.6 – Not used

Appendix 1 to Schedule 14.6 – Not used

Schedule 14.7 – Not used

Schedule 15

Obligations Associated with Termination

Schedule 15.1:	Reletting Provisions
Schedule 15.2:	Not used
Schedule 15.3:	Not used
Schedule 15.4:	Provisions Applying on and after Termination
	Appendix 1: Form of Transfer Agreement

Schedule 15.1 - Reletting Provisions

1 RELETTING OF RAIL SERVICES

1.1 TfWRL acknowledges that the Authority may wish, at or before the expiry of the Rail Services Term, either to invite persons to tender for the right to provide all or some of the Rail Services under a Successor Agreement or alternatively to enter into a Successor Agreement in respect of all or some of the Rail Services without having gone through a tendering process.

1.2 Not used.

1.3 Not used.

2 PREPARATION FOR RELETTING

2.1 TfWRL shall, if so requested by the Authority:

(a) provide the Authority and its representatives and advisers with access to officers, the Rail Services Employees and all books, records and other materials kept by or on behalf of TfWRL in connection with the Rail Services (including electronic or magnetic records, any CRM System and any Yield Management System) for the purpose of assisting such representatives and advisers:

(i) to prepare reports or other documents in connection with any invitation to potential Successor Operators to tender for the right and obligation to operate all or any of the Rail Services;

(ii) to prepare invitations to other potential Successor Operators to tender for the right and obligation to provide any other railway passenger services or operate any other additional railway asset; or

(iii) to enter into a Successor Agreement or other agreement relating to the services equivalent to the Rail Services, without undergoing a tendering process,

provided that the exercise of such access rights by the Authority and its representatives and advisers shall not unduly interfere with the continuing provision and operation of the Rail Services by TfWRL.

3 DATA SITE INFORMATION

3.1 TfWRL shall make available to the Authority and its representatives and advisers such Data Site Information (as defined at paragraph 3.5) as they shall reasonably require in connection with the matters referred to in paragraph 2.1 by no later than three (3) months after the date of such request.

3.2 TfWRL shall prepare and present such information in such manner (including in disaggregated form) as the Authority may require, and shall provide such assistance as the Authority may require in connection with the verification of such information.

3.3 TfWRL shall provide such confirmation in relation to the accuracy of:

- (a) the contents of the documents referred to in paragraph 2.1; and
- (b) any Data Site Information uploaded to such electronic data site as the Authority may require pursuant to paragraph 3.4,

in each case, as the Authority shall require from time to time.

3.4 TfWRL shall upload such Data Site Information as the Authority may require to such electronic data site as the Authority may specify and shall make a sufficient number of appropriate staff available for that purpose. TfWRL shall ensure that such staff are trained in the use of such data site (such training to be at the expense of the Authority). For the avoidance of doubt, the Data Site Information required by the Authority under this paragraph may cover the entire Rail Services Term or any part of it.

3.5 “**Data Site Information**” means information relating to any of the following:

- (a) the Rail Services or TfWRL, any Affiliate of TfWRL or their respective businesses (including their audited and management accounts, asset registers and contract lists);
- (b) past and present demand for the Rail Services or any similar services (including passenger count data, Yield Management Data and CRM Data);
- (c) information required to be provided by TfWRL pursuant to Schedule 1.5 (Information about Passengers);
- (d) the total revenue (being all revenue whatsoever from any source obtained from any commercial or non-commercial activity or undertaking of TfWRL) received or which TfWRL expects to receive during the Rail Services Term;
- (e) TfWRL's safety certificate or safety management system (in each case as defined in the Safety Regulations);
- (f) any other safety matter;
- (g) the arrangements contained within the Railways Pension Scheme, the Pension Trust, the Rail Services Section, or any other pension arrangement in respect of employees of TfWRL or employees of any person who was a TfWRL or franchise operator in relation to a Previous ODP Grant Agreement;

- (h) the management structure of TfWRL's business (including organograms and any planned changes);
- (i) employees and contractors (including details of responsibilities, job title, remuneration, grade, qualifications and any other personnel records);
- (j) terms and conditions of employment and human resources policies;
- (k) public and working timetables;
- (l) driver, other train crew and rolling stock diagrams;
- (m) rolling stock (including train and vehicle miles, restrictions of use, fleet examinations and servicing, fleet performance, casualty data and any relevant reports);
- (n) any station (including any leases, documents of title, maintenance arrangements, station facilities, plans and contingency or security plans relating to any station);
- (o) health and safety and environmental information;
- (p) copies of contracts (including Access Agreements, policies of insurance, property, rolling stock and other leases, the Interface Agreement, contracts for any catering services provided by TfWRL, contracts for outsourced services, and rolling stock maintenance and spares contracts);
- (q) Network Rail charges and requirements (including rules of the route/plan);
- (r) any information technology system (hardware or software) used or owned by TfWRL or any Affiliate of TfWRL (including any software licences);
- (s) performance data;
- (t) customer service (including staffing levels, call volumes and opening hours);
- (u) fares and fares baskets;
- (v) relationships with stakeholders (including minutes of meetings with unions, Passenger Transport Executives, Local Authorities, Community Rail Partnerships, Department for Transport and other relevant bodies as identified by the Authority from time to time);
- (w) not used
- (x) not used; or
- (y) any other matter which the Authority may specify from time to time,

and in this paragraph 3.5, the term “employee” includes any person engaged by TfWRL pursuant to a contract of personal service.

3.6 TfWRL shall:

- (a) comply with its obligations under paragraph 2.1 and this paragraph 3 promptly and in any case in accordance with any reasonable timetable with which the Authority requires TfWRL by notice in writing to comply;
- (b) where the Authority raises with TfWRL any query in relation to any Data Site Information, make a full and substantive response to such query within five (5) Weekdays. Such response shall include any further information requested by the Authority in relation to such query; and
- (c) nominate a person to whom:
 - (i) all queries or requests for information pursuant to paragraph 3.6(b);
 - (ii) requests for access to premises pursuant to paragraph 5; and
 - (iii) requests for access to employees,

shall be addressed and who shall be responsible for complying with any such queries or requests for information and such requests for access to employees and premises. TfWRL shall notify the Authority (its representatives and advisers) of the name and contact details of such person.

3.7 In connection with any proposal (whether or not yet finalised) to enter into a separate Successor Agreement and/or other agreements with more than one Successor Operator, each relating to some only of services equivalent to the Rail Services (whether or not together with other railway passenger services) at or following the end of the Rail Services Term, TfWRL agrees and acknowledges that the Authority may require:

- (a) that TfWRL provides the Authority with additional information and reports and analysis in respect of such Service Groups as the Authority may specify. This may include:
 - (i) information relating to the operational and financial performance of TfWRL in relation to such Service Groups; and
 - (ii) identification of those employees, assets and liabilities which relate to such Service Groups together with an indication of the extent to which the same are shared between the operation of different Service Groups; and

-
- (b) subject to paragraph 3.8, that TfWRL reorganises the business of providing services equivalent to the Rail Services in order to facilitate the transfer anticipated by this Schedule 15.1 on an ongoing basis of the business of providing the Rail Services within each of such Service Groups to separate Successor Operators. This may include, to the extent reasonably practicable:
- (i) the re-organisation of personnel such that an appropriate number of employees (having sufficient skills, qualifications and experience) will transfer by operation of Law to each Successor Operator of each such Service Group; and/or
 - (ii) entering into additional or clarificatory contractual or other arrangements so that the Successor Operator of each such Service Group will have the necessary assets and rights to operate the Rail Services within that Service Group; and
 - (iii) that TfWRL uploads Data Site Information to more than one data site.
- 3.8 Subject to paragraph 3.9, the Authority shall reimburse any reasonable out-of-pocket expenses that TfWRL may incur in complying with its obligations under this paragraph 3.
- 3.9 Without prejudice to any other rights the Authority may have (under this Agreement or otherwise) in respect of any contravention by TfWRL of its obligations under this paragraph 3, if the Authority is of the reasonable opinion that TfWRL does not have sufficient resources to enable its compliance with its obligations under this paragraph 3 the Authority may:
- (a) require TfWRL (at its own cost) to employ; or
 - (b) after notification to TfWRL, employ,
- such suitable additional resource as may be required to ensure that TfWRL can comply with its obligations under this paragraph 3. TfWRL shall reimburse to the Authority, by way of adjustment to the Rail Services Payments, any proper costs (including staff costs) incurred by the Authority in the employment of any such additional resource pursuant to paragraph 3.9(b).
- 3.10 To the extent reasonably practicable, prior to taking any of the actions referred to in paragraph 3.9, the Authority shall allow TfWRL a reasonable opportunity to make representations to the Authority concerning the exercise by the Authority of its rights under paragraph 3.9 but the Authority shall not be obliged by those representations to refrain from exercising any of the actions specified under paragraph 3.9.

4 NON-FRUSTRATION OF TRANSFER TO SUCCESSOR OPERATOR

4.1 TfWRL shall take no action or steps which is or are designed, directly or indirectly:

(a) to prevent, prejudice or frustrate the transfer as a going concern of the business of providing the Rail Services at the end of the Rail Services Term to a Successor Operator; or

(b) to avoid, frustrate or circumvent any provision of this Agreement (including in particular the provisions of Schedule 14 (Preservation of Assets) and this Schedule 15) which is included in whole or in part for the purpose of preventing any such preventive, prejudicial or frustrating action or steps.

4.2 Not used.

5 INSPECTION RIGHTS AT PREMISES USED FOR THE PROVISION OF THE RAIL SERVICES

5.1 Without limiting any other rights of the Authority under this Agreement and subject to paragraph 5.2, TfWRL shall, if so requested by the Authority, permit the Authority (or its nominee, which for these purposes shall include potential Successor Operators including potential bidders who have expressed an interest in tendering for the right and obligation to operate any or all of the Rail Services) to have such access to premises owned or occupied by TfWRL or any of its Affiliates (including Stations and Depots and which for these purposes shall include any premises used in connection with the provision of the Rail Services by TfWRL or any of its Affiliates) as the Authority may reasonably require in connection with any Tendering/Reletting Process including for the purposes of inspecting such premises (including the taking of inventories) and undertaking such surveys as may be necessary or desirable for the purposes of ascertaining the condition of any such premises.

5.2 The Authority shall use reasonable endeavours to ensure that any access rights required pursuant to paragraph 5.1 shall be undertaken so as not to unduly interfere with the continuing provision and operation of the Rail Services by TfWRL.

Schedule 15.2 – Not used

Schedule 15.3 – Not used

Schedule 15.4 - Provisions Applying on and after Termination

1 NOVATION OF ACCESS AGREEMENTS ON TERMINATION OF THIS AGREEMENT

1.1 TfWRL shall, to the extent so requested by the Authority on termination of this Agreement, in relation to any Access Agreement to which it is a party, novate its interest under any relevant Access Agreement (and any related Collateral Agreement) to the Authority or as the Authority may direct.

1.2 Such obligation to novate shall be subject to the agreement of any counterparty to such Access Agreement or Collateral Agreement and, to the extent applicable, the ORR.

1.3 Such novation shall be on such terms as the Authority may reasonably require, including:

(a) that TfWRL shall not be released from any accrued but unperformed obligation, the consequences of any breach of the relevant agreement which is the subject of arbitration or litigation between the Parties or any liability in respect of any act or omission under or in relation to the relevant agreement prior to, or as at the date of, any such novation (except to the extent that the Authority or its nominee agrees to assume responsibility for such unperformed obligation, such liability or the consequences of such breach in connection with the relevant novation); and

(b) that neither the Authority nor its nominee shall be obliged, in connection with such novation, to agree to assume responsibility for any unperformed obligation, liability or consequences of a breach referred to in paragraph 1.3(a),

but shall not, unless TfWRL otherwise agrees, be on terms which release any counterparty to the relevant agreement from any liability to TfWRL arising prior to the date of such novation.

1.4 TfWRL shall, on the occurrence of the circumstances specified in paragraph 1.1 in relation to any other Train Operator who is a party to an Access Agreement to which TfWRL is also party, agree to the novation of the relevant Train Operator's interest under the relevant Access Agreement to the Authority or as the Authority may direct, subject, to the extent applicable, to the consent of the ORR. The provisions of paragraph 1.3 shall apply to any such novation.

1.5 TfWRL shall notify the Authority on becoming aware of any circumstances which might lead to the Authority being able to require TfWRL to novate its interest or agree to the novation of another Train Operator's interest under this paragraph 1.

2 CO-OPERATION WITH SUCCESSOR OPERATOR

2.1 In order to ensure the continuity of, and an orderly handover of control over, the Rail Services, TfWRL shall co-operate with:

(a) where a Successor Operator has been appointed, such Successor Operator; or

(b) where a Successor Operator has not been so appointed, the Authority, and shall take such steps as may be reasonably requested by the Authority in connection therewith.

2.2 In satisfaction of its obligations under paragraph 2.1, TfWRL shall make appropriately skilled and qualified Rail Services Employees reasonably available to attend such meetings with the Authority, the Successor Operator, Network Rail, any rolling stock lessor and/or and other relevant third party as are reasonably required in order to determine:

(a) those actions that are required in order to facilitate such continuity and orderly handover, in particular those actions arising under, but not limited to, the following agreements:

- (i) Access Agreements;
- (ii) Property Leases;
- (iii) agreements in relation to Shared Facilities;
- (iv) Rolling Stock Leases;
- (v) Rolling Stock Related Contracts;
- (vi) any other Key Contract; and

(b) without prejudice to the Authority's rights under this Schedule 15.4, those rights and liabilities as may be specified in any Transfer Agreement.

3 NOT USED

4 ASSOCIATED OBLIGATIONS ON TERMINATION

4.1 Assistance in Securing Continuity

(a) In order to facilitate the continuity of the Rail Services on expiry of the Rail Services Term, TfWRL shall take such steps, both before and after the expiry of the Rail Services Term as the Authority may reasonably require, to assist and advise any Successor Operator in providing and operating the Rail Services.

(b) In particular, TfWRL shall provide any Successor Operator with such records and information relating to or connected with the Rail Services as the Authority may reasonably require (other than confidential financial information but including all records relating to the Rail Services Employees).

4.2 Access

On the expiry of the Rail Services Term, TfWRL shall grant the Authority and its representatives such access as the Authority may reasonably request to any property owned, leased or operated by TfWRL at such time, for the purpose of facilitating the continued provision of the Rail Services.

4.3 Key Contracts

- (a) TfWRL shall provide such assistance to any Successor Operator as the Authority may reasonably require in ensuring that such Successor Operator may enter into (or enjoy the benefit of) contracts equivalent to the relevant Key Contracts (or part thereof).
- (b) In satisfaction of its obligations under paragraph 4.3(a), TfWRL shall terminate, surrender, cancel or undertake not to enforce its rights under any Key Contract (or part thereof) provided that nothing in this paragraph shall require TfWRL to undertake not to enforce any rights under a Key Contract relating to the period prior to the expiry of the Rail Services Term.

4.4 Change of Name

TfWRL shall cease to use any trade marks which are licensed to TfWRL under any of the Brand Licences forthwith upon expiry of the Rail Services Term and shall take all necessary steps to change any company name which incorporates any such marks as soon as practicable.

4.5 Property Leases

- (a) TfWRL shall, on the expiry of the Rail Services Term assign its interest under all or any Property Leases to the Authority or as the Authority may direct, subject where applicable to the agreement of any other party to such Property Lease or the ORR.
- (b) Such assignment shall be on such terms as the Authority may reasonably require, including:
 - (i) that TfWRL shall not be released from any accrued but unperformed obligation, the consequences of any antecedent breach of a covenant or obligation in the Property Leases or any liability in respect of any act or omission under or in relation to the Property Lease prior to, or as at the date of, any such assignment (except to the extent that the Authority or its nominee agrees to assume responsibility for such unperformed obligation, such liability or the consequences of such breach in connection with the relevant assignment); and
 - (ii) that neither the Authority nor its nominee shall be obliged, in connection with such assignment, to agree to assume responsibility for any unperformed

obligation, liability or consequences of a breach referred to in paragraph 4.5(b)(i), and TfWRL shall indemnify the Authority or its nominee, as the case may be, on demand, on an after-tax basis against any costs, losses, liabilities or expenses suffered or incurred in relation thereto.

- (c) TfWRL shall, on the occurrence of any of the circumstances specified in paragraph 4.5(a) in relation to any other Train Operator who is a party to a Property Lease to which TfWRL is also party, agree to the assignment of such Train Operator's interest under the relevant Property Lease to the Authority or as the Authority may direct, subject, where applicable, to the consent of Network Rail. The provisions of paragraph 4.5(b) shall apply to any such assignment.
- (d) TfWRL shall notify the Authority on becoming aware of any circumstances which might lead to the Authority being able to require TfWRL to assign its interest or agree to the assignment of another Train Operator's interest under this paragraph 4.

5 ACTIONS REQUIRED IMMEDIATELY ON HANDOVER

5.1 TfWRL shall immediately on the expiry of the Rail Services Term make available to the Authority:

- (a) information as to the status of each purchase order or contract, including its award date, anticipated delivery date, confirmation of receipt of goods or services and the payment records for each purchase order, together with any matters in dispute with the appointed subcontractor and, to the extent that TfWRL is a subcontractor to another Train Operator, equivalent information in respect of that Train Operator; and
- (b) information concerning any contract necessary for the continued operation of this Agreement where a procurement or bidding process has been initiated.

5.2 TfWRL agrees that the Authority or its agents may have access to and use free of charge any information contained in any Computer System or in hard copy format as the Authority sees fit (for the purposes of continuing the operation of the Rail Services).

6 MAINTENANCE RECORDS

6.1 TfWRL shall immediately on expiry of the Rail Services Term provide to the Authority:

- (a) records of the status of the maintenance of the rolling stock vehicles used in the provision of the Passenger Services;
- (b) records of the status of the maintenance of any lifting equipment;
- (c) a list of any deferred maintenance;

(d) records of the status of the maintenance of any depot or station which is a Rail Services Asset; and

(e) not used,

including the extent of completion of examinations and the modification status of each such rolling stock vehicle.

7 TICKETING ARRANGEMENTS

7.1 TfWRL shall provide immediately on expiry of this Agreement a statement certifying:

(a) all ticketing transactions with the public or credit card agencies that are in process and not yet complete, together with any allocations on multi-modal travel with other agencies or Local Authorities;

(b) the extent of any outstanding claims with ticketing settlement agencies;

(c) refund arrangements (whether under the Passenger's Charter or not) with members of the public or other Train Operators or ticketing settlement agencies that are in process and not yet complete; and

(d) commissions owed and/or due.

8 TFWRL'S INTELLECTUAL PROPERTY

8.1 On the expiry of the Rail Services Term TfWRL will grant to any Successor Operator licences of any Intellectual Property Rights which:

(a) is owned by or licensed to TfWRL;

(b) was not owned by or licensed to it immediately prior to the Service Commencement Date;

(c) not used;

(d) does not represent or constitute a Mark; and

(e) may, in the reasonable opinion of the Authority, be necessary for any Successor Operator to operate the Rail Services on an efficient and economic basis after the expiry of the Rail Services Term.

8.2 When agreeing the terms on which Intellectual Property Rights is to be licensed to it, TfWRL shall use all reasonable endeavours to ensure that such terms include the right to sub-license such Intellectual Property Rights in accordance with this paragraph 8. TfWRL shall not enter into a licence that does not include such a provision without first obtaining the Authority's prior written consent (such consent not to be unreasonably withheld).

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- 8.3 Any such licence shall be granted to the relevant Successor Operator for such period as the Authority may determine to be reasonably necessary for the purpose of securing continuity of the provision of the Rail Services and shall be free of charge and royalty-free for a period of one (1) month or less.
- 8.4 If such licence is for a period in excess of one month, the grant of the licence shall be subject to payment of a reasonable royalty (backdated to the expiry of the Rail Services Term) on the basis of a willing licensor and licensee entering into a licence on comparable terms to similar licences of such Intellectual Property Rights. If TfWRL and the relevant Successor Operator are unable to agree such royalty, TfWRL shall submit such dispute for resolution in accordance with such dispute resolution rules as the Authority may require.
- 8.5 Any such licence shall be in such form as the Authority shall reasonably determine and shall:
- (a) be non-exclusive and limited to use solely for the purposes of the provision and operation of the Rail Services and will not provide for any right to use such Intellectual Property Rights for any other purpose (including its marketing or exploitation for any other purpose);
 - (b) be terminable on material breach by the Successor Operator;
 - (c) contain an indemnity from TfWRL to the effect that to the best of its knowledge and belief it owns the relevant Intellectual Property Rights or has the right to license it and the licensing of it and the subsequent use of the Intellectual Property Rights will not infringe any third party Intellectual Property Rights; and
 - (d) require the Successor Operator, to the extent that it relates to any trade marks, to use such trade marks in such manner as may reasonably be required by TfWRL provided that it shall not be reasonable for TfWRL to require any such trade mark to be used in a manner materially different from its use during the Rail Services Term.

9 INFORMATION ABOUT PASSENGERS

- 9.1 TfWRL shall immediately on the expiry of the Rail Services Term make available to the Authority and/or its nominee:
- (a) passenger numbers information specified in paragraph 1 of Schedule 1.5 (Information about Passengers), in such format and to such level of disaggregation as the Authority and/or its nominee may reasonably require;
 - (b) the CRM Data and Yield Management Data.

Appendix 1 to Schedule 15.4 - Form of Transfer Agreement

Dated [INSERT DATE]

(1) TRANSPORT FOR WALES RAIL LTD

AND

(2) [SUCCESSOR OPERATOR]

TRANSFER AGREEMENT

IN RESPECT OF

CERTAIN PROPERTY, RIGHTS AND LIABILITIES

OF

TRANSPORT FOR WALES RAIL LTD

THIS TRANSFER AGREEMENT is made on [_____] 20[●]

Between

- (1) **TRANSPORT FOR WALES RAIL LTD** (Company no: [●]), whose registered office is at [●] (the *Transferor*); and
- (2) [**SUCCESSOR OPERATOR**] (Company no: []), whose registered office is at [*registered office*] (the *Transferee*).

Whereas

- (A) The Transferor has been providing certain services for the carriage of passengers by railway and operating certain stations and light maintenance depots (the “**Services**”) pursuant to an agreement dated [●] and entered into between the Welsh Ministers (the “**Authority**”) and the Transferor pursuant to the Authority’s duty under Section 30 of the Act (the “**Services Agreement**”).
- (B) The Transferee has been selected by the Authority to continue the provision of all or part of the Services pursuant to a franchise agreement with the Authority dated [●].
- (C) The Authority has requested the Transferor, and the Transferor has agreed, to transfer to the Transferee certain property, rights and liabilities of the Transferor.
- (D) This Agreement sets out certain terms between the Transferor and the Transferee in relation to the transfer of such property, rights and liabilities.

It is agreed that

- 1 Definitions and Interpretation

Definitions

- 1.1 The following words and expressions shall have the following meaning:

“**Act**” means the Railways Act 1993 as amended from time to time (including by the Transport Act 2000, the Railways Act 2005 and the Welsh Ministers (Transfer of Functions)(Railways) Order 2018);

“**Assets and Liabilities Letter**” means the letter dated on or about the Transfer Date to be issued by the Authority to the Transferor and Transferee confirming the property, rights and liabilities of the Transferor

that will transfer from the Transferor to the Transferee in accordance with the terms of this Agreement;

- “Business”** means such of the undertaking or part of the undertaking of the Transferor that consists of the provision of the Rail Services and which is continued by the Transferee after the Transfer Date;
- “Completion Payment”** has the meaning given to that term in clause 2.5
- “Credit”** has the meaning given to that term under the Ticketing and Settlement Agreement;
- “Debit”** has the meaning given to that term under the Ticketing and Settlement Agreement;
- “Interest Rate”** means a rate equivalent to two per cent. per annum above the base lending rate published by Royal Bank of Scotland plc (or such other bank as the Authority may, after consultation with the Transferor and Transferee, determine from time to time);
- “Law”** means any enactment, subordinate legislation, rule, regulation, order, directive or other provision, including (without limitation) those of the European Community, and any judicial or administrative interpretation or application thereof, which has, in each case, the force of law in the United Kingdom or any part of it (including the Act, the Transport Act, the Transport Safety Act 2003 and the Railways Act 2005);
- “Net Asset Statement”** means the statement to be drawn up pursuant to clause 2.6;
- “Net Asset Value”** means the aggregate of the amounts of the Relevant Assets, the Relevant Debits and Credits and the Relevant Employee Liabilities as shown in the Net Asset Statement;
- “Purchase Price”** means an amount equal to the Net Asset Value;
- “Relevant Assets”** means the property, rights and liabilities of the Transferor which are or are to be transferred to the Transferee, as listed in the Assets and Liabilities Letter;

-
- “Relevant Debits and Credits”** means such Debits and Credits of the Transferor which relate to Fares sold before the Transfer Date and which may be received by the Transferee as a result of clause 11-33 of the Ticketing and Settlement Agreement;
- “Relevant Employee Liabilities”** means such rights and liabilities of the Transferor (or any other relevant employer or person) under any contracts of employment relating to the Relevant Employees which have been or are to be transferred to the Transferee by virtue of the operation of Law (including the Transfer Regulations);
- “Relevant Employees”** means all persons employed in the Business immediately before the Transfer Date (whether employed by the Transferor or otherwise) whose contract of employment has been or is to be transferred to the Transferee by virtue of the operation of Law (including the Transfer Regulations) or any other person employed in the Business in respect of whom liabilities arising from a contract of employment or employment relationship have or will be transferred by virtue of the operation of Law (including the Transfer Regulations);
- “Reporting Accountants”** means such firm of accountants as may be selected by agreement between the parties within four weeks of the preparation of the Net Asset Statement or, in the absence of such agreement, selected by the Authority;
- “Season Ticket Fare”** means a Fare which entitles the purchaser to make an unlimited number of journeys in any direction during the period for which, and between the stations and/or the zones for which, such Fare is valid;
- “Security Interests”** means any mortgage, pledge, lien, hypothecation, security interest or other charge or encumbrance or any other agreement or arrangement having substantially the same economic effect;
- “Taxation”** comprises all forms of taxation, duties, contributions and levies of the United Kingdom whenever imposed and (except in so far as attributable to the unreasonable delay or default of the Transferee) all penalties and interest relating thereto;

- “TOGC”** has the meaning assigned to that term in clause 6.2;
- “Transfer Date”** means [●];
- “Transfer Regulations”** means the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended, replaced or substituted from time to time);
- “Transferring Assets and Liabilities”** has the meaning assigned to that term in clause 2.1(a);
- “Reporting Accountants”** means such firm of accountants as may be selected by agreement between the parties within four weeks of the preparation of the Net Asset Statement or, in the absence of such agreement, selected by the Authority;
- “Undisclosed Employee”** has the meaning assigned to that term in clause 7.1(d).

Construction and Interpretation

1.2 In this Agreement:

- (a) terms and expressions defined under this Agreement shall have the same meaning where used in this Agreement unless the context otherwise implies;
- (b) the terms “contract of employment”, “collective agreement”, “employee representatives” and “trade union” shall have the same meanings respectively as in the Transfer Regulations;
- (c) words and expressions defined in Part I of the Act have the same meanings when used therein provided that, except to the extent expressly stated, “railway” shall not have the wider meaning attributed to it by Section 81(2) of the Act;
- (d) words and expressions defined in the Interpretation Act 1978 have the same meanings when used in this Agreement;
- (e) the words “include”, “including” and “in particular” are to be construed without limitation;
- (f) references to any person include its successors, transferees or assignees;
- (g) headings and references to headings shall be disregarded in construing this Agreement;

- (h) references to any enactment include any subordinate legislation made from time to time under such enactment and are to be construed as references to that enactment as for the time being amended or modified or to any enactment for the time being replacing or amending it and references to any subordinate legislation are to be construed as references to that legislation as for the time being amended or modified or to any legislation for the time being replacing or amending it; and
- (i) words importing the masculine gender include the feminine and vice-versa, and words in the singular include the plural and vice-versa.

2 Agreement to Transfer and Transfer Price

Agreement to Transfer

- 2.1 As of and with effect from the Transfer Date and to the extent not transferring by virtue of the operation of Law (including the Transfer Regulations):
 - (a) the Transferor transfers, assigns and conveys to the Transferee each of:
 - (i) the Relevant Assets;
 - (ii) the Relevant Debits and Credits; and
 - (iii) the Relevant Employee Liabilities,(together, the Transferring Assets and Liabilities); and
- 2.2 the Transferee accepts such assets and assumes such rights, liabilities and obligations, in each case, on the terms set out in this Agreement.
- 2.3 Each of the Transferor and the Transferee agrees that the Authority will issue the Assets and Liabilities Letter to the Transferor and the Transferee which will set out the list of the Transferor's property, rights and liabilities that will:
 - (a) subject to clause 2.4, transfer to the Transferee under this Agreement; and
 - (b) not transfer to the Transferee under this Agreement.
- 2.4 The Transferor and the Transferee agree to:
 - (a) enter into, execute and deliver, and procure that any third party enters into, executes and delivers, in each case with effect from the Transfer Date, such further instruments (including, without limitation, any novation agreements); and
 - (b) obtain, on or before the Transfer Date, such third party consents, agreements and approvals,

in each case, as shall be necessary or expedient to give effect to the transfer referred to in clause 2.1. Nothing in this clause 2.4 shall require the Transferor to assume any additional liabilities.

Amount and Payment

- 2.5 The price for the transfer of the Transferring Assets and Liabilities shall (subject to adjustment as expressly provided in this Agreement) be an amount equal to the Net Asset Value of which the sum of £[*amount*], as determined by the Authority (the **Completion Payment**) shall be paid in immediately available funds by the Transferor to the Transferee, or by the Transferee to the Transferor on the Transfer Date and the balance (if any) shall be paid in accordance with clause 2.9.

Net Asset Statement

- 2.6 The Transferee shall procure that, as soon as practicable and in any event not later than two months following the Transfer Date, there shall be drawn up a statement showing a true and fair view of the aggregate of the amount of each separate asset and liability of the Transferring Assets and Liabilities as at the Transfer Date.
- 2.7 The Net Asset Statement shall be:
- (a) drawn up in the manner described in Schedule 2 (*Net Asset Statement*);
 - (b) prepared on such basis as would enable the Transferee's auditors, if so requested, to give an unqualified audit report thereon to the effect that it had been drawn up in accordance with Schedule 1; and
 - (c) presented, initially as a draft, to the Transferor immediately following its preparation for review in conjunction with its auditors.
- 2.8 If the Transferor and the Transferee have failed to agree the Net Asset Statement within four weeks following such presentation, the matter shall be referred to the Reporting Accountants who shall settle and complete the Net Asset Statement as soon as practicable and shall determine the amount of the Net Asset Value as shown by the Net Asset Statement.

Adjustment of Price

- 2.9 If the Purchase Price exceeds or is less than the Completion Payment, the Transferee shall pay to the Transferor or, as the case may be, the Transferor shall pay to the Transferee, in either case within 14 days of the agreement or determination of the Net Asset Value, an amount equal to such excess or deficiency together in either case with interest thereon calculated from the Transfer Date at the Interest Rate.

3 References to the Reporting Accountants

3.1 Whenever any matter is referred under this Agreement to the decision of the Reporting Accountants:

- (a) the Reporting Accountants shall be engaged jointly by the parties on the terms set out in this Agreement and otherwise on such terms as shall be agreed, provided that neither party shall unreasonably (having regard, amongst other things, to the provisions of this Agreement) refuse its agreement to terms proposed by the Reporting Accountants or by the other party. If the terms of engagement of the Reporting Accountants have not been settled within 14 days of their appointment having been determined (or such longer period as the parties may agree) then, unless one party is unreasonably refusing its agreement to those terms, such accountants shall be deemed never to have been appointed as Reporting Accountants, save that the accountants shall be entitled to their reasonable expenses under clause 3(d), and new Reporting Accountants shall be selected in accordance with the provisions of this Agreement;
- (b) if Reporting Accountants acting or appointed to act under this Agreement resign, withdraw, refuse to act, or are disqualified for any reason from performing their duties then, except as may be agreed between the parties, the parties shall appoint a replacement in accordance with the definition of Reporting Accountants;
- (c) the Reporting Accountants shall be deemed to act as experts and not as arbitrators;
- (d) the Reporting Accountants shall have power to allocate their fees and expenses for payment in whole or in part by any party at their discretion. If not otherwise allocated they shall be paid as to half by the Transferor and as to half by the Transferee;
- (e) each of the parties shall promptly on request supply to the Reporting Accountants all such documents and information as they may require for the purpose of the reference; and
- (f) the decision of the Reporting Accountants shall (in the absence of objection on the grounds of any error discovered within 14 days of the issue of their decision) be conclusive and binding and shall not be the subject of any appeal by way of legal proceeding or arbitration or otherwise.

4 **Warranty**

The Transferor warrants and represents to the Transferee that the Relevant Assets are, to the extent they are property or rights, transferring to the Transferee, free and clear of all Security Interests.

5 **Interest**

If the Transferor or the Transferee defaults in the payment when due of any sum payable under this Agreement (whether determined by agreement or pursuant to an order of a court or otherwise) the liability of the Transferor or the Transferee (as the case may be) shall be increased to include interest on such sum from the date when such payment is due until the date of actual payment (after as well as before judgement) at a rate equal to the Interest Rate. Such interest shall accrue from day to day.

6 **Value Added Tax**

- 6.1 All amounts under this Agreement are expressed as exclusive of Value Added Tax where Value Added Tax is applicable.
- 6.2 The Transferor and the Transferee shall use all reasonable endeavours to secure that the transfer of the Relevant Assets, the Relevant Contract Liabilities, the Relevant Debits and Credits and the Relevant Employee Liabilities are treated for Value Added Tax purposes as the transfer of a business as a going concern ("**TOGC**") and accordingly as neither a supply of goods nor a supply of services, for the purposes of Value Added Tax.
- 6.3 If HM Revenue & Customs direct that the transfer of the Relevant Assets, the Relevant Contract Liabilities, the Relevant Debits and Credits and the Relevant Employee Liabilities cannot be treated as a TOGC, the Transferor shall provide the Transferee with a copy of such direction within five days of receipt thereof by the Transferor.
- 6.4 The Transferee shall thereafter pay upon the receipt of a valid tax invoice the amount of any Value Added Tax which as a result of that direction may be chargeable on the transfer of the Relevant Assets, the Relevant Contract Liabilities, the Relevant Debits and Credits and the Relevant Employee Liabilities. If the aforementioned direction was issued as a result of any action or inaction of the Transferee then the Transferee shall in addition to the Value Added Tax indemnify the Transferor for any penalties and interest that may be incurred upon receipt of such evidence from HM Revenue & Customs.
- 6.5 If the Transferee considers the direction issued by HM Revenue & Customs referred to in clause 6.3 to be incorrect then, without prejudice to the Transferee's obligation under clause 6.4 to pay to the Transferor the amount of any Value Added Tax which as a result of such direction may be chargeable on the transfer of the Relevant Assets, the Relevant Contract Liabilities, the Relevant Debits and Credits and the Relevant Employee Liabilities, the Transferee may, within 30 days of receipt of such direction by the Transferor, give notice to the Transferor that it requires the Transferor to appeal such direction. Upon requesting such an appeal the Transferee agrees to indemnify the Transferor for all reasonable costs. If such an appeal is successful the Transferor agrees to reimburse the Transferee for such reasonable costs and penalties and interest to the extent that those costs have been reimbursed by HM Revenue & Customs.

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- 6.6 If any amount paid by the Transferee to the Transferor in respect of Value Added Tax pursuant to this Agreement is subsequently found to have been paid in error the Transferor shall issue a valid tax credit note for the appropriate sum to the Transferee and promptly repay such amount to the Transferee.
- 6.7 If any amount is payable by the Transferor to the Transferee in respect of the transfer of the Relevant Assets, Relevant Contract Liabilities, Relevant Debits and Credits and Relevant Employee Liabilities pursuant to this Agreement, clauses 6.3 to 6.6 inclusive shall apply *mutatis mutandis* to such payment substituting "Transferor" for "Transferee" and vice versa.
- 6.8 All of the records referred to in Section 49 of the Value Added Tax Act 1994 relating to the business (being the purchase records) shall be retained by the Transferor and the Transferor shall undertake to the Transferee to:
- (a) preserve those records in such manner and for such periods as may be required by law; and
 - (b) give the Transferee as from the Transfer Date reasonable access during normal business hours to such records and allow the Transferee to take copies of such records.

7 **Employees**

Transfer Regulations

- 7.1 The parties accept that, to the extent that the undertaking or part of the undertaking of the Transferor is continued by the Transferee after the Transfer Date, this Agreement and the transfer of the Business which is effected are governed by the Transfer Regulations and the following provisions shall apply in connection therewith:
- (a) the contract of employment of each of the Relevant Employees (save, to the extent provided by the Transfer Regulations, insofar as such contract relates to any occupational pension scheme) shall be transferred to the Transferee with effect from the Transfer Date which shall be the "time of transfer" under the Transfer Regulations and the Transferee shall employ each such Relevant Employee on the terms of those contracts of employment (save to the extent provided by the Transfer Regulations, insofar as such contract relates to any occupational pension scheme) with effect from the Transfer Date;
 - (b) the Transferor shall perform and discharge all its obligations in respect of all the Relevant Employees for its own account up to and including the Transfer Date including, without limitation, discharging all wages and salaries of the Relevant Employees, all employer's contributions to any relevant occupational pension scheme and all other costs and expenses related to their employment (including, without

limitation, any Taxation, accrued holiday pay, accrued bonus, commission or other sums payable in respect of service prior to the close of business on the Transfer Date) and shall indemnify the Transferee and keep the Transferee indemnified against each and every action, proceeding, liability (including, without limitation, any Taxation), cost, claim, expense (including, without limitation, reasonable legal fees) or demand arising from the Transferor's failure so to discharge;

- (c) the Transferor shall indemnify the Transferee and keep the Transferee indemnified against each and every action, proceeding, cost, claim, liability (including, without limitation, any Taxation), expense (including, without limitation, reasonable legal fees) or demand which relates to or arises out of any act or omission by the Transferor or any other event or occurrence prior to the Transfer Date and which the Transferee may incur in relation to any contract of employment or collective agreement concerning one or more of the Relevant Employees pursuant to the provisions of the Transfer Regulations or otherwise including, without limitation, any such matter relating to or arising out of:
- (i) the Transferor's rights, powers, duties and/or liabilities (including, without limitation, any Taxation) under or in connection with any such contract of employment or collective agreement, which rights, powers, duties and/or liabilities (as the case may be) are or will be transferred to the Transferee in accordance with the Transfer Regulations; or
 - (ii) anything done or omitted before the Transfer Date by or in relation to the Transferor in respect of any such contract of employment or collective agreement of any Relevant Employee, which is deemed by the Transfer Regulations to have been done or omitted by or in relation to the Transferee save where the thing done or omitted to be done before the Transfer Date relates to the Transferee's failure to comply with its obligations referred to in Clause 7.4;
- (d) any contract of employment or collective agreement which is not disclosed in writing to the Transferee by the Transferor prior to the Transfer Date shall have effect as if originally made between the Transferee and any employee ("**Undisclosed Employee**") or a trade union or employee representatives as a result of the provisions of the Transfer Regulations (without prejudice to any other right or remedy which may be available to the Transferee):
- (i) the Transferee may, upon becoming aware of the application of the Transfer Regulations to any such contract of employment or collective agreement terminate such contract or agreement forthwith; and

- (ii) the Transferor shall indemnify the Transferee against each and every action, proceeding, cost, claim, liability (including, without limitation, any Taxation), expense (including, without limitation, reasonable legal fees) or demand relating to or arising out of such termination and reimburse the Transferee for all costs and expenses (including, without limitation, any Taxation) incurred in employing such employee in respect of his employment following the Transfer Date; and
- (iii) the Transferor shall indemnify the Transferee in respect of any Undisclosed Employee on the same terms mutatis mutandis as the Transferor has indemnified the Transferee in respect of a Relevant Employee pursuant to the terms of Clauses 7.1(b) and 7.1(c) above; and
- (e) the Transferor shall indemnify the Transferee and keep the Transferee indemnified against each and every action, proceeding, cost, claim, liability (including without limitation, any Taxation) expense (including, without limitation, reasonable legal fees) or demand which relates to or arises out of any dismissal (including, without limitation, constructive dismissal) by the Transferor of any employee (not being a Relevant Employee) and which the Transferee may incur pursuant to the provisions of the Transfer Regulations.

Transferee's Indemnity

- 7.2 The Transferee shall indemnify the Transferor and keep the Transferor indemnified against each and every action, proceeding, liability (including, without limitation, any Taxation), cost, claim, loss, expense (including reasonable legal fees) and demand arising out of or in connection with:
- (a) any substantial change in the working conditions of the Relevant Employees to his or her detriment or any of them occurring on or after the Transfer Date;
 - (b) the change of employer occurring by virtue of the Transfer Regulations and/or this Agreement being significant and detrimental to any of the Relevant Employees;
 - (c) the employment by the Transferee on or after the Transfer Date of any of the Relevant Employees other than on terms (including terms relating to any occupational pension scheme) at least as good as those enjoyed prior to the Transfer Date or the termination of the employment of any of them on or after the Transfer Date;
 - (d) any claim by any Relevant Employee (whether in contract or in tort or under statute (including the Treaty of the European Community or European Union and any Directives made under the authority of any such Treaty or any successor thereof)) for any remedy (including, without limitation, for unfair dismissal, redundancy, statutory

redundancy, equal pay, sex or race discrimination) as a result of any act or omission by the Transferee after the Transfer Date; or

- (e) any breach of Clause 7.5.

Details of Relevant Employees

7.3 Without prejudice to the Transferor's duties under the Transfer Regulations to provide Employee Liability Information, the Transferor warrants to the Transferee that it has (to the extent not made available to the Authority under Schedule 15.4 (Provisions Applying on and after Termination) of this Agreement prior to the Transfer Date) provided the Transferee prior to the Transfer Date with full particulars of:

- (a) each Relevant Employee, including name, sex, and the date on which continuity of employment began for each Relevant Employee for statutory purposes;
- (b) terms and conditions of employment of each such person;
- (c) all payments, benefits or changes to terms and conditions of employment promised to any such person;
- (d) dismissals of Relevant Employees or termination of employment effected within 12 months of the Transfer Date including the Transfer Date;
- (e) all agreements or arrangements entered into in relation to the Relevant Employees between the Transferor, any Affiliate of the Transferor or any other relevant employer and any trade union or association of trade unions or organisation or body of employees including employee representatives and elected representatives; and
- (f) all strikes or other industrial action taken by any Relevant Employee within 12 months of the Transfer Date including the Transfer Date.

7.4 The Transferor and Transferee shall deliver to each of the Relevant Employees letters in an agreed form from the Transferor and Transferee as soon as is practicable after the execution of this Agreement (to the extent not already delivered prior to the Transfer Date).

Transferor's Indemnity

7.5 The Transferee shall indemnify the Transferor and keep the Transferor indemnified against each and every action, proceeding, liability, cost, claim, loss, expense (including reasonable legal fees) and demand which arises as a result of it not providing or not having provided, in accordance with its obligations under the Transfer Regulations, the Transferor in writing with such information and at such time as will enable the Transferor to carry out its duties under Regulations 13(2)(d) and 13(6) of the Transfer Regulations concerning measures envisaged by the Transferee in relation to the Relevant Employees.

Pensions

The Transferee shall comply with the Pensions Regulations in respect of the Relevant Employees.

8 Miscellaneous Provisions

Variations in Writing

- 8.1 No variation of this Agreement shall be effective unless in writing and signed by duly authorised representatives of the parties and the Authority.

Partial Invalidity

- 8.2 If any provision in this Agreement shall be held to be void, illegal, invalid or unenforceable, in whole or in part, under any enactment or rule of law, such provision or part shall to that extent be deemed not to form part of this Agreement but the legality, validity and enforceability of the remainder of this Agreement shall not be affected.

Further Assurance

- 8.3 Each of the parties agrees to execute and deliver all such further instruments and do and perform all such further acts and things as shall be necessary or expedient for the carrying out of the provisions of this Agreement.

Notices

- 8.4 Any notice or other communication requiring to be given or served under or in connection with this Agreement shall be in writing and shall be sufficiently given or served if delivered or sent to the registered office of the recipient or:

- (a) in the case of the Transferor to Transport for Wales Rail Ltd at:

[address]

[fax]

Attention: [name]

- (b) in the case of the Transferee to [*name of Transferee*] at:

[address]

[fax]

Attention: [name]

8.5 Any such notice or other communication shall be delivered by hand or sent by courier, fax or prepaid first class post. If sent by courier or fax such notice or communication shall conclusively be deemed to have been given or served at the time of despatch. If sent by post such notice or communication shall conclusively be deemed to have been received two business days from the time of posting.

Counterparts

8.6 This Agreement may be executed in any number of counterparts each of which shall be deemed an original, but all the counterparts shall together constitute one and the same instrument.

Third Parties

8.7 A person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement except to the extent set out in clause 8.8.

8.8 The Authority may, to the same extent as if it was a party, enforce and rely on any provision of this Agreement where it is expressed to have a right in respect of any such provision.

Governing Law

8.9 This Agreement shall be governed by and construed in accordance with the laws of England and Wales and the parties irrevocably agree that the courts of England and Wales are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement.

IN WITNESS whereof the parties hereto have executed this Agreement the day and year first before written.

SIGNED FOR AND ON
BEHALF OF
**TRANSPORT FOR WALES RAIL
LTD**

}

DIRECTOR:

DIRECTOR/SECRETARY:

}

SIGNED FOR AND ON
BEHALF OF THE
[*TRANSFeree*]

DIRECTOR:

DIRECTOR/SECRETARY:

Schedule 16

Pensions and TUPE

Schedule 16.1:	Pensions
	Appendix 1: List of Shared Costs Sections
Schedule 16.2:	Not used

Schedule 16.1 – Pensions

1 DEFINITIONS

- 1.1 Unless otherwise defined in this Agreement, terms used in this Schedule 16.1 shall have the meanings given to them in the Railways Pension Scheme.

2 RAIL SERVICES SECTIONS

- 2.1 TfWRL shall participate in and become the Designated Employer in relation to the Shared Cost Sections of the Railway Pension Scheme as specified in Appendix 1 to this Schedule 16.1 (together the “**Rail Services Sections**”) in respect of the Rail Services. Subject to paragraphs 3 and 4.2(d) membership of the Rail Services Section will be offered to each employee of TfWRL only.

3 CLOSED SCHEMES

- 3.1 Subject to any requirements of Her Majesty's Revenue and Customs, TfWRL shall take any necessary steps (including entering into any relevant deed of participation) to allow Closed Scheme Employees to continue in membership of the British Railways Superannuation Fund or the BR (1974) Pension Fund in accordance with their terms during the Rail Services Term.
- 3.2 For the purposes of this paragraph 3, “**Closed Scheme Employees**” means such of the employees of TfWRL who were, immediately prior to the commencement of their employment with TfWRL, members of either of the British Railways Superannuation Fund or the BR (1974) Pension Fund.

4 VARIATIONS IN BENEFITS, CONTRIBUTIONS AND INVESTMENT

- 4.1 If TfWRL is considering making a proposal that falls within the scope of paragraphs 4.2(a) to 4.2(g) inclusive, it shall promptly consult with the Authority in relation to that proposal prior to putting such a proposal to the Pensions Committee of any Rail Services Section, the Trustee of the Railways Pension Scheme (the “**Trustee**”), or to any trade union. TfWRL must otherwise consult in good time with the Authority in relation to any proposal falling within the scope of paragraphs 4.2(a) to 4.2(g) inclusive.
- 4.2 Separately and in addition to complying with its obligations under paragraph 4.1, TfWRL shall not without the prior written consent of the Authority (which may be given on such terms and subject to such conditions as the Authority thinks fit):
- (a) restructure or change the composition of the earnings of employees of TfWRL in such a way as to increase the part of those earnings which qualifies as pensionable earnings under the rules of the Railways Pension Scheme applicable to any Rail Services Section (the “**Rail Services Section Rules**”) or

take any action (or consent to the taking of any action) which could detrimentally affect the funding of any Rail Services Section, including varying or providing different or additional benefits under that Rail Services Section or promising to do so, unless this change:

- (i) is required by Law; or
 - (ii) only affects benefits payable in respect of past service of members of that Rail Services Section and on or prior to the effective date of the change TfWRL pays an additional cash payment to the Trustee which, in the opinion of the Actuary, meets in full the additional funding cost imposed on that Rail Services Section; or
 - (iii) would not lead to substantial changes in the funding of any Rail Services Section and is the result of the normal application of the Rail Services Section Rules in the ordinary day to day running of the business of the Rail Services, for example, where individual employees are, from time to time promoted or transferred to higher paid or different employment which has a different composition of earnings;
- (b) make or consent to any proposal to change any of the provisions of the Pension Trust in respect of the Rail Services Sections unless the change is required by Law;
 - (c) provide retirement, death or life assurance benefits in respect of any of its employees other than under any Rail Services Section or as provided in paragraph 3;
 - (d) omit to provide the above-mentioned benefits in respect of its employees save that, without prejudice to any rights which any such employee may otherwise have, TfWRL shall not under this Schedule 16.1 be obliged for the purposes of this Agreement to offer such benefits to any employee employed on a fixed term contract of twelve (12) months or less;
 - (e) take any action (or consent to the taking of any action) which could affect the contributions payable by Participating Employers under any Rail Services Section, including exercising any discretion allowed to TfWRL as Designated Employer arising out of any actuarial valuation of a Rail Services Section, and varying or providing different or additional benefits under the Rail Services Sections in respect of future service, unless such action is required by Law;
 - (f) close a Rail Services Section to new members; or

- (g) take (or omit to take) any action which could result in any Rail Services Section being wound up, in whole or in part.

4.3 TfWRL shall consult with the Authority on:

- (a) any proposal made by the Trustee to change the statement of investment principles applicable to any Rail Services Section; and
- (b) any proposal to alter the rate of contributions payable by TfWRL or its employees under a new schedule of contributions for the Rail Services Section.

4.4 With respect to any proposal falling within the scope of paragraph 1.1(a) or 1.1(b), TfWRL shall also consult with the Trustee on the basis of any response it receives from the Authority in relation to any such proposal.

5 FUNDING LIABILITIES

5.1 TfWRL shall pay the RPS Contributions to each Rail Services Section (or either of the British Railways Superannuation Fund or the BR (1974) Pension Fund in which it participates in relation to the Rail Services) in respect of the Rail Services Term subject to the provisions of paragraph 5.2 below.

5.2 Where, during the Rail Services Term, Rail Services are aggregated or disaggregated by the Authority (for example, as a result of remapping) and, as a consequence, a Rail Services Section of which TfWRL is the Designated Employer is required to accept a transfer in or to make a transfer out of members, the Authority shall ensure that TfWRL had no liability for any resulting deterioration immediately arising in the funding level of the Rail Services Section measured in accordance with the Rail Services Sections' technical provisions in Part 3 of the Pensions Act 2004, or for any amount arising under Article 7(4) of the Railway Pensions (Protection and Designation of Schemes) Order 1994. Notwithstanding the above the Authority shall have no liability for any future deterioration in the funding levels of the Rail Services Section linked to such transfer in or out of members.

6 DISCHARGE OF OBLIGATIONS

6.1 The Authority may at any time during the Rail Services Term seek information from the Trustee with a view to satisfying itself that TfWRL and the other Participating Employers (if any) have fully discharged their respective obligations under the Railways Pension Scheme, including their obligations in respect of the payment of contributions to any Rail Services Section.

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- 6.2 TfWRL shall, at its expense, promptly provide such information in relation to any Rail Services Section, including actuarial advice and information, as the Authority may from time to time request and shall authorise and consent to the Trustee doing so.
- 6.3 TfWRL shall, in respect of the Rail Services Term, use all reasonable endeavours to provide to the Authority:
- (a) within one (1) month of the expiry of each Service Year; and
 - (b) at other times as soon as practicable following a request by the Authority,
- a certificate signed by the Trustee in relation to the Rail Services Sections stating either that TfWRL has fully complied with its obligations under the Railways Pensions Scheme, including its obligation to contribute to the Rail Services Sections or, if it has not so complied, stating the extent to which it has not done so. Where the certificate is given pursuant to paragraph 1.1(a), it shall cover the relevant Service Year. Where the certificate has been given pursuant to paragraph 1.1(b), it shall cover such period as the Authority shall specify.
- 6.4 If the Trustee does not certify under paragraph 6.3 in relation to the Rail Services Sections that TfWRL has fully complied with its obligations under the Railways Pension Scheme or if the Authority otherwise reasonably considers that TfWRL has not complied with such obligations, the Authority may adjust the Fixed Service Payments payable under Schedule 8 (Payments) by an amount which is, in its opinion, no greater than the amount of any contribution that TfWRL has thereby failed to make or avoided making.
- 6.5 The Authority may, under paragraph 6.4, continue to make such adjustments to the Fixed Service Payments payable under Schedule 8 (Payments) until such time as it reasonably determines that the relevant contributions have been made in full by TfWRL. Following that determination, any amounts so withheld by the Authority shall become payable (without interest) on the next day on which a Fixed Service Payment becomes payable under Schedule 8 (Payments), being a day which falls no less than seven (7) days after such determination or, if there is no such day, fourteen (14) days after the date of such determination. To the extent that the Authority has not so determined within four (4) weeks after the expiry of the Rail Services Term, TfWRL's right to receive the amount so withheld under this Agreement shall lapse and the Authority shall not be obliged to pay such amount.

7 TERMINATION OF THIS AGREEMENT

- 7.1 The Authority shall at the end of the Rail Services Term ensure that TfWRL has no liability for any deficit in the Rail Services Sections (other than for contributions due and payable by TfWRL to the Rail Services Sections for any period prior to the end of the Rail Services Term) and shall have no right to benefit from any surplus which may exist in the Rail

Services Sections. For the avoidance of doubt, this paragraph 7 shall apply where the Rail Services are either aggregated or disaggregated (for example, as a result of remapping).

Schedule 16.2 – Not used

Schedule 17 - Not used

Schedule 18 – Not Used