

**Schedule 3
Security and Resilience**

Appendix 1 TfL Resilience Management Policy Framework

Appendix 2 TfL Information Security Policy

**Annex A to Appendix 2 Information Security Standards and
procedures**

1. General Requirements

- 1.1 The Maintainer shall have responsibility for all security at the Willesden Depot and the provisions of this schedule relates to the Maintainer's obligations.
- 1.2 The Maintainer shall comply with security arrangements at sites other than the Willesden Depot where it is required to be present from time to time pursuant to delivering its obligations under this Agreement.
- 1.3 The Purchaser shall comply, and shall procure that the Operator complies, with reasonable security arrangements put in place by the Maintainer at the Willesden Depot.
- 1.4 To the extent that the Maintainer requires facilities in addition to those specified in this Agreement to deliver its security and resilience obligations set out in this schedule, such facilities shall be provided and maintained by the Maintainer at its own cost and be a Return Asset for the purposes of the Agreement.
- 1.5 The Maintainer shall develop and implement security and resilience measures in accordance with the requirements of this Agreement, Good Industry Practice, all Applicable Laws and Standards and the Department for Transport's National Railways Security Programme and that are appropriate for a railway system where, inter alia:
 - (a) the safety and security of railway employees, contractors, passengers and the general public;
 - (b) the protection of assets; and
 - (c) the ability to prevent disrupting events impacting on the provision of the Services and the ability to recover in the shortest possible time,

are of paramount importance and the Maintainer shall devise and implement prevention and mitigation measures based on a robust assessment of threat and vulnerability risk.

2. Security and Resilience Management System

- 2.1 The Maintainer shall develop, submit to the Purchaser for Assurance Acceptance, implement and maintain for the Duration a security and resilience management system (*SecResOps*) with associated working procedures for implementing the strategy and plans.
- 2.2 The SecResOps and associated working procedures shall set out the Maintainer's policy, plans and procedures for the following security matters, as a minimum:
 - (a) securing and monitoring of the Willesden Depot perimeters including detection and enunciation of intruders;
 - (b) control and monitoring of access to the Willesden Depot and to zones within the Depot, including buildings and offices, for staff and visitors;

- (c) reliability of surveillance equipment and the process of distinguishing between intruders and normal movement of authorised persons, trains and vehicles and enunciating unauthorised intrusion to security staff;
- (d) control of personnel and vehicular access to the Willesden Depot and zones therein, including levels of access rights granted to different staff and visitor categories and the recording of details of vehicles and personnel gaining access;
- (e) control of parking;
- (f) process for live monitoring, recording, retrieving and management of CCTV footage, including appropriate controls to safeguard the admissibility of CCTV evidence in a court of law;
- (g) types of staff and visitor identification and access passes, and the processes by which they will be issued and rescinded (including consideration as to the use of biometric-based access authorisation);
- (h) risk based vetting of staff in accordance with good practice guidance issued by the Centre for the Protection of National Infrastructure, including but not limited to:
 - (i) true identity;
 - (ii) right to work in the UK;
 - (iii) criminal convictions; and
 - (iv) verification of qualifications and training;
- (i) vehicle and person searches, including processes for the Maintainer informing itself of increased national threat levels and the implementation of appropriate enhanced search procedures during such times;
- (j) protection and storage of dangerous materials;
- (k) protection of equipment from, and detection of, damage and theft;
- (l) security of drainage and other subterranean cavities;
- (m) any special arrangements for security and surveillance of critical locations such as substations, plant rooms and equipment cubicles, and normally unoccupied or secluded vantage points;
- (n) protocols for reacting to security breaches and reporting crime;
- (o) security of supervisory, control and data acquisition (SCADA) systems from, inter alia, cyber attack and sabotage including insider threat, taking due cognisance of good practice guides issued by the Centre for the Protection of National Infrastructure; and
- (p) security of communication systems, including radios and telephones.

- 2.3 The SecResOps and associated working procedures shall set out the Maintainer's policy, plans and procedures for the following resilience matters, as a minimum, in the event of an emergency, disruption or degradation of facilities at the Willesden Depot or if called upon by any of the Purchaser, Infrastructure Managers or the Operator in support of service recovery on the LO Infrastructure:
- (a) on-call arrangements (including publication of contact details) for senior staff required to give direction to Maintainer staff and contractors, and liaise with, inter alia, the Purchaser, the Operator, Infrastructure Managers and emergency services;
 - (b) emergency and disruption planning, training, liaison and information sharing arrangements with emergency services, the Purchaser, the Operator, relevant Infrastructure Managers, utility companies and neighbouring operators such that the Purchaser and the Operator may discharge their obligations as Category 2 responders under the Civil Contingencies Act 2004;
 - (c) planning and participation in exercises to test emergency procedures;
 - (d) contact arrangements (including publication of contact details) for principal on-duty maintenance, security and depot operations staff;
 - (e) day to day liaison arrangements with the Operator and relevant Infrastructure Managers;
 - (f) evacuation of ambulant, disabled or injured persons in response to all foreseeable scenarios;
 - (g) loss of power to, or defective, track points and lighting and other infrastructure defects, including how infrastructure condition will be continuously monitored, defects reported and mitigating actions taken;
 - (h) re-railing of derailed Vehicles;
 - (i) movement of failed or damaged Units;
 - (j) signalling/depot protection system defects;
 - (k) Unit routine-testing equipment failures (including infrastructure based AWS and wheel damage testing/ monitoring equipment);
 - (l) damaged overhead wires and other traction power supply interruptions;
 - (m) business continuity plans in the event of loss of maintenance facilities (including train washer, wheel lathe and other fixed or moveable plant) or office facilities at the Willesden Depot, or loss of business-critical support facilities at any Maintainer managed sites;
 - (n) fire or explosion in the Willesden Depot on adjacent property to any Maintenance Facilities or on a Unit or Vehicle under the control or supervision of the Maintainer at any location;

- (o) flood and adverse weather conditions (including low and high ambient temperatures in working areas) including the effect on depot asset condition and adaptation of maintenance plans to mitigate against accelerated degradation through changes in weather patterns;
 - (p) bomb or other terrorist threats;
 - (q) release of toxic or flammable material;
 - (r) demonstrations/civil unrest at the Willesden Depot boundary; and
 - (s) trespass (including by large groups).
- 2.4 The Maintainer shall co-operate with, inter alia, the Purchaser and the Operator in developing security and resilience plans and procedures. The SecResOps shall include a joint security and resilience plan that identifies areas of interface between the Maintainer, Subcontractors, the Operator and other parties in performance by the Maintainer of its obligations under this Agreement and sets out the processes by which compatible practices are developed in cooperation and agreement with those parties, implemented and periodically reviewed.
- 2.5 The SecResOps shall cover the full extent of the Maintainer's activities in delivering its obligations under this Agreement for the Duration. For the avoidance of doubt this includes activities undertaken by the Maintainer at Willesden Depot and all locations on the LO Infrastructure and at any UK location away from the LO Infrastructure or Willesden Depot directly related to the delivery of the Maintainer's obligations under this Agreement, for instance, support offices and spares warehousing.
- 2.6 The SecResOps shall define how the Maintainer will ensure the security and safety of people and property at Willesden Depot and Maintainer managed sites on or adjacent to the LO Infrastructure and connected with the delivery of the Maintainer's obligations under this Agreement and on neighbouring property to the extent that the Maintainer's activities could have an impact.
- 2.7 The SecResOps shall define how the Maintainer will ensure the security and safety of people and property when carrying out its obligations under this Agreement at sites not managed by the Maintainer. For instance, at the Stabling Sites or any Maintenance Facility other than Willesden Depot, the Maintainer shall define the means by which it will control the authorisation of employees or Subcontractors to attend those locations on the Maintainer's behalf.
- 2.8 The SecResOps shall define the processes by which Units will be left secured against unauthorised access at Willesden Depot and when accessed by the Maintainer in the course of performing its obligations under this Agreement at other locations.
- 2.9 The SecResOps shall define the strategy and plans by which the Maintainer will minimise the likelihood of harmful or disruptive events and prepare, manage and recover from disrupting events whether natural, malicious or accidental. The SecResOps and associated working procedures for implementing the strategy and plans shall be consistent with the principles of the TfL Resilience Management Policy Framework set out in Appendix 1 (*TfL Resilience Management Policy Framework*) to this Schedule 3.

- 2.10 The SecResOps shall define the strategy and plans by which the Maintainer will ensure the security of information provided to or generated by the Maintainer. The SecResOps and associated working procedures for implementing the strategy and plans shall be consistent with the principles of the TfL Information Security Policy set out in Appendix 2 (*TfL Information Security Policy*) to this Schedule 3.
- 2.11 The Maintainer shall require its Subcontractors to comply with the Maintainer's security procedures and to implement complementary resilience management systems that comply with the SecResOps.

3. Documentation and Timing

- 3.1 A preliminary SecResOps shall be submitted for Assurance Acceptance no later than six months after the Commencement Date and a final SecResOps shall be submitted for Assurance Acceptance no later than six months prior to the Existing Fleet Commencement Date.
- 3.2 The SecResOps shall list and describe all associated working procedures to be developed by the Maintainer in order for the Maintainer to comply with the SecResOps.
- 3.3 Preliminary associated working procedures shall be developed by the Maintainer and submitted for Assurance Acceptance no later than six months after the Commencement Date. Final associated working procedures shall be submitted by the Maintainer for Assurance Acceptance no later than six months prior to the Existing Fleet Commencement Date.
- 3.4 All changes to the SecResOps and associated working procedures shall be submitted for Assurance Acceptance prior to changes being implemented.

4. Reporting of Security Incidents and Investigations

- 4.1 In addition to any statutory duty of the Maintainer to report security breaches or emergencies to Competent Authorities, the Maintainer shall immediately notify the Purchaser of such incidents or interventions by Competent Authorities. The Maintainer shall immediately notify the Purchaser of any other security or resilience incident arising from the matters contemplated in paragraphs 2.2 and 2.3. The Purchaser shall nominate the person to whom all such notifications shall be made. Such incidents shall be recorded in the Maintenance Progress Report. When required by the Purchaser to do so in relation to incidents contemplated by this paragraph 4.1, the Maintainer shall at its own cost:
- (a) ensure the prompt investigations of incidents and provide a copy of an initial investigation report within 48 hours of the incident (or such extended period acceptable by the Purchaser on a case by case basis);
 - (b) permit the Purchaser, the Operator and, to the extent the incident involved or could reasonably have involved another party, a representative of those parties to participate in the Maintainer's investigations;
 - (c) provide any documentation, information and reports reasonably requested by the Purchaser as part of an investigation to an agreed timescale;

- (d) use appropriate techniques and expertise to accurately determine root causes of incidents and measures to be taken to avoid re-occurrence; and
 - (e) respond to all reasonable comments from the Purchaser on investigation reports within a reasonable timeframe and implement agreed actions.
- 4.2 The Maintainer shall co-operate fully with investigations initiated by the Purchaser or Competent Authorities including access to Maintainer managed premises, Maintainer employees for interview and the provision of documents and data. The Maintainer shall provide the Purchaser with a copy of all information provided by the Maintainer to other parties pursuant to such investigations.

5. Management Structure

- 5.1 The SecResOps shall define the Maintainer's management structure accountable and responsible for the SecResOps and associated working procedures, and for ensuring compliance with those documents.
- 5.2 The Maintainer shall appoint a suitably experienced security manager (the *Operations Security Manager*) to act on behalf of the Maintainer in all security matters related to its obligations under this Agreement. The role of Operations Security Manager is a Key Post for the purposes of the Agreement (and will be carried out by the Operations Environmental and Security Manager).
- 5.3 The Maintainer shall identify the person responsible for acting on behalf of the Maintainer for all day-to-day resilience matters related to the Maintainer's obligations under this Agreement (the *Operations Resilience Manager*). The role of the Operations Resilience Manager is a Key Post for the purposes of the Agreement and may be carried out by a person who also undertakes another Key Post.

6. Review Meetings and Audits

- 6.1 The Maintainer shall attend, on reasonable notice, security and resilience review meetings convened from time to time by the Purchaser to assess the effectiveness of security and resilience planning and practices at Willesden Depot and on LO Infrastructure.
- 6.2 The Maintainer shall carry out, as a minimum every six months, a security and resilience management review meeting. The Purchaser and the Operator and to the extent the review covers activities which affect other parties (including emergency services and Infrastructure Managers), those other parties, shall be invited to attend the security and resilience management reviews convened by the Maintainer.
- 6.3 The SecResOps shall contain an audit plan based on the principle of progressive compliance assurance by means of regular inspections and, as a minimum, quarterly audits of specific aspects of the SecResOps and associated working procedures. The quarterly audits shall be carried out at the Maintainer's expense by a suitably qualified auditor.
- 6.4 The Maintainer shall submit a detailed audit programme to the Purchaser for Assurance Acceptance pursuant to the Manufacture and Supply Agreement no later than six months prior to the Commencement Date.

- 6.5 The provisions of this paragraph 6 are without prejudice to the Purchaser's general right of audit pursuant to clause 17.3 of the Agreement.
- 6.6 The results of the quarterly audits, including auditor observations, non conformances and corrective actions, shall be reported by the Maintainer in a quarterly security and resilience report (the *Quarterly Security and Resilience Report*).
- 6.7 The Quarterly Security and Resilience Report shall provide full details of, inter alia, all incidents related to those matters contemplated in paragraphs 2.2 and 2.3 above including investigations held, reports published, remedial actions planned and any remedial action implementation status.
- 6.8 The Quarterly Security and Resilience Report shall report on audits completed versus audits planned and site inspections completed against inspections planned.
- 6.9 The Maintainer shall develop and submit annually a security and resilience report and improvement plan (the *Annual Security and Resilience Report and Improvement Plan*) which shall, as a minimum, include:
- (a) a summary of the year's security and resilience activities and incidents;
 - (b) a restatement of the Maintainer's security and resilience strategy;
 - (c) impact of any new or amended Laws (including instructions issued by the Secretary of State under existing Legislation);
 - (d) security and resilience management reviews carried out by the Maintainer in the year;
 - (e) a summary of the quarterly audit reports including incidents and remedial actions;
 - (f) a report on the degree to which the Maintainer has achieved its targets set in the previous year's annual improvement plan; and
 - (g) an improvement plan for the next year setting out targets for further reductions in risks related to the Maintainer's activities in delivering its obligations under this Agreement and how the Maintainer intends to deliver them.
- 6.10 The Purchaser shall be entitled to instruct the Maintainer in writing to implement reasonable additional security or resilience measures from time to time. On receipt of such instructions the Parties shall agree an implementation timescale and the Maintainer shall then implement the measures in accordance with that agreed timescale.

Appendix 1

TfL Resilience Management Policy Framework

1. Purpose of the Resilience Management Policy Framework

- 1.1 The TfL Resilience Management Policy Framework sets out TfL's approach to minimising the likelihood of harmful or disruptive events and maintaining adequate capability to prepare for, manage and recover from such events whether malicious, accidental or natural.
- 1.2 This policy applies to all TfL employees, all TfL Group companies and all those not directly employed by TfL who when working on behalf of TfL might have an impact on TfL's resilience.

2. Policy Statement

TfL is committed to ensuring that it has processes to assess, and controls to minimise the likelihood and potential impact of any operational or non-operational harmful or disruptive events. We will ensure the security of staff, customers and contractors, assets, including information, and service delivery. We will prepare for and be able to efficiently recover from harmful or disruptive events from whatever cause. We will have effective and tested plans and procedures to minimise harm to people and the environment, damage to property, financial impacts and damage to reputation following a harmful or disruptive event. All resilience planning and responses will be based on the principle of 'prudent over-reaction'.

3. Resilience Management Policy Framework

- 3.1 TfL will fulfil the policy requirements by ensuring that all areas of TfL have the capability to:
 - (a) reduce the risk of harmful or disruptive events to an acceptable level by structured review of existing processes, changes and new projects;
 - (b) manage immediate impacts; and
 - (c) recover effectively from a harmful or disruptive event.
- 3.2 TfL will achieve this by having systems to identify and reduce risks and maintaining emergency, contingency and Recovery Plans that staff are trained to use, that are tested and are regularly reviewed and updated.
- 3.3 Each business area has responsibility for ensuring that its activities are adequately resilient by assessing and controlling risks and by developing and maintaining emergency, contingency and business Recovery Plans.
- 3.4 In line with the requirements placed on it as a Category 2 responder under the Civil Contingencies Act 2004, and as a transport provider, TfL will contribute to the resilience of London and be prepared to support post-incident recovery in London by providing transport services. These requirements and processes for their delivery will be maintained in conjunction with partner organisations involved in maintaining London's resilience capability.

4. Assessing and Controlling Risks

- 4.1 Resilience is a risk recognised in TfL's Strategic Risk Management Framework. TfL will ensure that resilience is considered and addressed through routine Risk Management and when projects are planned or changes introduced, including during procurement processes.
- 4.2 The appropriateness and adequacy of proposals to address resilience in projects will be addressed during business case development, business planning processes and project and programme approvals.
- 4.3 TfL will establish standards and procedures for the security of staff, customers and contractors and assets, including information and service delivery. TfL will have the capability to receive and respond to security information through planned and documented processes.

5. Emergency, Contingency and Business Recovery Planning

TfL will maintain Emergency Management, Contingency Management and Recovery Management plans supporting the resilience objectives of TfL which are reviewed and updated as appropriate.

6. Assurance

- 6.1 Assurance of the TfL Resilience Management Policy Framework will be provided via four principal mechanisms. These are: management, the TfL Risk Management processes, internal audit and resilience assurance letters.
- 6.2 The Risk Management process identifies significant business risks, including resilience risks and captures the mitigations in place and additional mitigations that are planned.
- 6.3 Internal audits are planned and conducted in accordance with a structured risk based plan that identifies the significant risks to TfL and then audits and reports against those.
- 6.4 The resilience assurance letter process requires each managing director to report annually on compliance with the TfL Resilience Management Policy Framework.

7. Review and Amendments

This policy is owned by General Counsel and this version was agreed by the Safety, Health and Environment Assurance Committee on 20 July 2010. It will be reviewed annually and changes will be reported to the Safety, Health and Environment Assurance Committee. The TfL Group HSE Director can be contacted for advice and guidance on the content and implementation of this policy.

8. Glossary

Resilience Management means the process of minimising the likelihood of, and impact from, operational and/or non-operational harmful or disruptive events, whether malicious, accidental or natural, and minimising harm to people and the

environment, damage to property, financial impacts and damage to reputation. Providing security for employees, contractors, customers, assets, including information and service delivery is an integral part of resilience management.

Risk Management means understanding the threats to a business or elements of it, assessing the likelihood of these threats being realised and identifying mechanisms for reducing the threats, or their likelihood, to an acceptable level.

Incident means an unplanned, natural or malicious event or accident that threatens or disrupts normal operations, services or other aspects of the ability to do business.

Emergency and Contingent Plans means procedures and information used at the time of an incident to minimise harm to people, the environment, damage to property and to contain the impact of the incident.

Emergency Management means managing the response to, and containment of, the impact of an incident upon normal operations or services.

Contingency Management means maintaining critical operations or services during a disruption with significant impact on the organisation.

Recovery Management means managing business recovery to return to normal operations or services following an incident.

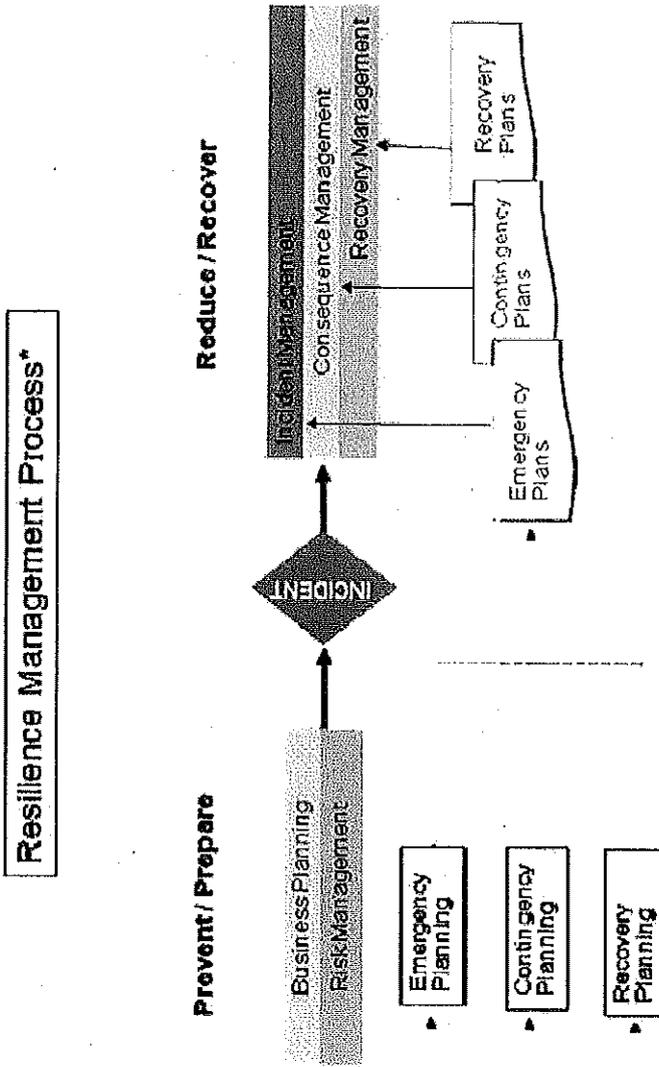
Emergency, Contingency and Business Recovery Planning means management of the development, maintenance and implementation of emergency, contingency and business recovery plans.

Recovery Plans means procedures and information for managing the recovery of normal operations or services which have been significantly impacted by an incident.

Security Management means minimising threats to employees, contractors, customers, assets, including information, and service delivery.

Relationship of the key resilience related processes means the relationship set out in Diagram 1 below.

Diagram 1 – Resilient Management Process



* Operational & non-operational

Appendix 2
TfL Information Security Policy

Issue date: 16 December 2009

Effective: 1 January 2010

This supersedes any previous TfL information security policy.

1. Purpose

1.1 The objective of this policy is to ensure that all the Information TfL holds in order to deliver its services and operations is managed with appropriate regard for Information Security, so as to:

- (a) protect its integrity, availability, and confidentiality;
- (b) minimise the potential consequences of information security breaches by preventing their occurrence in the first instance, or where necessary, containing and reducing their impact; and
- (c) ensure that personal data is afforded the protection required by the Data Protection Act 1998.

1.2 This policy applies to all Information held by TfL in any form or medium, electronic, paper or otherwise, including all data held on, or processed by, TfL systems.

1.3 External service providers must adhere to the principles of this policy; compliance will be monitored through contractual arrangements and audits.

2. Definitions

Information means any information, data or records, irrespective of format, which are generated or used by a business system or process. Examples include electronic communications, emails, video or digital recordings, hard copy (paper) files, images, graphics, maps, plans, technical drawings, programs, software and all other types of data.

Information Owners means senior managers, who are responsible for managing the acquisition, creation, maintenance and disposal of TfL's Information and Information Systems within their assigned area of control.

Information Risk means that part of TfL's overall risk portfolio which relates to the, integrity, availability and confidentiality of Information within the TfL Group.

Information Security means the ability to protect the integrity, availability, and confidentiality of Information held by TfL and to protect Information from unauthorised use, modification, accidental or intentional damage or destruction.

Information Security Breach means an Information Security Incident where it is confirmed that a stated organisational policy or legal requirement regarding Information Security has been contravened.

Information Security Incident means a single or a series of unwanted or unexpected Information Security events that have a significant probability of compromising business operations and threatening information security.

Information System means information in all media, hardware, software and supporting networks and the processes and human resources that support its acquisition, storage and communication.

TfL Personnel includes all TfL employees as well as all temporary staff, contractors, consultants and any third parties with whom special arrangements (such as confidentiality and non-disclosure agreements) have been made.

3. **Organisational Scope**

This policy applies to TfL and to any commercial organisations or service providers (including agencies or consultancy companies) contracted to carry out work for TfL.

4. **Policy Statement**

4.1 TfL depends on Information and Information Systems to support and develop its key business objectives, including the provision of public transport services and the implementation of the Mayor of London's Transport Strategy. TfL will adopt appropriate technical and organisational arrangements in accordance with this policy to protect the resilience, integrity, availability and confidentiality of the Information it holds (including personal data relating to both customers and employees) and the systems in which the Information resides.

4.2 This policy has been developed with reference to the following best practice standards and guidance:

- (a) Information Security Standard ISO/IEC 27001 and associated Code of Practice for Information Security ISO/IEC 27002:2005;
- (b) Her Majesty's Government Security Policy Framework;
- (c) Cross Government Mandatory Minimum Measures for Data Handling;
- (d) Government Protective Marking Scheme; and
- (e) Payment Card Industry Data Security Standard.

5. **Policy Content**

TfL's policy is to ensure that:

- (a) Information Security is considered as a fundamental and integral part of all TfL operations.
- (b) Statutory requirements to safeguard the security of Information are met and the accuracy, completeness and segregation of personal data are assured.
- (c) Information is accessible to authorised users when they need it and is assigned an appropriate security classification.

- (d) IT systems, networks and other key infrastructure components are protected from harm and the integrity of Information is maintained and protected from attack and unauthorised access or alteration.
- (e) Information Risk will be considered and afforded a priority in decisions within TfL in the same way as financial and operational risk. This will be reflected in corporate and local risk registers. Information Risk will be managed by a process of identifying, controlling, minimising and/or eliminating risks that may affect TfL's information or information systems.
- (f) Business continuity plans, including disaster Recovery Plans, are implemented to support business needs and appropriate Information Security training is given to TfL Personnel.
- (g) All Information Security Breaches, actual or suspected, are reported and investigated and a culture exists where improving Information Security procedures is encouraged.
- (h) All necessary measures are taken in order to comply with the Payment Card Industry Data Security Standards (PCI DSS) which are mandatory for organisations processing payment card transactions.

6. Responsibility for Information Security

- 6.1 Each TfL employee is responsible for actively supporting this policy and must ensure that their use of TfL's Information or Information Systems is in accordance with it. Employees must seek advice in the event of uncertainty in relation to this issue.
- 6.2 All cost centre and project managers are directly responsible for the security of Information within their business areas.
- 6.3 Information Owners are responsible for ensuring that TfL Personnel within their area of control are aware of this policy and are adequately trained in Information Security.
- 6.4 Information Owners are responsible for the assessment and reporting of Information Risk within each business unit.
- 6.5 Information Owners will define and document relevant statutory and contractual requirements for Information Systems.
- 6.6 Information Owners will implement appropriate procedures to ensure compliance with legal restrictions on the use of material in respect of which there may be intellectual property rights including copyright, design rights and trademarks.
- 6.7 Information Owners, with support from TfL's personnel, will manage and co-ordinate strategies for resilience, including business recovery following information loss or corruption or unauthorised disclosure or access.
- 6.8 TfL personnel who lead as business continuity planning within their business area are responsible for co-ordinating the creation and maintenance of business continuity plans for all departments across TfL, which take account of the requirements of this policy where appropriate.

- 6.9 Information Governance Internal Audit and IM are responsible for managing actual or suspected Information Security Incidents and breaches and recommending additional or improved security measures to prevent the reoccurrence of such incidents and breaches.
- 6.10 Information Governance is responsible for the interpretation of this policy, for monitoring compliance with the policy and for providing advice and guidance on its implementation.
- 6.11 Your information manager is responsible for advising TfL on the technical measures required to implement this policy and for their implementation on TfL's Information Systems and for ensuring that appropriate technical measures are in place to protect the security of electronic Information.

7. Procedures/Guidelines/Processes

- 7.1 All Information held by TfL must be managed in accordance with TfL's Privacy and Data Protection Policy, Information and Records Management Policy and Information Access Policy.
- 7.2 Appropriate Information Security procedures and TfL standards will be implemented in support of this policy. These will include standards and procedures as listed in Annex A (*Information Security Standards and Procedures*) to this policy.
- 7.3 TfL will have in place an Information Security Classification Standard for protectively marking Information. Security classifications will be applied to all of TfL's Information on creation or receipt, irrespective of format or medium, and Information classified according to this standard must be transmitted, stored and disposed of as required by the classification standard and its accompanying instructions.
- 7.4 TfL personnel handling Information which has been protectively marked in accordance with Her Majesty's Government Security Policy Framework will adhere to the requirements of such Security Policy Framework.
- 7.5 Actual or suspected Information Security Incidents involving personal or sensitive personal data (as defined by the Data Protection Act 1998) must be reported to Information Governance in order for the incident to be managed in accordance with the Incident Management Procedure for the Loss or Unauthorised Disclosure of Personal Data.
- 7.6 TfL Internal Audit will perform a periodic audit of the security processes, procedures and practices of TfL and its service providers to monitor compliance with this policy.

8. Approval and Amendments

- 8.1 This policy was approved by the Commissioner on 18 November 2009.
- 8.2 This policy was approved by the Audit Committee on 16 December 2009.
- 8.3 This policy will be subject to periodic review as considered appropriate by General Counsel.

9. Policy Owner

TfL's General Counsel is the designated owner of this policy.

Annex A to Appendix 2
Information Security Standards and procedures

Standards and procedures covering the following topics will be implemented in support of the Information Security Policy:

1. Physical security of data centres, communications rooms and sensitive zones
2. Incident management
3. Business continuity
4. CMDB (IT asset register)
5. Security vetting for sensitive roles within Information Management
6. IT user registration
7. Back-up
8. Cryptographic controls
9. Third party connections
10. Change management
11. Development and test areas
12. Access controls
13. System requirements analysis
14. Mobile computing and remote working
15. Input data validation
16. Integrity of software and information
17. Acceptable use and user responsibilities
18. Information handling

**Schedule 4
Financial Model**

Financial Model

1. The Base Case Maintenance Model is contained on a DVD labelled "Schedule 4 – Financial Model DVD No. 1 of 1" and initialled by or on behalf of the Parties, the contents of which have been agreed for the purposes of identification by or on behalf of the Parties. The Base Case Maintenance Model shall be deemed to and shall form part of this Agreement and be of full force and effect as if a hard copy of the Base Case Maintenance Model was included in each signature version of this Agreement.

Schedule 5
Performance Regime

- Appendix 1** **Train Facility Failure (Service Defects)**
- Appendix 2** **Cleaning and Aesthetic Condition Defects**
- Appendix 3** **Availability Benchmark Table**

1. Definitions and interpretation

1.1 Definitions:

Allowable Failure means, during any applicable relevant Allowable Relief Period, a Failure, to the extent:

- (a) caused by a Purchaser Fault;
- (b) caused by an Event of Loss;
- (c) caused by the wilful misconduct of the Purchaser or a Purchaser breach of this Agreement under clause 10.7(c) or paragraph 1.1 of Schedule 9 (*Maintenance Facilities – Willesden Depot*);
- (d) which arises as a result of any failure by the Purchaser to comply with the Train Plan Parameters including pursuant to clause 11.1(e)(i);
- (e) which arises as a result of Infrastructure Damage;
- (f) which arises as a result of any failure or shortage of traction power on the LO Infrastructure;
- (g) which is an Infrastructure Controller Matter;
- (h) caused by Operator Error;
- (i) which arises as a direct result of the Purchaser requiring a Prioritised Additional Service pursuant to paragraph 3.2 of Part A (*Maintenance Services*) of Schedule 1 (*Maintenance Services*); or
- (j) which arises as a result of implementation by the Maintainer of the Agreed Site Rectification Plan in accordance with its terms, pursuant to paragraph 1.10 of Schedule 9 (*Maintenance Facilities – Willesden Depot*),

in each case, except to the extent caused by (i) a Force Majeure Event; (ii) a Maintainer Fault; (iii) any act, omission, neglect or default of the Maintainer, the Manufacturer, the Depot Operator, any Subcontractor, any member of the Maintainer's Group or the Manufacturer's Group or the employees, agents, subcontractors or suppliers of any of them; (iv) the Maintainer's, the Depot Operator's or the Manufacturer's performance or non-performance of their respective obligations under this Agreement or the MSA; (v) any failure by the Maintainer to permit the movement of Units at the Maintenance Facilities, the Chingford Stabling Site and the Ilford Depot in accordance with the Train Plan and the Train Plan Parameters or to maintain, repair or renew the assets at the Maintenance Facilities or the Chingford Stabling Site in accordance with this Agreement; and (vi) the failure of the Maintainer or any Subcontractor to use all reasonable endeavours to mitigate the effect of the failure;

Allowable Relief Period means the aggregate period for which the Failure becomes or is determined to be an Allowable Failure pursuant to this Schedule 5 and ending on the earliest to occur of: (i) the time when the Allowable Failure is remedied or ceases to have an impact; (ii) the taking effect of a Change Confirmation Notice relating to

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the impact of the Allowable Failure; (iii) the point at which the Maintainer fails to use all reasonable endeavours to mitigate the effect of the Allowable Failure; and (iv) in the case of:

- (a) a Purchaser Fault, the end of the Remedy Period as determined pursuant to paragraph 3.5 of Part A (*Maintenance Services*) of Schedule 1 (*Maintenance Services*);
- (b) an Event of Loss, the taking effect of the relevant Change Confirmation Notice dealing with the impact of the Event of Loss or the replacement of the Unit which was the subject of the Event of Loss, whichever occurs first;
- (c) wilful misconduct by the Purchaser or breach by the Purchaser of this Agreement under clause 10.7(c) or clause 7.2 or paragraph 1.1 of Schedule 9 (*Maintenance Facilities – Willesden Depot*), the time at which the breach has been remedied or the impact of the wilful misconduct or breach has been taken account of in a Change Confirmation Notice or otherwise;
- (d) failure by the Purchaser to comply with the Train Plan Parameters, the end of the traffic day following the day on which the Unit was handed back other than in accordance with the Train Plan Parameters except that where the failure has arisen under clause 11.1(e), this shall be increased to the end of the seventh day;
- (e) a Failure caused by Infrastructure Damage, the time at which the impact of the Infrastructure Damage has been remedied or has otherwise ceased to have effect or the impact of the Infrastructure Damage has been taken account of in a Change Confirmation Notice or otherwise;
- (f) a failure or shortage of traction power on the LO Infrastructure, the time at which the failure or shortage of power ceases and power is restored or its impact has ceased to have effect;
- (g) an Infrastructure Controller Matter, the time at which the impact of the Infrastructure Controller Matter has ceased to have effect or the impact of the Infrastructure Controller Matter has been taken account of in a Change Confirmation Notice or otherwise;
- (h) Operator Error, the time at which the impact of the Operator Error has ceased to have effect or the impact of the Operator Error has been taken account of in a Change Confirmation Notice or otherwise;

Annual Deductions Cap means an amount per Contract Year expressed in Pounds Sterling which is equivalent [REDACTED]

Annual Performance Adjustment means the adjustment to the Service Payment for any Railway Period calculated in accordance with paragraph 11.1 of this Schedule 5 and made in accordance with paragraph 2.2 of Schedule 6 (*Payment Mechanism*);

Annual Service Payment means the aggregate of the Service Payments in the relevant Contract Year;

Availability Adjustment means the adjustment to the Service Payment for any Railway Period calculated in accordance with paragraph 2 (*Availability Adjustment*) of this Schedule 5 and made in accordance with paragraph 2.2 of Schedule 6 (*Payment Mechanism*);

APA Mean Distance Benchmark means:

- (a) in respect of the first APA Reference Performance Period, 44,841 miles;
- (b) in respect of the second APA Reference Performance Period, 51,000 miles;
and
- (c) in respect of any subsequent APA Reference Period, 57,000 miles;

APA Mean Distance Threshold means the APA Mean Distance Benchmark in respect of the relevant APA Reference Performance Period less 10,000 miles;

APA Reference Performance Period means a period of thirteen consecutive Railway Periods commencing:

- (a) in the case of the first such period, at the start of the next Railway Period to commence after the Contractual Fleet Acceptance Date; and
- (b) in the case of each subsequent such period, at the start of the Railway Period which immediately follows the end of the previous APA Reference Performance Period;

Cancellation means, in relation to a Unit which has been made Available on a Diagram Leg, that such Unit is not Fit to Remain in Service and references to **Cancelled** shall be construed accordingly;

Cancellation Adjustment means the adjustment to the Service Payment for any Railway Period calculated in accordance with paragraph 3.2 of this Schedule 5 and made in accordance with paragraph 2.2 of Schedule 6 (*Payment Mechanism*);

Cancellation Deduction means a deduction calculated in accordance with paragraph 3.1 of this Schedule 5 that comprises part of a Cancellation Adjustment;

Cleaning and Aesthetic Condition Adjustment means the adjustment to the Service Payment for any Railway Period calculated in accordance with paragraph 9 (*Cleaning and Aesthetic Condition Adjustment*) of this Schedule 5 and made in accordance with paragraph 2.2 of Schedule 6 (*Payment Mechanism*);

Cleaning and Aesthetic Condition Defect means a cleaning or aesthetic defect on a Vehicle as described and listed in column 3 of Appendix 2 (*Cleaning and Aesthetic Condition Defects*) of this Schedule 5;

Cleaning and Aesthetic Condition Defect Amount means the corresponding amount per day set out in column 4 of Appendix 2 (*Cleaning and Aesthetic Condition Defects*) of this Schedule 5 for each Cleaning and Aesthetic Condition Defect set out in column 3 of Appendix 2 of this Schedule 5;

Cleaning and Aesthetic Condition Defect Deduction means the aggregate of all Cleaning and Aesthetic Condition Defect Amounts relating to the Cleaning and Aesthetic Condition Defects that are present on a particular Unit on a particular day offered for service by the Maintainer and accepted and taken into service by the Purchaser, as calculated in accordance with paragraph 9 (*Cleaning and Aesthetic Condition Adjustment*) of this Schedule 5 (*Performance Regime*) (excluding any Cleaning and Aesthetic Condition Defect that is an Allowable Failure during the Allowable Relief Period to which that Allowable Failure relates), and after application of the ISD in accordance with paragraph 9.3 of this Schedule 5 (*Performance Regime*);

Delay Adjustment means the adjustment to the Service Payment for any Railway Period calculated in accordance with paragraph 4.2 of this Schedule 5 and made in accordance with paragraph 2.2 of Schedule 6 (*Payment Mechanism*);

Delay Deduction means a deduction calculated in accordance with paragraph 4.2 of this Schedule 5 that comprises part of a Delay Adjustment;

Delay Incident means a planned or unplanned incident that has given rise to Minutes Lateness;

Diagram Leg means that element of a Diagram that relates to a single journey between an originating point and a terminating point as identified in the Train Plan;

Failure means that:

- (a) a Unit is Unavailable;
- (b) a Unit suffers a Cancellation;
- (c) a Unit suffers Relevant Minutes Lateness;
- (d) a Unit suffers a Major Incident;
- (e) a Unit suffers a Service Defect;
- (f) a Vehicle or Unit suffers a Cleaning and Aesthetic Condition Defect; or
- (g) the Simulator suffers a Simulator Failure;

Infrastructure Controller Matter means any matter which is in fact attributed and finally allotted to the relevant infrastructure controller in accordance with the Network Monitoring System and the relevant Track Access Agreement;

Infrastructure Damage means damage or excessive or unusual wear and tear caused to the Units (as proved by the Maintainer and demonstrated in written evidence from a reputable and independent third party with relevant experience) as a direct result of any Railway Infrastructure (other than infrastructure and any Railway Infrastructure maintained by the Maintainer) being in a condition which is worse than that to be expected of such Railway Infrastructure which is being maintained by a competent maintenance contractor having regard to: (i) the standards applicable to such Railway Infrastructure (being Railway Group Standards in the case of Railway Infrastructure controlled by Network Rail); and (ii) the condition of such Railway Infrastructure (to

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the extent that such Railway Infrastructure exists) at the date of this Agreement, taking into account that the condition of certain parts of such Railway Infrastructure may not be compliant with Railway Group Standards;

ISD means the in service discount relating to: (i) Service Defects as described in paragraph 6 of this Schedule 5; and (ii) Cleaning and Aesthetic Condition Defects as described in paragraph 9 of this Schedule 5;

Maintainer Daily Performance Record has the meaning given to such term in paragraph 10.1 of this Schedule 5;

Maintainer Minutes Lateness means, in relation to a Unit, any Relevant Minutes Lateness, but excluding any Relevant Minutes Lateness caused by an Allowable Failure during the Allowable Relief Period to which that Allowable Failure relates;

Maintainer Performance Monitoring Report means the report to be provided by the Maintainer pursuant to paragraph 10.11 of this Schedule 5 in the form to be agreed between the Parties;

Major Incident means any planned or unplanned incident in relation to an affected Unit that causes Minutes Lateness in excess of the Major Incident Threshold, excluding any Major Incident caused by an Allowable Failure during the Allowable Relief Period to which that Allowable Failure relates;

Major Incident Adjustment means the adjustment to the Service Payment for any Railway Period calculated in accordance with paragraph 5 (*Major Incident Adjustment*) of this Schedule 5 and made in accordance with paragraph 2.2 of Schedule 6 (*Payment Mechanism*);

Major Incident Deduction means:

- (a) £20,000 in respect of the Liverpool Street Approach; or
- (b) £10,000 for any other part of the LO Infrastructure;

Major Incident Threshold means:

- (a) 30 Minutes Lateness in respect of the Liverpool Street Approach; or
- (b) 60 Minutes Lateness for any other part of the LO Infrastructure;

Minimum Simulator Available Hours means the hours during which the Simulator is to be made available to the Purchaser in a condition which meets the Minimum Simulator Operating Condition, being (i) from the Simulator Acceptance Date of the Simulator to the date which falls one year after the Full Deployment Date, from 07.00 am to 19.00 each day (seven days a week); and (ii) thereafter, from 07.00 am to 19.00 each Working Day;

Minimum Simulator Operating Condition means that the Simulator is Fault Free (including free from Purchaser Faults except to the extent that they are Allowable Failures), and fully maintained in accordance with the Maintenance Plan and Manuals;

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Minutes Lateness means, in relation to a Unit which has been made Available on a Diagram Leg, the minutes and seconds of delay that arise as a result of a planned or unplanned incident that are recorded at the Relevant Delay Recording Point for that Unit on that Diagram Leg as compared to the scheduled times at that Relevant Delay Recording Point in the Working Timetable (adjusted with the relevant timing offset where the Relevant Delay Recording Point is not exactly located at the relevant terminating point) and reported by the Network Monitoring System;

MDBSAF or Mean Distance Between Service Affecting Failure means the mean distance travelled per Service Affecting Failure measured across all of the Units comprising the relevant test sample;

Network Code means the document now known as the Network Code and formerly known as the Railtrack Track Access Conditions 1995 (as updated from time to time);

Network Monitoring System means TRUST in relation to the Network and TRUST or a similar or equivalent network monitoring system operated by the relevant infrastructure controller;

Operational Spare Unit means a Unit identified as such in the Train Plan and made Available to the Purchaser (or the Operator) by the Maintainer in accordance with the Train Plan which may be used by the Operator at the Operator's sole discretion for any Permitted Use;

Operator Error means the train crew (whether or not as a result of passengers) acting or failing to act in a manner which would be expected of train crew acting in a reasonable and prudent manner (such failure to act in a reasonable and prudent manner would include failure to comply with a Recovery Plan) except to the extent of any action or inaction which is:

- (a) the responsibility of the Maintainer or effected at the request of the Maintainer other than in accordance with the Recovery Plan; or
- (b) caused directly or indirectly by, or taken as a result of or following, the occurrence of a Maintainer Fault and the train crew acts in accordance with the Recovery Plan and the Manuals;

Performance Monitoring Adjustment for a Railway Period means the aggregate of all Performance Monitoring Deductions that have accrued, in accordance with paragraph 10.13 of this Schedule 5, in that Railway Period, and made in accordance with paragraph 2.2 of Schedule 6 (*Payment Mechanism*);

Performance Monitoring Deduction means a deduction in an amount of the greater of:

- (a) 10x the value of the deduction relating to the matter which the Maintainer has failed properly to monitor or report in accordance with paragraph 10.13 of this Schedule 5; and
- (b) £1,000 (indexed by the Indexation Adjustment Formula);

Purchaser Daily Performance Record has the meaning given to such term in paragraph 10.2 of this Schedule 5;

Railway Operational Code has the meaning given to such term in Condition H1.1 of the Network Code;

Railway Period Deductions Cap means an aggregate maximum amount expressed in Pounds Sterling [REDACTED]

Recovery Plan means any plan prepared by the Maintainer to deal with disruptive events which has been submitted to the Purchaser for Assurance Acceptance at least six months prior to the Operating Date and has received Assurance Acceptance;

Relevant Delay Incident means a Delay Incident that has given rise to Relevant Minutes Lateness;

Relevant Delay Recording Points means the recording points (as defined in the relevant Track Access Agreement) which monitor the timing of trains, located at or most proximate to the terminating point or station (including any early termination point or station where a Unit is taken out of service early or the Diagram Leg is terminated early) for the relevant Diagram Leg;

Relevant Minutes Lateness means in relation to a Unit on a Diagram Leg, three or more Minutes Lateness at the Relevant Delay Recording Point;

Replacement Unit means a Unit that the Maintainer offers to the Purchaser for service on any day in a Railway Period to replace any Unit that is Unavailable or suffers a Cancellation (including Operational Spare Units);

Service Affecting Failure means, in relation to a Unit:

- (a) a Fault causing the Unit to experience Relevant Minutes Lateness;
- (b) a Fault causing a Cancellation; or
- (c) a delay of more than three minutes in a Unit being made Available, where the root cause is a Fault,

in each case except to the extent caused by an Allowable Failure;

Service Defect means a service defect on a Unit as described and listed in column 3 of Appendix 1 (*Train Facility Failure (Service Defects)*) of this Schedule 5;

Service Defect Adjustment means the adjustment to the Service Payment for any Railway Period calculated in accordance with paragraph 6 (*Service Defect Adjustment*) of this Schedule 5 and made in accordance with paragraph 2.2 of Schedule 6 (*Payment Mechanism*);

Service Defect Amount means the corresponding amount per day set out in column 4 of Appendix 1 (*Train Facility Failure (Service Defects)*) to this Schedule 5 for each Service Defect set out in column 3;

Service Defect Deduction means the aggregate of all Service Defect Amounts relating to the Service Defects that accrue on a particular Unit on a particular day

offered for service by the Maintainer and accepted and taken into service by the Purchaser, as calculated in accordance with paragraph 6 of this Schedule 5 (excluding any Service Defect that is an Allowable Failure during the Allowable Relief Period to which that Allowable Failure relates, and after application of the ISD in accordance with paragraph 6.3 of this Schedule 5), subject to clause 6.3;

Simulator Adjustment means the aggregate of the relevant Simulator Deductions for the relevant Railway Period;

Simulator Available Hours means the number of hours of Minimum Simulator Available Hours in each Railway Period that the Simulator was in fact made available to the Purchaser during the Minimum Simulator Available Hours in a condition which meets the Minimum Simulator Operating Condition;

Simulator Deduction means the amount calculated in accordance with paragraph 7.4 of this Schedule 5 for each Simulator Failure that arises (other than an Allowable Failure during the Allowable Relief Period to which that Allowable Failure relates);

Simulator Failure means circumstances where the Simulator Available Hours are less than Minimum Simulator Available Hours other than as a result of an Allowable Failure (during the relevant Allowable Relief Period to which that Allowable Failure relates);

Track Access Agreement means an agreement between the Purchaser or the Operator on the one hand and a controller of the LO Infrastructure (or part thereof) on the other giving the Purchaser or the Operator access to operate trains on the LO Infrastructure;

TRUST means an operational system owned by Network Rail for recording train running performance; and

Working Timetable means, in respect of a day, the timetable or timetables of train movements which in the case of the LO Infrastructure, Network Rail is obliged to draw up pursuant to Condition D2.1.1 and D2.1.6 of the Network Code and as such is revised pursuant to Condition D3 of the Network Code and entered into the train service database by 22:00 on the day prior to that day (and taking into account the effects of any Contingency Plan as defined in, and issued in accordance with, the Railway Operational Code).

Indexation of Adjustments

1.2 In this Schedule 5, each of:

- (a) the Availability Adjustment;
- (b) the Cancellation Adjustment;
- (c) the Delay Adjustment;
- (d) the Major Incident Adjustment;
- (e) the Service Defect Adjustment;
- (f) the Simulator Adjustment;

- (g) the Cleaning and Aesthetic Condition Adjustment;
- (h) the Performance Monitoring Adjustment; and
- (i) the Annual Performance Adjustment,

and any values specified in the provisions of this Schedule 5 relating to each such Adjustment, shall be references to such amounts at the Indexation Base Month and shall be indexed as set out in the calculation of Service Payments in paragraph 1.1 of Schedule 6 (*Payment Mechanism*). Clause 1.2(q) of this Agreement shall apply to the values in paragraph 11 (*Annual Performance Adjustment*) of this Schedule 5.

2. Availability Adjustment

- 2.1 (a) Subject to paragraphs 2.1(b) and (c), the Availability Adjustment for a Railway Period shall be the aggregate of £2,500 per Unavailable Unit per day (other than where an Allowable Failure applies).
 - (b) Subject to paragraph 2.1(c), for each Unit that is Unavailable only because of a failure to satisfy limb (b) of the definition of Fit for Purpose in clause 1.1, the relevant Availability Adjustment shall be £1,250 (other than where an Allowable Failure applies).
 - (c) Prior to all the Units being issued with a PAC or QPAC, the Availability Adjustments above will only be made if the number of Available Units on any given day is less than the Availability Benchmark set out in Column (2) of the table in Appendix 3 (*Availability Benchmark Table*) to this Schedule 5 which corresponds to the number of Accepted Units on such day, as set out in Column (1) of the above mentioned table.
- 2.2 The Availability Adjustment will be made to the relevant Service Payment for each Railway Period in accordance with the provisions of paragraph 2.2 of Schedule 6 (*Payment Mechanism*).
- 2.3 The Maintainer shall use all reasonable endeavours to mitigate the impact of each event giving rise to any Unavailability, whether or not it is an Allowable Failure, so that the Unit becomes Available as soon as possible.
- 2.4 The provisions of paragraph 8 (*Replacement Units*) of this Schedule 5 shall apply in relation to any Replacement Unit that the Maintainer offers for service to replace any Unit which is an Unavailable Unit.

3. Cancellation Adjustment

- 3.1 If a Unit suffers a Cancellation and is required to be taken out of operation (other than where an Allowable Failure applies), a daily Cancellation Deduction for each such Unit will apply in accordance with the following provisions:
- (a) where the Unit is Fit to Run, then the daily Cancellation Deduction for that Unit shall be £1,250; and
 - (b) where the Unit is not Fit to Run, then the daily Cancellation Deduction for that unit shall be £2,500,

unless, in each case, the Unit is repaired or a Replacement Unit is provided which is Fit for Service and is accepted by the Purchaser in accordance with paragraph 8 (*Replacement Units*) of this Schedule 5 in which case:

- (c) where the Unit or Replacement Unit completes a minimum of fifty (50)% but no more than seventy-five (75)% of the total mileage of the relevant Diagrams scheduled to be completed by the affected Unit on that day, the daily Cancellation Deduction for that Unit shall be reduced to:
 - (i) where the Unit giving rise to the Cancellation Deduction was Fit to Run, either:
 - (A) £1,125 if a Replacement Unit is provided which does not satisfy limb (b) of the definition of Fit for Purpose in clause 1.1; or
 - (B) £1,000 otherwise; or
 - (ii) where the Unit giving rise to the Cancellation Deduction was not Fit to Run, either:
 - (A) £2,250 if a Replacement Unit is provided which does not satisfy limb (b) of the definition of Fit for Purpose in clause 1.1; or
 - (B) £2,000 otherwise; or
- (d) where the Unit or Replacement Unit completes seventy-five (75)% or more of the total mileage of the relevant Diagrams scheduled to be completed by the affected Unit on that day, the daily Cancellation Deduction for that Unit shall be reduced to:
 - (i) where the Unit giving rise to the Cancellation Deduction was Fit to Run, either:
 - (A) £875 if a Replacement Unit is provided which does not satisfy limb (b) of the definition of Fit for Purpose in clause 1.1; or
 - (B) £500 otherwise; or
 - (ii) where the Unit giving rise to the Cancellation Deduction was not Fit to Run, either:
 - (A) £1,750 if a Replacement Unit is provided which does not satisfy limb (b) of the definition of Fit for Purpose in clause 1.1; or
 - (B) £1,000 otherwise.

3.2 The Cancellation Adjustment for a Railway Period shall be the aggregate of the daily Cancellation Deductions incurred in that Railway Period, and will be made to the

relevant Service Payment for each Railway Period in accordance with the provisions of paragraph 2.2 of Schedule 6 (*Payment Mechanism*).

- 3.3 The Maintainer shall use all reasonable endeavours to mitigate the impact of the event giving rise to a Cancellation, whether or not it is an Allowable Failure.
- 3.4 The provisions of paragraph 8 (*Replacement Units*) of this Schedule 5 shall apply in relation to any Replacement Unit that the Maintainer offers for service on any day to replace any Unit that suffers a Cancellation.

4. Delay Adjustment

- 4.1 On and from the Operating Date, the Delay Adjustment for any Railway Period shall be the aggregate of all Delay Deductions that are calculated in relation to that Railway Period.
- 4.2 Each Delay Deduction shall be calculated by multiplying all minutes (including partial minutes expressed as a decimal fraction of a minute) of Maintainer Minutes Lateness by £60 per minute.
- 4.3 A Delay Adjustment will be made to the relevant Service Payment for each Railway Period in accordance with the provisions of paragraph 2.2 of Schedule 6 (*Payment Mechanism*).
- 4.4 The Maintainer shall use all reasonable endeavours to mitigate the impact of any event giving rise to Minutes Lateness, whether or not it is an Allowable Failure.

5. Major Incident Adjustment

- 5.1 The Major Incident Adjustment for any Railway Period shall be an amount equal to the number of Major Incidents that occur in the relevant Railway Period multiplied by the Major Incident Deduction.
- 5.2 A Major Incident Adjustment will be made to the relevant Service Payment for each Railway Period in accordance with the provisions of paragraph 2.2 of Schedule 6 (*Payment Mechanism*).

6. Service Defect Adjustment

- 6.1 On and from the Operating Date, the Service Defect Adjustment for any Railway Period shall be the aggregate of the Service Defect Deductions for all Units (other than where an Allowable Failure applies) that occur during that Railway Period, subject to paragraph 6.3.
- 6.2 The Service Defect Adjustment will be made to the relevant Service Payment for each Railway Period in accordance with the provisions of paragraph 2.2 of Schedule 6 (*Payment Mechanism*).
- 6.3 Where a Service Defect exists on a Unit (whether existing when the Unit was made available at the start of the day or arising during the course of the day) and the Maintainer cures that Service Defect to the Purchaser's reasonable satisfaction during the course of the day whilst the Unit to which it related is still in service, then the ISD

shall apply to the relevant Service Defect Amount(s) (relating to the Service Defect which has been so cured) which shall accordingly be reduced by 50%.

- 6.4 The Maintainer shall use all reasonable endeavours to mitigate the impact of any Service Defect and to remedy each Service Defect as soon as possible, whether or not it is an Allowable Failure.

7. Simulator Adjustment

- 7.1 In each Railway Period from the Simulator Acceptance, the Maintainer shall make the Simulator available to the Purchaser in accordance with the Minimum Simulator Operating Condition for the Minimum Simulator Available Hours.
- 7.2 In each Railway Period from the Simulator Acceptance, the Purchaser shall calculate the Simulator Available Hours which achieved the Minimum Simulator Operating Condition.
- 7.3 If in any Railway Period the number of Simulator Available Hours achieving the Minimum Simulator Operating Condition is greater than the Minimum Simulator Available Hours then the Simulator Adjustment shall be nil for that Railway Period.
- 7.4 If in any Railway Period the number of Simulator Available Hours achieving the Minimum Simulator Operating Condition is less than the Minimum Simulator Available Hours then the Simulator Deduction shall be £1,000 for the first 24 hours and £1,500 for each 24 hours or part thereof thereafter of the Minimum Simulator Available Hours requirement.
- 7.5 The Simulator Adjustment will be made to the relevant Service Payment for each Railway Period in accordance with the provisions of paragraph 2.2 of Schedule 6 (*Payment Mechanism*).
- 7.6 For the first Railway Period following the Operating Date, the Simulator Adjustment shall include all Simulator Deductions which have occurred from (and including) the Simulator Acceptance Date to (and including) the Operating Date.

8. Replacement Units

- 8.1 Where a Unit is:

- (a) Unavailable on any day; or
- (b) suffers a Cancellation,

the Maintainer may subsequently offer to the Purchaser a Replacement Unit for service on that day to operate the Diagram Leg in respect of which the original Unit was Unavailable or Cancelled (as appropriate).

- 8.2 Where the Maintainer offers a Replacement Unit to the Purchaser for service, the Purchaser may decide in its absolute discretion to:

- (a) accept that Replacement Unit to operate/complete the Diagram in respect of which the original Unit was Unavailable or suffered the Cancellation (as appropriate) in which case, the Purchaser shall:

- (i) procure that a driver and requisite train crew attend such Replacement Unit at the point agreed for its entry into service; and
- (ii) operate that Replacement Unit at the time agreed for entry into service (provided that it is Available at that time as agreed),

in which case the provisions of this Schedule 5 shall apply to such Replacement Unit; or

- (b) reject that Replacement Unit.

9. Cleaning and Aesthetic Condition Adjustment

- 9.1 On and from the Operating Date, the Cleaning and Aesthetic Condition Adjustment for any Railway Period shall be the aggregate of the Cleaning and Aesthetic Condition Defect Deductions for all Units (other than where an Allowable Failure applies) that occur during that Railway Period, subject to paragraph 9.3 of this Schedule 5.
- 9.2 The Cleaning and Aesthetic Condition Adjustment will be made to the relevant Service Payment for each Railway Period in accordance with the provisions of paragraph 2.2 of Schedule 6 (*Payment Mechanism*).
- 9.3 Where a Cleaning and Aesthetic Condition Defect exists on a Unit at the start of the day and the Maintainer cures that Cleaning and Aesthetic Condition Defect to the Purchaser's reasonable satisfaction during the course of the day whilst the Unit to which it related is still in service, then the ISD shall apply to the relevant Cleaning and Aesthetic Condition Defect Amount(s) (relating to the Cleaning and Aesthetic Condition Defect which has been so cured) which shall accordingly be reduced by 50%.
- 9.4 The Maintainer shall use all reasonable endeavours to mitigate the impact of any Cleaning and Aesthetic Condition Defect and to remedy each Cleaning and Aesthetic Condition Defect as soon as possible, whether or not it is an Allowable Failure.
- 9.5 On and from the Operating Date, the Purchaser may inspect the Maintainer's records and up to 100% of the Units in the Fleet in each Railway Period to assess the Maintainer's compliance with paragraphs 5 to 7 inclusive in Part A (*Maintenance Services*) of Schedule 1 (*Maintenance Services*).

10. Performance Monitoring

- 10.1 On and from the Operating Date the Maintainer shall, on a daily basis, monitor all Failures under this Schedule 5 using data obtained from the TMS and any other reliable and accurate data available to it (including Maintainer and Subcontractor staff) (*Data*) and shall accurately record all Failures (where it can do so using the *Data*) including Allowable Failures (and as far as the Maintainer is aware and where possible, an allocation of responsibility for each Failure), in a daily Maintainer performance record (the *Maintainer Daily Performance Record*). The Maintainer Daily Performance Record and *Data* shall be provided to the Purchaser no later than 05.00 on the following day in a format or formats to be agreed with the Purchaser.

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- 10.2 The Purchaser shall monitor all Failures using data obtained from:
- (a) the Network Monitoring System(s);
 - (b) the Operator's Control Room;
 - (c) any information obtained from the Operator's staff (including drivers of the Units);
 - (d) the Maintainer Daily Performance Record and Data provided by the Maintainer under paragraph 10.1; and
 - (e) other reliable and accurate data available,

and shall detail for that day all Failures (including Allowable Failures), the reason for each Failure, and an allocation of responsibility for each Failure in a daily record (the *Purchaser Daily Performance Record*). The Purchaser Daily Performance Record shall be provided by the Purchaser to the Maintainer by 09.00 on the day after the day following the day to which it relates.

- 10.3 The Purchaser Daily Performance Record shall also record on an aggregated and Diagram by Diagram basis:
- (a) the number of Units (or Operational Spare Units) on that day that are:
 - (i) Available;
 - (ii) Unavailable; and
 - (iii) would have been Unavailable but for an Allowable Failure;
 - (b) where any Unit is Unavailable on that day:
 - (i) the reason why that Unit or Operational Spare Unit is Unavailable;
 - (ii) the number of Diagram Legs and Station Stops comprised in the relevant Diagram and the point and time at which that Unavailable Unit was scheduled to enter service for the first time on that Diagram (or any other Diagram agreed with the Maintainer, together, where relevant, with the number of Diagram Legs and Station Stops comprised in such other Diagram agreed with the Maintainer); and
 - (iii) whether any Replacement Unit was made available by the Maintainer and accepted by the Purchaser, details of the Unavailable Unit which it replaced and the Diagram Legs that were operated by the Replacement Unit.

- 10.4 The Purchaser Daily Performance Record shall:
- (a) record the number of Cancellations;
 - (b) make an allocation of Cancellations under the terms of this Schedule 5 in accordance with the categories below:
 - (i) Allowable Failures; and

- (ii) Cancellations the responsibility of the Maintainer; and
 - (c) record whether any Replacement Unit was made available by the Maintainer and accepted by the Purchaser, details of the Cancellation which it replaced and the Diagram Legs that were operated by the Replacement Unit.
- 10.5 The Purchaser Daily Performance Record shall record the number of Delay Incidents and indicate whether they are Relevant Delay Incidents, and make an allocation of Minutes Lateness per Unit in accordance with the categories set out below and shall include a description of each Delay Incident including date, time, location and number of Minutes Lateness categorised according to the appropriate type of Delay Incident as follows:
 - (a) Allowable Failures;
 - (b) Maintainer Minutes Lateness; and
 - (c) Minutes Lateness arising from Delay Incidents which are not Allowable Failures or Maintainer Minutes Lateness.
- 10.6 The Purchaser Daily Performance Record shall make an allocation of Major Incidents per Unit in accordance with the categories set out below and shall include a description of each Major Incident including date, time, location categorised according to the appropriate type of Major Incidents as follows:
 - (a) Allowable Failures;
 - (b) Major Incidents the responsibility of the Maintainer; and
 - (c) Service Defects.
- 10.7 The Maintainer and the Purchaser shall work together on a daily basis to seek to establish and agree the cause of Unavailability, Cancellations, Delay Incidents and Major Incidents as the case may be and attribute responsibility for each such event by further investigation as appropriate. If the parties are not able to agree the cause of any Unavailability, Cancellations, Delay Incidents and Major Incidents, as the case may be, each Party shall conduct such further investigations as it shall consider necessary and appropriate and the matter shall be further considered by the Parties on the following day.
- 10.8 If the Parties are still not able to agree the cause of any such Unavailability, Cancellations, Delay Incidents and Major Incidents, the matter shall be referred to the next Performance Review Meeting for resolution unless otherwise agreed.
- 10.9 If by the end of the Performance Review Meeting the Parties are still not able to agree the cause of the relevant Unavailability, Cancellation or Delay Incident or Major Incident the matter shall be referred as an Expert Dispute for resolution pursuant to the Dispute Resolution Procedure.
- 10.10 A Performance Review Meeting shall be held each Railway Period following the Operating Date (to review the previous Railway Period's performance) and shall be attended at least by the Maintainer Contract Manager and the Purchaser Contract

Manager. The standing agenda for the Performance Regime aspects of the Performance Review Meeting shall be as follows:

- (a) Minutes of previous meeting;
- (b) Review of the Maintainer Performance Monitoring Report;
- (c) Reconciliation of Adjustments; and
- (d) Disputed attributions.

10.11 No later than two Working Days following the end of each Railway Period (and prior to the Performance Review Meeting) the Maintainer shall produce the Maintainer Performance Monitoring Report for the preceding Railway Period (which shall be based upon and accompanied by the Maintainer Daily Performance Record and the Purchaser Daily Performance Record for each of the days in that Railway Period and details of any further matters considered or investigated by the parties pursuant to paragraph 10.8 of this Schedule 5) and shall provide a copy to the Purchaser. The Purchaser may refer to the information in the Maintainer Performance Monitoring Report in the Service Payment Report to be delivered by the Purchaser to the Maintainer pursuant to clause 19.2. The Maintainer shall provide to the Purchaser, within a reasonable time following any request, any additional information and other reports as are reasonably required by the Purchaser.

10.12 Subject to paragraph 10.9 (and the outcome of any ongoing dispute raised with the Infrastructure Manager with respect to information arising from the Network Monitoring System), the content of the Maintainer Performance Monitoring Report shall be agreed at the Performance Review Meeting and such agreed report shall be the source of the factual information regarding the performance of the Services for the relevant Railway Period for the purposes of calculating the relevant Service Payment and any Adjustments.

10.13 If the Maintainer has failed to monitor or accurately to report any matter contained in or accompanying (or which ought to be contained in or accompanying) the Maintainer Performance Monitoring Report then, without prejudice to the ability to make Adjustments in respect of that matter in accordance with the provisions of this schedule, a Performance Monitoring Deduction for each failure to monitor or report that matter accurately shall accrue. The Performance Monitoring Adjustment shall be made to the relevant Service Payment for each Railway Period in accordance with the provisions of paragraph 2.2 of Schedule 6 (*Payment Mechanism*).

11. Annual Performance Adjustment

11.1 In respect of each APA Reference Performance Period, the Maintainer shall, utilising the information recorded in the Maintainer Performance Monitoring Reports (adjusted to take account of any matters that are the subject of a Performance Monitoring Deduction) and the actual mileage run by the Fleet in the relevant APA Reference Performance Period (which shall be advised to the Maintainer by the Purchaser within 20 Working Days of the end of the period) within ten Working Days after its receipt of the Fleet mileage, produce a calculation of the Mean Distance

Between Service Affecting Failure achieved by the Fleet over that APA Reference Performance Period.

- 11.2 The Purchaser shall, promptly following receipt, review the Maintainer's calculation produced pursuant to paragraph 11.1 and shall notify the Maintainer whether it agrees with the contents of that calculation. If the Purchaser does not agree with any part of the Maintainer's calculation, the Parties shall meet to seek to agree the Mean Distance Between Service Affecting Failure achieved by the Fleet over that APA Reference Performance Period. If the Parties are not able to agree the calculation by the end of the first complete Railway Period following delivery of the Maintainer's calculation, the matter shall be referred to the Dispute Resolution Procedure.
- 11.3 If the Mean Distance Between Services Affecting Failure achieved by the Fleet over an APA Reference Performance Period as evidenced by the calculation as agreed or determined pursuant to paragraph 11.2 of this Schedule 5 is:
- (a) equal to or greater than the applicable APA Mean Distance Benchmark, the Annual Performance Adjustment in respect of that APA Reference Performance Period shall be nil; or
 - (b) less than the applicable APA Mean Distance Benchmark but more than the APA Mean Distance Threshold, the Annual Performance Adjustment in respect of that APA Reference Performance Period shall be £20 per mile below the APA Mean Distance Benchmark; or
 - (c) less than the APA Mean Distance Threshold, the Annual Performance Adjustment in respect of that APA Reference Performance Period shall be £200,000 plus £80 per mile below the APA Mean Distance Threshold.
- 11.4 The Annual Performance Adjustment (if any) in respect of an APA Reference Performance Period shall be made to the relevant Service Payment in the third Railway Period in the Railway Year immediately following the Railway Year in which the relevant APA Reference Performance Period ended, in accordance with the provisions of paragraph 2.2 of Schedule 6 (*Payment Mechanism*), save only where the relevant calculation has been referred to the Dispute Resolution Procedure and has not been finally determined at such time, in which case the Annual Performance Adjustment shall be made to the relevant Service Payment in the Railway Period following the determination of the calculation.
- 11.5 For all other Railway Periods in a Railway Year other than the one to which paragraph 11.4 of this Schedule 5 relates, the Annual Performance Adjustment shall be zero.
- 12. Overall Cap on adjustments**
- 12.1 Adjustments calculated pursuant to this Schedule 5 (excluding any Availability Adjustments and Major Incident Adjustments) shall not exceed:
- (a) the Railway Period Deductions Cap in any Railway Period; and
 - (b) the Annual Deductions Cap in any Contract Year.

REDACTED

- 12.2 The Major Incident Adjustments shall not exceed [REDACTED] in any Railway Period.
- 12.3 Each of the values referred to in this paragraph 12 shall be subject to Indexation in accordance with the Indexation Adjustment Formula.

**Appendix 1
 Train Facility Failure (Service Defects)**

Note A

Where the column "Service Defect Amount" indicates "Note A" this means that, in relation to the Vehicles on any Unit:

- if the failure or defect occurs in 1 Vehicle, £150 per Vehicle for all affected Vehicles;
- if the failure or defect occurs in 2 to 3 Vehicles, £300 per Vehicle for all affected Vehicles; and
- if the failure or defect occurs in 4 or more Vehicles, £500 per Vehicle for all affected Vehicles.

General note

Where no specific reference is made to the method for Service Defect detection (in column 5 below), detection will be in accordance with the method or methods appropriate in the circumstances, using any available data as referred to in paragraph 10.1 of this Schedule 5.

	Service Defect category	Service Defect	Service Defect Amount (per day)	Service Defect detection to be in accordance with Schedule 1 (Train Technical Specification) of the MSA
1.	Passenger area HVAC	In a Vehicle, failure to regulate the saloon temperature within the range set out in the Train Technical Specification requirements.	Note A	Yes
2.	Passenger information system (PIS)	In a Vehicle, audio broadcast from more than 50% of the broadcast equipment mute (1), unintelligible or of a not fit for purpose quality.	Note A	(1) Yes
3.		An internal destination or service information display inactive or the quality of displayed information not fit for purpose.	£50 per display	

Service Defect category	Service Defect	Service Defect Amount (per day)	Service Defect detection to be in accordance with Schedule 1 (Train Technical Specification) of the MSA
4.	In a Vehicle, all internal destination or service information displays inactive (1) or the quality of none of the displayed information fit for purpose.	Note A	(1) Yes
5.	An external destination display inactive or the displayed information of a not fit for purpose quality.	£50 per display	
6.	In a Vehicle, all external destination displays inactive (1) or the quality of none of the displayed information fit for purpose.	Note A	(1) Yes
7.	On a Unit, no cab to cab communication or quality of cab to cab communication not fit for purpose.	£200	
8.	In a Unit, inability to remotely broadcast live audio or visual messages from the Operator's Control Room	£200	Yes
9.	In a Unit, inability to remotely download to the Unit PIS audio and visual databases.	£200	Yes
10.	In a Unit, incorrect audio or visual destination or service information being displayed at any point in the journey due to corrupted or wrong version of PIS programming.	£200	

	Service Defect category	Service Defect	Service Defect Amount (per day)	Service Defect detection to be in accordance with Schedule 1 (Train Technical Specification) of the MSA
11.	CCTV	In a cab, failure of the forward facing CCTV to record in accordance with the Train Technical Specification (1), or recorded image quality not fit for purpose.	£200	(1) Yes
12.		In a Vehicle, failure of the saloon CCTV to record in accordance with the Train Technical Requirements (1), or recorded image quality not fit for purpose.	Note A	(1) Yes
13.		In a Vehicle, an inability to view in the driving cab a live saloon CCTV image from two or more cameras.	Note A	
14.	Exterior passenger doors	A passenger door locked out of use.	£200 per door for 1-2 doors in a Unit locked out of use £400 per door for 3-5 doors in a Unit locked out of use £600 per door for 6 or more doors in a Unit locked out of use	Yes
16.		At a door, 'hustle' alarms not functioning in accordance with the Train Technical Specification.	£100 per door	

Service Defect category	Service Defect	Service Defect Amount (per day)	Service Defect detection to be in accordance with Schedule 1 (Train Technical Specification) of the MSA
17.	At a door, internal or external 'Door Out of Use' signs not working.	£100 per door	
19.	Interior lighting	Note A	
20.	Energy consumption	£200	
21.	Noise and Vibration in the passenger areas	Note A	
22.	Regenerative braking	£500	Yes
24.	Cab	£50 per missing or defective item	
25.	In a cab, failure to regulate the saloon temperature to within the range set out in the Train Technical Specification, or excessive equipment noise or vibration.	£200	Yes
26.	In a cab, inability to record defects via the cab touch-screen.	£200	
27.	In a cab, a portable electronic device charging point defective.	£100 per charging point	

Service Defect category	Service Defect	Service Defect Amount (per day)	Service Defect detection to be in accordance with Schedule 1 (Train Technical Specification) of the MSA
28. Passenger load measurement	In a Unit, failure to present Vehicle passenger loading data for all Vehicles in the Unit in accordance with the Agreement.	£200	
29. On-train condition monitoring	In a Unit, failure to present system health status information required to comply with the Agreement.	£200	
30. Electronic advertising display	An electronic advertising display inactive or the quality of displayed information not fit for purpose	£50 per display, capped at £300 per Vehicle	
31. Passenger area electrical sockets for mobile device charge (AC Only Units)	In a Vehicle, one or more sockets not functioning due to a Maintenance Fault (including a failure of the Maintainer to reset tripped Socket protection devices prior to the Unit being made Available).	Note A	Yes

Appendix 2
Cleaning and Aesthetic Condition Defects

	<u>Category</u>	<u>Cleaning and Aesthetic Condition Defect</u>	<u>Cleaning and Aesthetic Condition Defect Amount</u>
1.	Aesthetic Exam	A Vehicle has not received an Aesthetic Exam or has not achieved the Aesthetic Exam Benchmark, in accordance with paragraph 7 of Part A (<i>Maintenance Services</i>) of Schedule 1 (<i>Maintenance Services</i>).	£150 per Vehicle
2.	Train Wash	The Operator could not gain access to suitable and functioning carriage wash facilities at the Willesden Depot for part (or all) of a day as a result of a breach by the Maintainer of its obligation under paragraph 6.2 of Part A (<i>Maintenance Services</i>) of Schedule 1 (<i>Maintenance Services</i>).	£2,000 per day or part thereof
3.	Exterior Heavy Clean	A Vehicle has not received an Exterior Heavy Clean, or has not achieved the Exterior Heavy Clean Benchmark, in accordance with paragraph 6.1 of Part A (<i>Maintenance Services</i>) of Schedule 1 (<i>Maintenance Services</i>).	£150 per Vehicle

REDACTED

Appendix 3
Availability Benchmark Table

Number of Accepted Units	Availability Benchmark
1	0
2	1
3	1
4	2
5	3
6	4
7	5
8	7
9	7
10	8
11	9
12	10
13	11
14	13
15	13
16	14
17	15
18	15
19	15
20	17
21	17
22	19
23	19
24	21

Number of Accepted Units	Availability Benchmark
25	21
26	23
27	23
28	25
29	25
30	27
31	27
32	29
33	29
34	31
35	31
36	33
37	33
38	35
39	35
40	37
41	37
42	39
43	39
44	41
45	42

Schedule 6
Payment Mechanism

- Appendix 1: Periodic Standard Services Charge**
- Appendix 1A: Additional Periodic Standard Services Charge**
- Appendix 2: Additional Services Payments**
- Appendix 3: Mileage Period Table**

Payment Mechanism

Definitions

Accepted Vehicle Day means, in respect of a 4-Vehicle Unit or a 5-Vehicle Unit, the number of days that each individual Vehicle, whether part of or intended to be part of a 4-Vehicle Unit or a 5-Vehicle Unit, comprising that Unit, has been Accepted;

Actual Annual Mileage has the meaning given in paragraph 3.1 of this Schedule 6;

Additional Services Date has the meaning given in paragraph 2.4(d)(i) of this Schedule 6;

Annual Mileage Reconciliation or **AMR** has the meaning given in paragraph 1.1 of this Schedule 6;

AWE means the Average Weekly Earnings: K5AE – manufacturing and allied industries (excluding bonuses);

Base Period Charge or **BPC** means the charge calculated for the Reference Railway Period in accordance with paragraph 2.1 of this Schedule 6 for the Reference Railway Period;

Costs Payable by Purchaser Adjustment or **CPPA** has the meaning given in paragraph 1.1 of this Schedule 6;

Fleet Acceptance Criterion or **FAC** means the ability of the Purchaser to run all of the Units in the Fleet in Unrestricted Passenger Revenue-Earning Service and for ECS Movement over all of the LO Infrastructure by the operation type envisaged in Schedule 2 (*Diagrams*);

Fleet MDBSAF Target has the meaning given to such term in clause 15.19(c) of the MSA;

Following Railway Period means the Railway Period immediately following a Reference Railway Period;

Infrastructure Availability Date means the Contractual Fleet Acceptance Date or, if later, the date on which all the LO Infrastructure is Available Infrastructure;

Marginal Unit Payment Adjustment or **MUPA** has the meaning given in paragraph 1.1 of this Schedule 6;

MDBSAF or **Mean Distance Between Service Affecting Failure** has the meaning given to such term in the Train Technical Specification;

Performance Regime Adjustment or **PRA** has the meaning given in paragraph 1.1 of this Schedule 6, being an amount per Railway Period;

PPI means the Producer Price Index: MB56 – other repairs, installations;

Previous Railway Period means the Railway Period immediately preceding the Reference Railway Period;

Provisionally Accepted Unit or **PAU** means a Unit which has received either a PAC or a QPAC under the MSA;

Railway Year means each period of 12 calendar months commencing on 1 April in each year;

REDACTED

Reference Contract Year means the Contract Year in respect of which any calculation is performed for a Contract Year pursuant to this Schedule 6;

Reference Railway Period means the Railway Period in respect of which any calculation is performed for a Railway Period pursuant to this Schedule 6;

Reference Railway Year means the Railway Year in respect of which any calculation is performed for a Railway Year pursuant to this Schedule 6; and

Unit Final Fault Free Running has the meaning given in clause 15.15(b) of the MSA.

1. Service Payments

Calculation of Service Payments

1.1 For the period from the Operating Date until the earlier of the termination or expiry of this Agreement or a TSSSA Commencement Date, the Service Payment for each Reference Railway Period shall be an amount equal to:

$$\text{£SP} = ((\text{BPC}) \times I_1) + ((-\text{PRA} + \text{CPPA} + \text{AMR}) \times I_2) + \text{MUPA} + \text{WDCA}$$

where:

- £SP means the Service Payment for the Reference Railway Period payable by the Purchaser to the Maintainer;
- BPC means the Base Period Charge calculated for the Reference Railway Period in accordance with paragraph 2.1 of this Schedule 6 for the Reference Railway Period;
- I₁ means the first indexation factor, calculated in accordance with paragraph 5.1 of this Schedule 6;
- PRA means the Performance Regime Adjustment relating to performance in the Previous Railway Period calculated in accordance with paragraph 2.2 of this Schedule 6;
- CPPA means the Costs Payable by the Purchaser Adjustment for Additional Services, calculated in accordance with paragraph 2.4 of this Schedule 6;
- AMR means the Annual Mileage Reconciliation, calculated in accordance with paragraphs 2.5 and 3 (*Annual Mileage Reconciliation*) of this Schedule 6;
- I₂ means the second indexation factor, calculated in accordance with paragraph 5.1 of this Schedule 6;
- MUPA means the Marginal Unit Payment Adjustment relating to the Previous Railway Period, calculated in accordance with paragraph 2.3 of this Schedule 6; and
- WDCA means the Willesden Depot Costs Adjustment, calculated in accordance with paragraph 2.6 of this Schedule 6.

Disputed Amounts

- 1.2 The Undisputed Amount (as described in clause 19.3(c)) of each of the PRA, the MUPA, the CPPA and the AMR will form part of the Service Payment and be payable pursuant to clause 19.4 and the Disputed Amount (as described in clause 19.3(b)) shall be dealt with in accordance with clauses 19.2(c) and 19.4(b).

Payments

- 1.3 The Purchaser shall pay to the Maintainer the Service Payment that is payable for each Railway Period in accordance with the payment terms set out in clause 19 (*Payments*).

2. Calculation of Service Payments

Base Period Charge (BPC)

- 2.1 The Base Period Charge for a Railway Period shall be calculated as follows:

$$BPC = \sum_{n=1}^{N_{PAU}} PSC_i + \sum_{n=1}^{N_{NAU}} PPA + \left(APSC \times \frac{N_{PAU}}{N_{Base}} \right)$$

where:

- BPC** means the Base Period Charge for the Reference Railway Period;
- N_{PAU}** means the number of Units that were Accepted prior to that Reference Railway Period;
- PSC_i** means the periodic service charge for the n 'th Fully Operating Unit, being the amount shown in Column 2 or Column 3 dependent on the Unit type of the table in Appendix 1 (*Periodic Standard Services Charge*) appearing against the appropriate figure in Column 1 of the table in Appendix 1 (*Periodic Standard Services Charge*) (being the number of complete Railway Periods (including the Reference Railway Period) since that Unit was Accepted);
- N_{NAU}** means the number of Units that achieved Acceptance during that Reference Railway Period;
- PPA** means the adjusted periodic service charge for the n 'th Unit that achieves Acceptance in that Reference Railway Period, being the amount shown in the first column entry in Column 2 or Column 3 dependent on the Unit type of the table in Appendix 1 (*Periodic Standard Services Charge*), but adjusted pro rata to the number of days in the Reference Railway Period after the day on which such Unit was Accepted;
- APSC** means the additional periodic service charge for that Reference Railway Period, being the amount shown in Column 2 of the table in Appendix 1A (*Additional Periodic Standard Services Charge*) appearing against the appropriate figure in Column 1 of the table in Appendix 1A (being the Reference Railway Period); and

N_{Base} means the number of Units that were scheduled to have been Accepted prior to that Reference Railway Period, being the amount shown in Column 3 of the table in Appendix 1A (*Additional Periodic Standard Services Charge*) appearing against the appropriate figure in Column 1 of the table in Appendix 1A (being the Reference Railway Period).

Performance Regime Adjustment (PRA)

- 2.2 (a) The Performance Regime Adjustment for a Railway Period shall be calculated by taking the aggregate of the Adjustments listed in paragraphs 2.2(a)(i) to (viii), each as calculated pursuant to Schedule 5 (*Performance Regime*) for that Railway Period and as they appear in the Service Payment Report issued by the Purchaser to the Maintainer for that Railway Period (pursuant to clause 19.2(b)):
- (i) Availability Adjustment;
 - (ii) Cancellation Adjustment;
 - (iii) Delay Adjustment;
 - (iv) Major Incident Adjustment;
 - (v) Service Defect Adjustment;
 - (vi) Simulator Adjustment;
 - (vii) Cleaning and Aesthetic Condition Adjustment;
 - (viii) Performance Monitoring Adjustment; and
 - (ix) Annual Performance Adjustment.
- (b) The Undisputed Amount element of the Performance Regime Adjustment shall be paid by the Purchaser as part of the Service Payment for the relevant Reference Railway Period pursuant to clause 19.4(a).
- (c) The Disputed Amount element of the Performance Regime Adjustment shall be referred to the Performance Review Meeting pursuant to paragraph 8 (*Performance Review Meetings*) of Schedule 8 (*Contract Management*) and the Dispute Resolution Procedure pursuant to clause 43 (*Dispute Resolution*) and, once such Disputed Amount has been determined, shall form part of the Performance Regime Adjustment to be included in the Service Payment calculation for the Railway Period immediately following the Railway Period during which the Disputed Amount has been agreed.

Marginal Unit Payment Adjustment (MUPA)

- 2.3 (a) Where the Purchaser requires a Marginal Unit, clause 11.3 shall apply.
- (b) The MUPA for a Railway Period shall be agreed between the Parties on a case by case basis and shall reflect the marginal cost to the Maintainer of providing the Marginal Unit.

Costs payable by the Purchaser Adjustment for Additional Services

- 2.4 (a) **Costs of Additional Services:** Subject to and in accordance with Part A (*Maintenance Services*) of Schedule 1 (*Maintenance Services*) and paragraph 2.4(b) of this Schedule 6, the Purchaser shall reimburse the Maintainer for the reasonable and proper costs of performing Additional Services.
- (b) **Basis of Costs:** The costs recoverable from the Purchaser by the Maintainer under this Schedule 6 for Additional Services shall be limited to the reasonable and proper cost incurred by the Maintainer in providing Additional Services or remedying the relevant Purchaser Fault on the following basis:
- (i) subject to paragraphs 2.4(b)(iii) and 2.4(c) of this Schedule 6, labour rates for Additional Services shall be charged at the Agreed Rates for Additional Services set out or referred to in Appendix 2 (*Additional Services Payments*) to this Schedule 6;
 - (ii) subject to paragraphs 2.4(b)(iii) and 2.4(c) of this Schedule 6, prices for parts and materials for Additional Services shall be charged at materials cost plus the mark up set out in paragraph 1(b) of Appendix 2 to this Schedule 6;
 - (iii) subject to paragraph 2.4(c) of this Schedule 6, Additional Services which constitute the items of work set out at paragraph 2 of Appendix 2 to this Schedule 6 shall be charged at the fixed rate forming part of the Agreed Rates for Additional Services set out in that paragraph, whether such work is to be carried out as a stand-alone item of work or in conjunction with other Additional Services without any additional mark up; and
 - (iv) subject to paragraph 2.4(c) of this Schedule 6, otherwise on the basis of reasonably and properly incurred costs.
- (c) **Evidence of Costs:** The Purchaser may, where the cost of those Additional Services is not substantially determined in accordance with Appendix 2 of this Schedule 6 or the cost of the Additional Services is estimated to exceed:
- (i) £20,000 (Indexed by RPI), require the Maintainer to provide on an Open Book Basis evidence of the costs of the Maintainer and its related subcontractors (in respect of such works); and
 - (ii) £100,000 (Indexed by RPI), require the Maintainer to carry out and provide evidence of benchmarking against reasonable third party comparables (taking into account the liability, speed and quality of workmanship required for such works).
- (d) **Cost Recovery**
- (i) Payments for Additional Services recoverable by the Maintainer under this Schedule 6 in accordance with Part A (*Maintenance Services*) of Schedule 1 (*Maintenance Services*) shall be calculated as

the Costs Payable by Purchaser Adjustment to the Service Payment during the Railway Period immediately following the later to occur of: (i) the Purchaser's approval of a Request for Additional Services Authorisation pursuant to paragraph 3.5(a) of Part A (*Maintenance Services*) of Schedule 1; and (ii) the carrying out and completion of the relevant Additional Services (the *Additional Services Date*).

- (ii) The Purchaser shall notify the Maintainer of the CPPA in the Service Payment Report delivered by the Purchaser to the Maintainer within five Working Days following the end of the Railway Period during which the Additional Services Date occurred in accordance with clause 19.2.
- (e) **Obligation to Repair:** Subject to the provisions of Schedule 1 (*Maintenance Services*), the obligations of the Maintainer set out in Schedule 1 (*Maintenance Services*) shall not be postponed or suspended pending agreement or determination of any question as to causation or of the amount of recoverable cost.

Annual Reconciliation Amount

2.5 The Annual Mileage Reconciliation (calculated in accordance with paragraph 3.1 of this Schedule 6) for a Reference Railway Year is payable in the third Railway Period in the Railway Year following the Reference Railway Year.

Willesden Depot Costs (WDCA)

- 2.6 (a) **Willesden Depot Costs:** Subject to paragraph 2.6(b) below, the Purchaser shall reimburse the Maintainer for:
- (i) all premiums and other reasonable and proper costs incurred by the Maintainer or the Depot Operator in taking out and maintaining any policies or contracts of insurances required to ensure compliance with the terms of the Headlease, in accordance with paragraph 1.3(n) of Schedule 9 (*Maintenance Facilities – Willesden Depot*); and
 - (ii) subject to the Maintainer's and the Depot Operator's compliance with clause 10.12(b), all business rates applicable to the Willesden Depot and associated equipment paid by the Maintainer or the Depot Operator in accordance with clause 10.12(a).
- (b) **Basis of Costs:** The costs and other amounts recoverable from the Purchaser by the Maintainer under this paragraph 2.6 shall be limited to the reasonable and properly incurred costs incurred by the Maintainer or the Depot Operator on or after the Operating Date in complying with their obligations referred to in paragraph 2.6(a). For the avoidance of any doubt, the Maintainer shall in any event not be entitled to recover any costs or amounts under this paragraph 2.6 if the Purchaser has otherwise reimbursed and/or paid such costs and amounts to the Maintainer.
- (c) **Evidence of Costs:** The Maintainer shall notify the Purchaser promptly upon its (or the Depot Operator's) incurrence of any costs or other amounts

recoverable from the Purchaser by the Maintainer under this paragraph 2.6, and the Purchaser may require the Maintainer to provide evidence on an Open Book Basis of such costs.

- (d) **Cost Recovery:** Payments of amounts recoverable by the Maintainer from the Purchaser under this paragraph 2.6 shall be calculated as the Willesden Depot Costs Adjustment to the Service Payment during the Railway Period immediately following the later to occur of:
- (i) the Maintainer notifying the Purchaser of its incurrence of such costs; and
 - (ii) the Purchaser notifying the Maintainer that it is satisfied with any evidence provided by the Maintainer of the amount of the relevant costs,

and the Purchaser shall notify the Maintainer of the WDCA in the Service Payment Report delivered by the Purchaser to the Maintainer within five Working Days following the end of the applicable Railway Period, in accordance with clause 19.2.

- (e) **Obligations Continue :** The obligations of the Maintainer set out in Schedule 9 (*Maintenance Facilities – Willesden Depot*) and all other Maintainer Obligations shall not be postponed or suspended pending agreement or determination of any question as to the amount of any recoverable cost under this paragraph 2.6.

3. Annual Mileage Reconciliation

Notice of Actual Annual Mileage

- 3.1 Within 20 Working Days of the end of each Reference Railway Year, the Purchaser shall advise the Maintainer of the actual mileage run by the Fleet (including all ECS Movement mileage but excluding testing mileage unless in passenger service) in that Reference Railway Year (the *Actual Annual Mileage*).

Annual Reconciliation (Steady State)

- 3.2 If in any Reference Railway Year during all of which the entire Fleet is Accepted Units (including in circumstances where, but not otherwise, all Option Units ordered pursuant to an Option Notice under the MSA are Accepted Units), the Actual Annual Mileage falls into:
- (a) the Central Mileage Band (as set out in column 1 of the table in Appendix 3 (*Mileage Period Table*) to this Schedule 6, then the Annual Mileage Reconciliation for the Reference Railway Year shall be zero; or
 - (b) a different mileage band in Column 1 of the table in Appendix 3 (*Mileage Period Table*) to this Schedule 6 than the Central Mileage Band, then the amount shown in Column 2 of the table in Appendix 3 to this Schedule 6 against the applicable mileage band multiplied by the sum of Accepted Vehicles multiplied by 365 shall be payable by the Purchaser to the

Maintainer (or where, such amount is negative, by the Maintainer to the Purchaser).

Annual Reconciliation (Ramp Up)

3.3 In circumstances where paragraph 3.1 does not apply, in relation to any Reference Railway Year during which any Units comprising the Fleet (including any Option Vehicles ordered pursuant to an Option Notice under the MSA) achieve Acceptance, the provisions of paragraph 3.2 shall apply on the basis that:

- (a) the values of the mileage bands in Column 1 of the table in Appendix 3 (*Mileage Period Table Period Table*) to this Schedule 6 are multiplied by the following factor:

$$\frac{\text{AVD}}{\text{Accepted Vehicles} \times 365}$$

; and

- (b) the amount of the applicable Annual Mileage Reconciliation shown in Column 2 of the table in Appendix 3 to this Schedule 6 multiplied by AVD,

where:

AVD means, in respect of each of the Vehicles that form part of an Accepted Unit at the end of the Reference Railway Year, the number of days during that Reference Railway Year on which the relevant Unit is an Accepted Unit (excluding, in the case of any Units that achieved Acceptance in that Reference Railway Year, the date on which Acceptance was achieved), aggregated for all of such Vehicles.

Notice of Annual Mileage Reconciliation

3.4 The Maintainer shall notify the Purchaser of the amount of any Annual Mileage Reconciliation that is payable by one Party to the other in the Service Payment Report to be given to the Purchaser in the third Railway Period in the Railway Year immediately following the Reference Railway Year pursuant to clause 19.2. For all other Reference Railway Periods in a Railway Year, the Annual Mileage Reconciliation shall be zero.

Reconciliation on Termination, Expiry or TSSSA Change

3.5 If this Agreement is terminated or expires or a TSSSA Change is implemented during the course of any Reference Railway Year, then:

- (a) the Purchaser shall advise the Maintainer within 20 Working Days of such termination or expiry or the TSSSA Commencement Date (as applicable) of the actual mileage run during the course of the relevant part Railway Year;
- (b) the calculations pursuant to paragraph 3.2 of this Schedule 6 shall be performed as soon as practicable, provided that those calculations shall, where appropriate, be pro rated by reference to the number of days in that part Railway Year; and

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- (c) any Annual Mileage Reconciliation as between the Maintainer and the Purchaser prior to such termination or expiry or TSSSA Change shall be made as soon as calculated in accordance with paragraph 3.5(b) of this Schedule 6.

3.6 The provisions of paragraph 3.5 shall survive the termination or expiry of this Agreement, howsoever caused.

4. Events of Loss

If one or more Units suffers an Event of Loss, then no Service Payment shall be payable in respect of that Unit from the day after the day on which that Event of Loss occurred, and the Base Period Charge shall be amended:

- (a) for the Reference Railway Period in which such event occurs by adjusting the periodic service charge applicable to the relevant Unit in accordance with Appendix 1 (*Periodic Standard Services Charge*) pro rata to the number of days in the Reference Railway Period until (and including) the day on which the Event of Loss occurred; and
- (b) for all subsequent Railway Periods by calculating such payment as if the relevant Unit had not been Accepted.

5. Indexation

Indexation adjustment of Service Payments

5.1 Indexation figures shall be adjusted annually on the first day of each Contract Year in accordance with the following formulae:

- (a) The first indexation factor, I_1 , shall be:

$$I_1 = \left(\frac{RPIX_y}{RPIX_x} \times a \right) + \left(\frac{AWE_y}{AWE_x} \times b \right) + \left(\frac{PPI_y}{PPI_x} \times c \right) + d$$

where: $d = 1 - a - b - c$

- (b) The second indexation factor, I_2 , shall be:

$$I_2 = \frac{RPIX_y}{RPIX_x}$$

- (c) For the purposes of the formulae in paragraphs 5.1(a) and (b):

- I_1 means the first indexation factor applied in any calculation performed pursuant to paragraph 1.1 of this Schedule 6;
- I_2 means the second indexation factor applied in any calculation performed pursuant to paragraph 1.1 of this Schedule 6;
- $RPIX_y$ means the value of RPIX for February published in March of the preceding Contract Year, save in respect of the indexation in respect of the First Contract Year when it shall

be such index published in March 2016 for the month of February 2016;

RPIX_x means the value of RPIX for March 2014 published in April 2014;

AWE_y means the value of AWE for February published in March of the preceding Contract Year, save in respect of the indexation in respect of the first Contract Year when it shall be such index published in March 2016 for the month of February 2016;

AWE_x means the value of AWE for March 2014 published in April 2014;

PPI_y means the value of PPI for February published in March of the preceding Contract Year, save in respect of the indexation in respect of the first Contract Year when it shall be such index published in March 2016 for the month of February 2016;

PPI_x means the value of PPI for March 2014 published in April 2014;

a [REDACTED]

b [REDACTED]

c [REDACTED]

d [REDACTED]

Changes to the Indices

5.2 If any of the indices referred to in paragraph 5.1 ceases to be published, then such other appropriate index that may be published in place thereof shall apply or, in the absence of an appropriate replacement index, such index shall apply as the Parties may agree.

Base Date of Indices

5.3 If any of the indices specified in paragraph 5.1 is superseded by an index with a base date which is later than the base date of the index specified in paragraph 5.1, the superseding index shall be used or an index with a later base date, as the case may require.

Provisional Indices

5.4 Where an index is published as "provisional" and is subsequently amended:

- (a) the calculation of any applicable adjustment may be undertaken using the published provision index and invoices may be rendered accordingly;
- (b) any published amendment to the provisional index shall result in recalculation of any application adjustment; and

- (c) such recalculation shall be retrospective for the relevant period, and the Party disadvantaged by the amendment to the provisional index shall be entitled to recover the difference in the value of any invoice calculated on the basis of an amended provisional index.

6. Decimal Places, Rounding

All calculations pursuant to this Schedule 6 shall be to two decimal places rounding up at 0.xx5 or above and rounding down otherwise (for example, 99.995 = 100.00 and 99.994 = 99.99).

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Appendix 1
Periodic Standard Services Charge

All amounts stated in the table below shall be amounts at the Indexation Base Month and indexed as set out in the calculation of Service Payments in paragraph 1.1 of Schedule 6.

The table below reflects periodic service charges for both DV and AC fleets.

In the event of 5-car trains being required, either by way of the purchase of additional 5-car trains or by the purchase of additional single cars to increase a 4-car to a 5-car then the Base Case Maintenance Model contains the mechanism to provide the periodic service charges for the revised fleet.

Periodic Service Charge for each Unit		
Column 1	Column 2	Column 3
Railway Periods from Acceptance of relevant Unit – the first period relates to the Railway Period in which the Relevant Unit is delivered	£ per Railway Period for each Accepted 4-car DV Unit (up to 14 Units)	£ per Railway Period for each Accepted 4-Car AC Unit (up to 31 Units)
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Periodic Service Charge for each Unit		
Column 1	Column 2	Column 3
Railway Periods from Acceptance of relevant Unit – the first period relates to the Railway Period in which the Relevant Unit is delivered	£ per Railway Period for each Accepted 4-car DV Unit (up to 14 Units)	£ per Railway Period for each Accepted 4-Car AC Unit (up to 31 Units)
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Periodic Service Charge for each Unit		
Column 1	Column 2	Column 3
Railway Periods from Acceptance of relevant Unit – the first period relates to the Railway Period in which the Relevant Unit is delivered	£ per Railway Period for each Accepted 4-car DV Unit (up to 14 Units)	£ per Railway Period for each Accepted 4-Car AC Unit (up to 31 Units)
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Periodic Service Charge for each Unit		
Column 1	Column 2	Column 3
Railway Periods from Acceptance of relevant Unit – the first period relates to the Railway Period in which the Relevant Unit is delivered	£ per Railway Period for each Accepted 4-car DV Unit (up to 14 Units)	£ per Railway Period for each Accepted 4-Car AC Unit (up to 31 Units)
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Periodic Service Charge for each Unit		
Column 1	Column 2	Column 3
Railway Periods from Acceptance of relevant Unit – the first period relates to the Railway Period in which the Relevant Unit is delivered	£ per Railway Period for each Accepted 4-car DV Unit (up to 14 Units)	£ per Railway Period for each Accepted 4-Car AC Unit (up to 31 Units)
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Periodic Service Charge for each Unit		
Column 1	Column 2	Column 3
Railway Periods from Acceptance of relevant Unit – the first period relates to the Railway Period in which the Relevant Unit is delivered	£ per Railway Period for each Accepted 4-car DV Unit (up to 14 Units)	£ per Railway Period for each Accepted 4-Car AC Unit (up to 31 Units)
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Periodic Service Charge for each Unit		
Column 1	Column 2	Column 3
Railway Periods from Acceptance of relevant Unit – the first period relates to the Railway Period in which the Relevant Unit is delivered	£ per Railway Period for each Accepted 4-car DV Unit (up to 14 Units)	£ per Railway Period for each Accepted 4-Car AC Unit (up to 31 Units)
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Periodic Service Charge for each Unit		
Column 1	Column 2	Column 3
Railway Periods from Acceptance of relevant Unit – the first period relates to the Railway Period in which the Relevant Unit is delivered	£ per Railway Period for each Accepted 4-car DV Unit (up to 14 Units)	£ per Railway Period for each Accepted 4-Car AC Unit (up to 31 Units)
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Periodic Service Charge for each Unit		
Column 1	Column 2	Column 3
Railway Periods from Acceptance of relevant Unit -- the first period relates to the Railway Period in which the Relevant Unit is delivered	£ per Railway Period for each Accepted 4-car DV Unit (up to 14 Units)	£ per Railway Period for each Accepted 4-Car AC Unit (up to 31 Units)
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Periodic Service Charge for each Unit		
Column 1	Column 2	Column 3
Railway Periods from Acceptance of relevant Unit – the first period relates to the Railway Period in which the Relevant Unit is delivered	£ per Railway Period for each Accepted 4-car DV Unit (up to 14 Units)	£ per Railway Period for each Accepted 4-Car AC Unit (up to 31 Units)
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Periodic Service Charge for each Unit		
Column 1	Column 2	Column 3
Railway Periods from Acceptance of relevant Unit – the first period relates to the Railway Period in which the Relevant Unit is delivered	£ per Railway Period for each Accepted 4-car DV Unit (up to 14 Units)	£ per Railway Period for each Accepted 4-Car AC Unit (up to 31 Units)
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Periodic Service Charge for each Unit		
Column 1	Column 2	Column 3
Railway Periods from Acceptance of relevant Unit – the first period relates to the Railway Period in which the Relevant Unit is delivered	£ per Railway Period for each Accepted 4-car DV Unit (up to 14 Units)	£ per Railway Period for each Accepted 4-Car AC Unit (up to 31 Units)
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Periodic Service Charge for each Unit		
Column 1	Column 2	Column 3
Railway Periods from Acceptance of relevant Unit – the first period relates to the Railway Period in which the Relevant Unit is delivered	£ per Railway Period for each Accepted 4-car DV Unit (up to 14 Units)	£ per Railway Period for each Accepted 4-Car AC Unit (up to 31 Units)
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Periodic Service Charge for each Unit		
Column 1	Column 2	Column 3
Railway Periods from Acceptance of relevant Unit – the first period relates to the Railway Period in which the Relevant Unit is delivered	£ per Railway Period for each Accepted 4-car DV Unit (up to 14 Units)	£ per Railway Period for each Accepted 4-Car AC Unit (up to 31 Units)
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Periodic Service Charge for each Unit		
Column 1	Column 2	Column 3
Railway Periods from Acceptance of relevant Unit – the first period relates to the Railway Period in which the Relevant Unit is delivered	£ per Railway Period for each Accepted 4-car DV Unit (up to 14 Units)	£ per Railway Period for each Accepted 4-Car AC Unit (up to 31 Units)
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Periodic Service Charge for each Unit		
Column 1	Column 2	Column 3
Railway Periods from Acceptance of relevant Unit – the first period relates to the Railway Period in which the Relevant Unit is delivered	£ per Railway Period for each Accepted 4-car DV Unit (up to 14 Units)	£ per Railway Period for each Accepted 4-Car AC Unit (up to 31 Units)
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Periodic Service Charge for each Unit		
Column 1	Column 2	Column 3
Railway Periods from Acceptance of relevant Unit – the first period relates to the Railway Period in which the Relevant Unit is delivered	£ per Railway Period for each Accepted 4-car DV Unit (up to 14 Units)	£ per Railway Period for each Accepted 4-Car AC Unit (up to 31 Units)
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Appendix 1A
Additional Periodic Standard Services Charge

All amounts stated in the table below shall be amounts at the Indexation Base Month and indexed as set out in the calculation of Service Payments in paragraph 1.1 of Schedule 6.

In the event of 5-car trains being required, either by way of the purchase of additional 5-car trains or by the purchase of additional single cars to increase a 4-car to a 5-car, then the Base Case Maintenance Model contains the mechanism to provide the periodic service charges for the revised fleet.

Additional Periodic Service Charge		
Column 1	Column 2	Column 3
Railway Periods ending on the date below	£ per Railway Period	Scheduled number of Accepted Units to have been accepted prior to the Railway Period
25 Jul 2015		
22 Aug 2015		
19 Sep 2015		
17 Oct 2015		
14 Nov 2015		
12 Dec 2015		
09 Jan 2016		
06 Feb 2016		
05 Mar 2016		
31 Mar 2016		
30 Apr 2016		
28 May 2016		
25 Jun 2016		
23 Jul 2016		
20 Aug 2016		
17 Sep 2016		
15 Oct 2016		
12 Nov 2016		
10 Dec 2016		
07 Jan 2017		
04 Feb 2017		
04 Mar 2017		

Additional Periodic Service Charge		
Column 1	Column 2	Column 3
Railway Periods ending on the date below	£ per Railway Period	Scheduled number of Accepted Units to have been accepted prior to the Railway Period
31 Mar 2017		
29 Apr 2017		
27 May 2017		
24 Jun 2017		
22 Jul 2017		
19 Aug 2017		
16 Sep 2017		
14 Oct 2017		
11 Nov 2017		
09 Dec 2017		
06 Jan 2018		
03 Feb 2018		
03 Mar 2018		
31 Mar 2018		
28 Apr 2018		
26 May 2018		
23 Jun 2018		
21 Jul 2018		
18 Aug 2018		
15 Sep 2018		
13 Oct 2018		
10 Nov 2018		
08 Dec 2018		
05 Jan 2019		
02 Feb 2019		
02 Mar 2019		
31 Mar 2019		
27 Apr 2019		
25 May 2019		
22 Jun 2019		

Additional Periodic Service Charge		
Column 1	Column 2	Column 3
Railway Periods ending on the date below	£ per Railway Period	Scheduled number of Accepted Units to have been accepted prior to the Railway Period
20 Jul 2019		
17 Aug 2019		
14 Sep 2019		
12 Oct 2019		
09 Nov 2019		
07 Dec 2019		
04 Jan 2020		
01 Feb 2020		
29 Feb 2020		
31 Mar 2020		
02 May 2020		
30 May 2020		
27 Jun 2020		
25 Jul 2020		
22 Aug 2020		
19 Sep 2020		
17 Oct 2020		
14 Nov 2020		
12 Dec 2020		
09 Jan 2021		
06 Feb 2021		
06 Mar 2021		
31 Mar 2021		
01 May 2021		
29 May 2021		
26 Jun 2021		
24 Jul 2021		
21 Aug 2021		
18 Sep 2021		
16 Oct 2021		

Additional Periodic Service Charge		
Column 1	Column 2	Column 3
Railway Periods ending on the date below	£ per Railway Period	Scheduled number of Accepted Units to have been accepted prior to Railway Period
13 Nov 2021		
11 Dec 2021		
08 Jan 2022		
05 Feb 2022		
05 Mar 2022		
31 Mar 2022		
30 Apr 2022		
28 May 2022		
25 Jun 2022		
23 Jul 2022		
20 Aug 2022		
17 Sep 2022		
15 Oct 2022		
12 Nov 2022		
10 Dec 2022		
07 Jan 2023		
04 Feb 2023		
04 Mar 2023		
31 Mar 2023		
29 Apr 2023		
27 May 2023		
24 Jun 2023		
22 Jul 2023		
19 Aug 2023		
16 Sep 2023		
14 Oct 2023		
11 Nov 2023		
09 Dec 2023		
06 Jan 2024		
03 Feb 2024		

Additional Periodic Service Charge		
Column 1	Column 2	Column 3
Railway Periods ending on the date below	£ per Railway Period	Scheduled number of Accepted Units to have been accepted prior to the Railway Period
02 Mar 2024		
31 Mar 2024		
27 Apr 2024		
25 May 2024		
22 Jun 2024		
20 Jul 2024		
17 Aug 2024		
14 Sep 2024		
12 Oct 2024		
09 Nov 2024		
07 Dec 2024		
04 Jan 2025		
01 Feb 2025		
01 Mar 2025		
31 Mar 2025		
28 Apr 2025		
26 May 2025		
23 Jun 2025		
21 Jul 2025		
18 Aug 2025		
15 Sep 2025		
13 Oct 2025		
10 Nov 2025		
08 Dec 2025		
05 Jan 2026		
02 Feb 2026		
02 Mar 2026		
31 Mar 2026		
28 Apr 2026		
26 May 2026		

Additional Periodic Service Charge		
Column 1	Column 2	Column 3
Railway Periods ending on the date below	£ per Railway Period	Scheduled number of Accepted Units to have been accepted prior to the Railway Period
23 Jun 2026		
21 Jul 2026		
18 Aug 2026		
15 Sep 2026		
13 Oct 2026		
10 Nov 2026		
08 Dec 2026		
05 Jan 2027		
02 Feb 2027		
02 Mar 2027		
31 Mar 2027		
28 Apr 2027		
26 May 2027		
23 Jun 2027		
21 Jul 2027		
18 Aug 2027		
15 Sep 2027		
13 Oct 2027		
10 Nov 2027		
08 Dec 2027		
05 Jan 2028		
02 Feb 2028		
01 Mar 2028		
31 Mar 2028		
28 Apr 2028		
26 May 2028		
23 Jun 2028		
21 Jul 2028		
18 Aug 2028		
15 Sep 2028		

Additional Periodic Service Charge		
Column 1	Column 2	Column 3
Railway Periods ending on the date below	£ per Railway Period	Scheduled number of Accepted Units to have been accepted prior to the Railway Period
13 Oct 2028		
10 Nov 2028		
08 Dec 2028		
05 Jan 2029		
02 Feb 2029		
02 Mar 2029		
31 Mar 2029		
28 Apr 2029		
26 May 2029		
23 Jun 2029		
21 Jul 2029		
18 Aug 2029		
15 Sep 2029		
13 Oct 2029		
10 Nov 2029		
08 Dec 2029		
05 Jan 2030		
02 Feb 2030		
02 Mar 2030		
31 Mar 2030		
28 Apr 2030		
26 May 2030		
23 Jun 2030		
21 Jul 2030		
18 Aug 2030		
15 Sep 2030		
13 Oct 2030		
10 Nov 2030		
08 Dec 2030		
05 Jan 2031		

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Additional Periodic Service Charge		
Column 1	Column 2	Column 3
Railway Periods ending on the date below	£ per Railway Period	Scheduled number of Accepted Units to have been accepted prior to the Railway Period
02 Feb 2031		
02 Mar 2031		
31 Mar 2031		
28 Apr 2031		
26 May 2031		
23 Jun 2031		
21 Jul 2031		
18 Aug 2031		
15 Sep 2031		
13 Oct 2031		
10 Nov 2031		
08 Dec 2031		
05 Jan 2032		
02 Feb 2032		
01 Mar 2032		
31 Mar 2032		
28 Apr 2032		
26 May 2032		
23 Jun 2032		
21 Jul 2032		
18 Aug 2032		
15 Sep 2032		
13 Oct 2032		
10 Nov 2032		
08 Dec 2032		
05 Jan 2033		
02 Feb 2033		
02 Mar 2033		
31 Mar 2033		
28 Apr 2033		

Additional Periodic Service Charge		
Column 1	Column 2	Column 3
Railway Periods ending on the date below	£ per Railway Period	Scheduled number of Accepted Units to have been accepted prior to the Railway Period
26 May 2033		
23 Jun 2033		
21 Jul 2033		
18 Aug 2033		
15 Sep 2033		
13 Oct 2033		
10 Nov 2033		
08 Dec 2033		
05 Jan 2034		
02 Feb 2034		
02 Mar 2034		
31 Mar 2034		
28 Apr 2034		
26 May 2034		
23 Jun 2034		
21 Jul 2034		
18 Aug 2034		
15 Sep 2034		
13 Oct 2034		
10 Nov 2034		
08 Dec 2034		
05 Jan 2035		
02 Feb 2035		
02 Mar 2035		
31 Mar 2035		
28 Apr 2035		
26 May 2035		
23 Jun 2035		
21 Jul 2035		
18 Aug 2035		

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Additional Periodic Service Charge		
Column 1	Column 2	Column 3
Railway Periods ending on the date below	£ per Railway Period	Scheduled number of Accepted Units to have been accepted prior to the Railway Period
15 Sep 2035		
13 Oct 2035		
10 Nov 2035		
08 Dec 2035		
05 Jan 2036		
02 Feb 2036		
01 Mar 2036		
31 Mar 2036		
28 Apr 2036		
26 May 2036		
23 Jun 2036		
21 Jul 2036		
18 Aug 2036		
15 Sep 2036		
13 Oct 2036		
10 Nov 2036		
08 Dec 2036		
05 Jan 2037		
02 Feb 2037		
02 Mar 2037		
31 Mar 2037		
28 Apr 2037		
26 May 2037		
23 Jun 2037		
21 Jul 2037		
18 Aug 2037		
15 Sep 2037		
13 Oct 2037		
10 Nov 2037		
08 Dec 2037		

Additional Periodic Service Charge		
Column 1	Column 2	Column 3
Railway Periods ending on the date below	£ per Railway Period	Scheduled number of Accepted Units to have been accepted prior to the Railway Period
05 Jan 2038		
02 Feb 2038		
02 Mar 2038		
31 Mar 2038		
28 Apr 2038		
26 May 2038		
23 Jun 2038		
21 Jul 2038		
18 Aug 2038		
15 Sep 2038		
13 Oct 2038		
10 Nov 2038		
08 Dec 2038		
05 Jan 2039		
02 Feb 2039		
02 Mar 2039		
31 Mar 2039		
28 Apr 2039		
26 May 2039		
23 Jun 2039		
21 Jul 2039		
18 Aug 2039		
15 Sep 2039		
13 Oct 2039		
10 Nov 2039		
08 Dec 2039		
05 Jan 2040		
02 Feb 2040		
01 Mar 2040		
31 Mar 2040		

Additional Periodic Service Charge		
Column 1	Column 2	Column 3
Railway Periods ending on the date below	£ per Railway Period	Scheduled number of Accepted Units to have been accepted prior to the Railway Period
28 Apr 2040		
26 May 2040		
23 Jun 2040		
21 Jul 2040		
18 Aug 2040		
15 Sep 2040		
13 Oct 2040		
10 Nov 2040		
08 Dec 2040		
05 Jan 2041		
02 Feb 2041		
02 Mar 2041		
31 Mar 2041		
28 Apr 2041		
26 May 2041		
23 Jun 2041		
21 Jul 2041		
18 Aug 2041		
15 Sep 2041		
13 Oct 2041		
10 Nov 2041		
08 Dec 2041		
05 Jan 2042		
02 Feb 2042		
02 Mar 2042		
31 Mar 2042		
28 Apr 2042		
26 May 2042		
23 Jun 2042		
21 Jul 2042		

Additional Periodic Service Charge		
Column 1	Column 2	Column 3
Railway Periods ending on the date below	£ per Railway Period	Scheduled number of Accepted Units to have been accepted prior to the Railway Period
18 Aug 2042		
15 Sep 2042		
13 Oct 2042		
10 Nov 2042		
08 Dec 2042		
05 Jan 2043		
02 Feb 2043		
02 Mar 2043		
31 Mar 2043		
28 Apr 2043		
26 May 2043		
23 Jun 2043		
21 Jul 2043		
18 Aug 2043		
15 Sep 2043		
13 Oct 2043		
10 Nov 2043		
08 Dec 2043		
05 Jan 2044		
02 Feb 2044		
01 Mar 2044		
31 Mar 2044		
28 Apr 2044		
26 May 2044		
23 Jun 2044		
21 Jul 2044		
18 Aug 2044		
15 Sep 2044		
13 Oct 2044		
10 Nov 2044		

Additional Periodic Service Charge		
Column 1	Column 2	Column 3
Railway Periods ending on the date below	£ per Railway Period	Scheduled number of Accepted Units to have been accepted prior to the Railway Period
08 Dec 2044		
05 Jan 2045		
02 Feb 2045		
02 Mar 2045		
31 Mar 2045		
28 Apr 2045		
26 May 2045		
23 Jun 2045		
21 Jul 2045		
18 Aug 2045		
15 Sep 2045		
13 Oct 2045		
10 Nov 2045		
08 Dec 2045		
05 Jan 2046		
02 Feb 2046		
02 Mar 2046		
31 Mar 2046		
28 Apr 2046		
26 May 2046		
23 Jun 2046		
21 Jul 2046		
18 Aug 2046		
15 Sep 2046		
13 Oct 2046		
10 Nov 2046		
08 Dec 2046		
05 Jan 2047		
02 Feb 2047		
02 Mar 2047		

Additional Periodic Service Charge		
Column 1	Column 2	Column 3
Railway Periods ending on the date below	£ per Railway Period	Scheduled number of Accepted Units to have been accepted prior to the Railway Period
31 Mar 2047		
28 Apr 2047		
26 May 2047		
23 Jun 2047		
21 Jul 2047		
18 Aug 2047		
15 Sep 2047		
13 Oct 2047		
10 Nov 2047		
08 Dec 2047		
05 Jan 2048		
02 Feb 2048		
01 Mar 2048		
31 Mar 2048		
28 Apr 2048		
26 May 2048		
23 Jun 2048		
21 Jul 2048		
18 Aug 2048		
15 Sep 2048		
13 Oct 2048		
10 Nov 2048		
08 Dec 2048		
05 Jan 2049		
02 Feb 2049		
02 Mar 2049		
31 Mar 2049		
28 Apr 2049		
26 May 2049		
23 Jun 2049		

Additional Periodic Service Charge		
Column 1	Column 2	Column 3
Railway Periods ending on the date below	£ per Railway Period	Scheduled number of Accepted Units to have been accepted prior to the Railway Period
21 Jul 2049		
18 Aug 2049		
15 Sep 2049		
13 Oct 2049		
10 Nov 2049		
08 Dec 2049		
05 Jan 2050		
02 Feb 2050		
02 Mar 2050		
31 Mar 2050		
28 Apr 2050		
26 May 2050		
23 Jun 2050		
21 Jul 2050		
18 Aug 2050		
15 Sep 2050		
13 Oct 2050		
10 Nov 2050		
08 Dec 2050		
05 Jan 2051		
02 Feb 2051		
02 Mar 2051		
31 Mar 2051		
28 Apr 2051		
26 May 2051		
23 Jun 2051		
21 Jul 2051		
18 Aug 2051		
15 Sep 2051		
13 Oct 2051		

Additional Periodic Service Charge		
Column 1	Column 2	Column 3
Railway Periods ending on the date below	£ per Railway Period	Scheduled number of Accepted Units to have been accepted prior to the Railway Period
10 Nov 2051		
08 Dec 2051		
05 Jan 2052		
02 Feb 2052		
01 Mar 2052		
31 Mar 2052		
28 Apr 2052		
26 May 2052		
23 Jun 2052		
21 Jul 2052		
18 Aug 2052		
15 Sep 2052		
13 Oct 2052		
10 Nov 2052		
08 Dec 2052		

Appendix 2
Additional Services Payments

1. Rates

Subject to paragraph 2, the rates (the *Agreed Rates*) which the Maintainer may charge to the Purchaser for Additional Services will be as follows:

- (a) the labour rate for depot staff to be charged for Additional Services [REDACTED] per hour;
- (b) parts and materials used for such Additional Services will be charged at cost plus [REDACTED] mark up where the parts or materials can reasonably be provided by employees of the Maintainer based at Ilford A Maintenance Depot or [REDACTED] otherwise; and
- (c) professional staff costs, if relevant, shall be charged on the basis set out in Appendix 1 (*Schedule of Costs*) to Schedule 10 (*Change Procedure*).

2. Fixed Price Additional Services

Items of Work		Labour cost per event (£)	Material cost per event (£)
(A) External damage to Units		[REDACTED]	[REDACTED]
1.	Removal of graffiti and refinish per m ²	[REDACTED]	[REDACTED]
2.	Fill dents and repaint bodyside per m ²	[REDACTED]	[REDACTED]
3.	Remove and renew decals per m ²	[REDACTED]	[REDACTED]
4.	Remove and renew signage per item	[REDACTED]	[REDACTED]
5.	Replacement of a broken windscreen	[REDACTED]	[REDACTED]
6.	Replacement of a broken side light (standard)	[REDACTED]	[REDACTED]
7.	Replacement of a broken side light (emergency)	[REDACTED]	[REDACTED]
8.	Replacement of a broken door glass	[REDACTED]	[REDACTED]
9.	Replacement of damaged headlamp unit	[REDACTED]	[REDACTED]
10.	Replacement of damaged marker/tail light unit	[REDACTED]	[REDACTED]
11.	Replacement of damaged droplight	[REDACTED]	[REDACTED]
12.	Replacement of destination glass (not fitted)	[REDACTED]	[REDACTED]
13.	Replacement of obstacle deflector	[REDACTED]	[REDACTED]
14.	Replacement of front Lower Fairing	[REDACTED]	[REDACTED]
15.	Replacement of passenger bodyside door leaf	[REDACTED]	[REDACTED]
16.	Replacement of passenger door control panel (external)	[REDACTED]	[REDACTED]

REDACTED

Items of Work		Labour cost per event (£)	Material cost per event (£)
17.	Replacement of cab door lead		
18.	Replacement of End Coupler, complete		
19.	Replacement of Intermediate Coupler, complete		
20.	Replacement of Pantograph		
21.	Replacement of roof-mounted HT equipment		
22.	Replacement of DOO CCTV receiving aerial		
23.	Replacement of GSM/R voice radio antenna		
24.	Replacement of GSM/P public radio antenna		
25.	Replacement of bogie mounted lifeguard		
(B) Internal saloon damage			
1.	Replacement of damaged partition glass		
2.	Replacement of damaged seat (complete)		
3.	Replacement of damaged cushion fully trimmed		
4.	Replacement of damaged seat squab fully trimmed		
5.	Replacement of damaged grab pole, per item		
6.	Replacement of damaged seat back grab handle		
7.	Replacement of damaged arm rest		
8.	Replacement of damaged bodyside/end/ceiling panel, per item		
9.	Replacement of damaged table (not fitted)		
10.	Replacement of damaged seat back folding table		
11.	Replacement of damaged PIS display unit		
12.	Replacement of damaged CCTV camera unit		
13.	Replacement of damaged electronic advertising display		
14.	Remove and renew signage, per item		
15.	Remove and renew anti-graffiti sacrificial film, per m ²		
16.	Removal of graffiti and refinish/repaint surface, per m ²		
17.	Refinish/repaint damaged panel surface, per m ²		
18.	Replacement of damaged floor surface, per m ²		

Items of Work		Labour cost	Material cost
19.	Replacement of damaged interior lighting module		
20.	Replacement of damaged passenger door control panel (internal)		
(C) Internal cab damage			
1.	Replacement of damaged seat (complete)		
2.	Replacement of damaged cushion fully trimmed		
3.	Replacement of damaged seat squab fully trimmed		
4.	Replacement of damaged arm rest		
5.	Replacement of damaged trim panels		
6.	Replacement of damaged cup holder (if fitted)		
7.	Remove and renew signage, per item		
8.	Refinish/repaint damaged panel surface, per m ²		
9.	Removal of graffiti and refinish/repaint surface, per m ²		
10.	Replacement of damaged floor surface, per m ²		
11.	Replacement of damaged interior lighting module		
12.	Replace sunblind		
13.	Replace TCMS/CCTV screen		
14.	Replace radio/PA handset		

3. Pricing

All amounts stated in this Appendix 2 shall be amounts at the Indexation Base Month and indexed as set out in the calculation of Service Payments in paragraph 1.1 of this Schedule 6.

Appendix 3
Mileage Period Table

All amounts stated in the table below shall be amounts at the Indexation Base Month and indexed as set out in the calculation of Service Payments in paragraph 1.1 of Schedule 6.

Where the Purchaser issues an Option Notice pursuant to the MSA, the Purchaser shall issue to the Maintainer a revised version of this Appendix 3, such revised version, in absence of manifest error, shall be final and binding on the Parties.

Column 1	Column 2
Mileage Band¹ Actual Annual Mileage Per Fleet (million Unit miles)	Annual Mileage Reconciliation per Accepted Vehicle Day (£)
Band +4: more than 4.54 up to and including 4.77	■
Band +3: more than 4.33 up to and including 4.54	■
Band +2: more than 4.04 up to and including 4.33	■
Band +1: more than 3.68 up to and including 4.04	■
Central Mileage Band: 2.72 up to and including 3.68	0
Band -1: less than 2.72 down to and including 2.45	■

¹ The mileage bands in this Column 1 are based upon an average annual utilisation of 71,000 miles per Vehicle forming the Units pursuant to the Initial Order (i.e. 45 4-Vehicle Units). To the extent that any Option Notice is delivered by the Purchaser under the MSA, the mileage bands in this table will be reused proportionately.