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**STRATEGIC RAIL AUTHORITY**

**STRATHCLYDE PASSENGER TRANSPORT EXECUTIVE**

**and**

**FIRST SCOTRAIL LIMITED**

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**CONDITIONS PRECEDENT AGREEMENT**

**relating to**

**SCOTRAIL FRANCHISE AGREEMENT**

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ScotRail Franchise - Conditions Precedent Agreement

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**AGREEMENT**

**AMONG**

- (1) **STRATEGIC RAIL AUTHORITY** whose principal place of business is at 55 Victoria Street, London, SW1H 0EU (the *Authority*);
- (2) **STRATHCLYDE PASSENGER TRANSPORT EXECUTIVE**, whose principal place of business is at Consort House, 12 West George Street, Glasgow G2 1HN (the *SPTE*); and
- (3) **FIRST SCOTRAIL LIMITED**, whose registered number is SC185018 and registered office is at 395 King Street, Aberdeen AB24 5RP (the *Franchisee*).

**WHEREAS**

- (A) The Authority, the SPTE and the Franchisee have entered into the Franchise Agreement which sets out the terms on which the Franchisee will provide the Franchise Services.
- (B) The parties wish to record in this Agreement certain conditions precedent to be satisfied prior to the issue of the Certificate of Commencement.
- (C) The Franchisee wishes to make certain representations and warranties to the Authority.

**IT IS HEREBY AGREED AS FOLLOWS:**

**1. INTERPRETATION AND DEFINITIONS**

**1.1** In this Agreement:

*Definitions Agreement* means the Agreement among the Authority, the SPTE and the Franchisee of even date relating to the interpretation of this Agreement and the Franchise Agreement.

- 1.2** This Agreement, the Franchise Agreement, the SQUIRE Service Schedules Agreement and the Definitions Agreement together constitute a single agreement, which is a "franchise agreement" for the purposes of the Act, and shall be interpreted in accordance with the Definitions Agreement.

**2. SATISFACTION OF CONDITIONS PRECEDENT**

- 2.1 (a)** On or prior to the Long Stop Date, the Franchisee shall satisfy or procure the satisfaction of the conditions precedent set out in Appendix 1 (*Conditions Precedent*) to this Agreement.
- (b)** Subject to clause 2.1(f) of this Agreement, as soon as the Authority is satisfied that each of the conditions precedent in this Agreement has been satisfied

(except to the extent waived by the Authority, subject to such conditions as the Authority shall impose to any such waiver) it shall issue to the Franchisee and to the SPTE a Certificate of Commencement, which shall specify the Franchise Commencement Date.

- (c) If the waiver of any condition precedent in this Agreement might reasonably be expected to have a material effect on the operation of the SPTE Services, the Authority shall not waive that condition precedent without first having obtained the agreement of the SPTE to such waiver and any conditions to be imposed in relation to such waiver, which agreement shall not be unreasonably withheld or delayed by the SPTE.
- (d) Following the issue of the Certificate of Commencement, the Authority shall copy to the SPTE all evidence received by the Authority from the Franchisee in relation to the satisfaction of the conditions precedent in this Agreement, other than in so far as previously copied by the Authority to the SPTE.
- (e) If the Authority waives the satisfaction of any conditions precedent pursuant to Clause 2.1(b) of this Agreement, the Franchisee shall procure that such conditions precedent, together with any conditions attaching to such waiver, are satisfied as soon as reasonably practicable thereafter, or at such other later time as the Authority may stipulate.
- (f) The Authority may take such actions or steps as it considers appropriate to ensure that the Franchise Commencement Date occurs on a day which is, in its opinion, convenient or desirable, bearing in mind the interests of the Authority, the SPTE, the Franchisee and other persons likely to be affected by the day on which such Franchise Commencement Date occurs. To achieve this, the Authority may, in its discretion, permit the Franchisee to delay satisfaction of some or all of the conditions precedent until such day as the Authority may notify the Franchisee. Before notifying the Franchisee pursuant to this clause 2(f) that it may delay the satisfaction of any condition precedent which might reasonably be expected to have a material effect on the operation of the SPTE Services, the Authority shall consult with the SPTE, and give to the SPTE the reasons why it may be appropriate to give such notification.
- (g) Where agreements or deeds are required to be entered into or executed and delivered or any steps required to be taken under this clause 2.1 by the Franchisee or the Bond Providers, the Authority may require, as an additional condition precedent, further documentation (including legal opinions) or evidence of the power and authorisation of the relevant person to enter into, execute or deliver any such agreement or deed or take any such steps, and the Franchisee shall promptly supply such additional evidence. Any further documentation or evidence received by the Authority pursuant to this clause 2.1(g) shall be copied by the Authority to the SPTE, other than in so far as previously copied by the Authority to the SPTE.

- (h) Where the Franchisee is required to enter into any agreement in satisfaction of the conditions precedent set out in Appendix 1 to this Agreement and such agreement contains a condition precedent requiring the Franchise Agreement to be unconditional, provided the Franchisee has satisfied all the other conditions precedent set out in such agreement, the requirement to enter into such agreement will be deemed to be satisfied.

#### **Consequences of non-fulfilment**

- 2.2(a) The Authority may give notice to the Franchisee terminating the Franchise Agreement if the Certificate of Commencement has not been issued on or before the Long Stop Date or if the Authority reasonably considers that any condition precedent of this Agreement will not be satisfied before the Long Stop Date. If such notice is given, the Franchise Agreement shall terminate on the Long Stop Date or such earlier date as the Authority may specify.
- (b) On termination of the Franchise Agreement under clause 2.2(a) of this Agreement, no party shall have any liability to any other party or parties under this Agreement, save in respect of:-
- (i) their respective obligations as to confidentiality under Schedule 17 (*Confidentiality*) of the Franchise Agreement;
  - (ii) any other obligations which, by their nature, survive the termination of the Franchise Agreement; and
  - (iii) any breach of their respective obligations hereunder or under the Franchise Agreement arising in respect of the period prior to the Long Stop Date.

### **3. REPRESENTATIONS AND WARRANTIES**

#### **Franchise replacement process**

- 3.1 The Franchisee represents and warrants to the Authority, subject only to any matter fully and fairly disclosed to the Authority in writing (and accepted by it) or expressly referred to in the audited accounts of the Franchisee or expressly provided for under the terms of this Agreement:
- (a) that it has not acted in breach of any of the terms of the Franchise Re-letting Process Agreement; and
  - (b) that all of the information, representations and other matters of fact communicated in writing to the Authority and/or its advisers by the Franchisee, its directors, officers, employees, servants or agents in connection with or arising out of the Franchisee's proposal to secure the provision and operation of the Franchise Services were (at the dates submitted to the Authority or such advisers) and remain as at the Franchise Commencement Date, in all material respects, true, accurate and not misleading.

### Updating of warranties

3.2 The Franchisee further undertakes to the Authority, subject to clause 3.3 of this Agreement, that:

- (a) the representations and warranties contained in clause 3.1 will be true and accurate in all material respects and not misleading in any material respect at the Franchise Commencement Date as if they had been given on the Franchise Commencement Date with reference to the facts and circumstances then subsisting; and
- (b) if after the signing of the Franchise Agreement and before the Franchise Commencement Date any event shall occur or matter arise which results or may result in any of the representations and warranties in clause 3.1 being unfulfilled, untrue, misleading or incorrect in any material respect at the Franchise Commencement Date, the Franchisee shall immediately notify the Authority in writing thereof and the Franchisee shall provide such information concerning the event or matter as the Authority may require. The Authority shall keep the SPTE reasonably advised as regards any such notification and information provided to it and the Authority shall consult with the SPTE in relation to any such notification.

### Exceptions

3.3 No right to damages or compensation shall arise in favour of the Authority under clause 3.2 in consequence only of an event occurring or matter arising after:-

- (a) the signing of the Franchise Agreement but before the Franchise Commencement Date; or
- (b) if the Authority gives notice terminating the Franchise Agreement in accordance with clause 2.2(a) the effective date of termination specified in such notice,

which constitutes a breach or non-fulfilment of any of the representations and warranties in clause 3.1 (whether or not this Agreement is terminated in consequence thereof) if:

- (i) the event or matter could not reasonably have been avoided or prevented by the Franchisee; and
- (ii) the event or matter was duly notified to the Authority in accordance with clause 3.2(b).

## 4. AGREEMENTS TO BE INCLUDED IN THE COMMENCEMENT TRANSFER SCHEME

4.1 Subject to clauses 4.2 and 4.3 and unless the Franchisee has made alternative arrangements reasonably satisfactory to the Authority in accordance with

paragraph 13 to Appendix 1 (*Conditions Precedent*) to this Agreement, the Authority will make 1 or more transfer schemes (each a *Commencement Transfer Scheme*) in accordance with Section 220 and Schedule 21 of the Transport Act so as to transfer to the Franchisee (free from all Security Interests) the following property, rights and liabilities of the Train Operator under the Previous Franchise Agreement:

- (a) the Primary Franchise Assets designated as such on or prior to the Franchise Commencement Date; and
- (b) the Brand Licences listed in paragraph 5 of Appendix 2 (*List of Conditions Precedent Documents*) to this Agreement,

(together the *Required Commencement Agreements*).

4.2 The Commencement Transfer Scheme shall not transfer to the Franchisee any Excluded Liabilities. For this purpose, *Excluded Liabilities* means:

- (a) any accrued, but unperformed obligation;
- (b) the consequences of any breach of any of the Required Commencement Agreements by any of the parties thereto; and
- (c) any other liability in respect of any act or omission by any of the parties thereto under or in relation to the Required Commencement Agreements,

in each case prior to, or as at the effective date of the Commencement Transfer Scheme.

4.3 The Authority's obligation to make any Commencement Transfer Scheme will be subject to the Authority being satisfied that all the conditions precedent set out in Appendix 1 to this Agreement:

- (a) are satisfied both on or before the Long Stop Date and remain satisfied as at the Franchise Commencement Date; or
- (b) have been waived on or before the Long Stop Date.

4.4 Without limiting any other obligation it may have, the Franchisee agrees to enter into the Supplemental Agreement (as defined under the Previous Franchise Agreement) with the Train Operator under the Previous Franchise Agreement.

## 5. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of Scotland and the parties irrevocably agree to prorogate the exclusive jurisdiction of the Court of Session to settle any disputes which may arise out of or in connection with this Agreement, except as expressly set out in this Agreement. The jurisdiction of the Sheriff Courts in Scotland is expressly excluded by the parties.

ScotRail Franchise - Conditions Precedent Agreement

IN WITNESS whereof the parties hereto have executed this Agreement as follows:-

Sealed with the Corporate Seal of the **STRATEGIC RAIL AUTHORITY**

At

On the            day of            2004

By .....

.....Name (printed)

Before this witness:-

..... Witness

..... Full Name

..... Address

.....

Sealed with the Common Seal of **STRATHCLYDE PASSENGER TRANSPORT EXECUTIVE** and signed for it and on its behalf

At

On the            day of August 2004

By .....

.....Name (printed)

Before this witness:-

..... Witness

..... Full Name

..... Address

.....

Signed for and on behalf of **FIRST SCOTRAIL LIMITED**

At

On the                    day of August 2004

By

..... Director

..... Name (Printed)

..... Witness

..... Name

..... Address

.....

**THIS IS APPENDIX 1 TO THE FOREGOING CONDITIONS PRECEDENT AGREEMENT BETWEEN THE STRATEGIC RAIL AUTHORITY, STRATHCLYDE PASSENGER TRANSPORT EXECUTIVE, AND FIRST SCOTRAIL LIMITED**

**CONDITIONS PRECEDENT**

**1. LICENCES**

1.1 The Authority has received, on or before the Franchise Commencement Date, written notice from the Regulator, addressed to the Authority and in a form satisfactory to the Authority, which confirms that:

- (a) the Franchisee has been granted or will be granted the Licences;
- (b) the Licences will take effect no later than the Franchise Commencement Date; and
- (c) the Regulator is not aware of any reason why any of the Licences should be revoked.

1.2 The Authority shall, in addition, where the Licences are not in existence at the date of signature of the Franchise Agreement, have received evidence on or before the Franchise Commencement Date in form and substance satisfactory to it, that:

- (a) any of the Licences are not subject to any conditions which, if they had been known to the Authority before the signature of the Franchise Agreement, would, in its reasonable opinion, have resulted in the Authority not entering into the Franchise Agreement, or entering into the Franchise Agreement on materially different terms; and
- (b) any conditions imposed by the Regulator on any of the Licences are reasonably likely to be satisfied.

**2. SAFETY CASE**

The Authority has received, on or before the Franchise Commencement Date, written notice from the HSE, addressed to the Authority and in a form satisfactory to the Authority, which confirms that:

- (a) the Franchisee's Safety Case has been accepted;
- (b) the HSE has not directed any review or revision of the Safety Case; and
- (c) that no such review will be required as a result of the Franchise Agreement having been entered into or the commencement of the Franchise Services.

### 3. ACCESS AGREEMENTS/PROPERTY LEASES

3.1 The Franchisee has entered into the following agreements with the relevant counterparties in terms acceptable to the Authority on or before the Franchise Commencement Date:

- (a) the Track Access Agreement listed in paragraph 2.1 of Appendix 2 (*List of Conditions Precedent Documents*) to this Agreement;
- (b) the Access Agreements (and associated Collateral Agreements) in respect of the stations, depots and Major Stations listed in paragraphs 2.2 to 2.6 (inclusive) of Appendix 2 to this Agreement; and
- (c) the Connection Agreements in respect of the Depots.

3.2 The Franchisee has entered into the following leases with Network Rail on or before the Franchise Commencement Date:

- (a) in respect of such of the Stations listed in paragraph 4.1 of Appendix 2 to this Agreement as the Authority and, where applicable, the SPTE reasonably consider necessary and on such terms as are acceptable to the Authority and, where it is affected, the SPTE;
- (b) in respect of such of the Depots listed in paragraph 4.2 of Appendix 2 to this Agreement as the Authority and, where affected, the SPTE, reasonably consider necessary and on such terms as are acceptable to the Authority and, where it is affected, the SPTE; and
- (c) in respect of Major Station Areas listed in paragraph 4.3 of Appendix 2 to this Agreement on such terms as are acceptable to the Authority,

with the intent that, for the purposes of Section 31 of the Act, the properties comprised in such leases will be used for or in connection with the provision of the Franchise Services.

### 4. ROLLING STOCK LEASES

The Franchisee is at the Franchise Commencement Date a party to the Rolling Stock Leases in respect of the Train Fleet listed in Table 1 of Appendix 1 (*The Train Fleet*) to Schedule 1.1 (*Service Development*) of the Franchise Agreement, or such number of such Rolling Stock Leases as, in the reasonable opinion of the Authority and, where it is affected, the SPTE, should enable the Franchisee to meet the requirements of the Service Level Commitments, such Rolling Stock Leases to be on terms approved by the Authority.

### 5 OTHER KEY CONTRACTS

The Franchisee is at the Franchise Commencement Date a party to the Key Contracts listed in paragraphs 3 to 9 of the Appendix (*List of Key Contracts*) to Schedule 14.3 (*Key Contracts*) of the Franchise Agreement to the extent that such Key Contracts are

required by the Franchisee for the provision of the Franchise Services, such Key Contracts to be on terms approved by the Authority.

## **6. DIRECT AGREEMENTS**

6.1 Subject to paragraph 6.2, the counterparty of any contract which will, as at the Franchise Commencement Date, be a Key Contract (including any such contract to which the Franchisee is required under this Agreement to be a party or have vested in it as at the Franchise Commencement Date), has entered into a Direct Agreement with the Authority in respect of such Key Contract on terms acceptable to the Authority.

6.2 No Direct Agreement need be entered into by the counterparty to any Key Contract referred to in paragraph 6.1 where:

- (a) such counterparty is a Train Operator; and
- (b) such Train Operator is the provider of the services under such Key Contract which the Authority considers are reasonably necessary for securing the continued provision of the Franchise Services or the provision of services similar to the Franchise Services by a Successor Operator.

## **7. TRANSPORT, TRAVEL AND OTHER SCHEMES**

The Franchisee is at the Franchise Commencement Date a party to the schemes listed in the Appendix (*List of Transport, Travel and Other Schemes*) to Schedule 2.5 (*Transport, Travel and Other Schemes*) of the Franchise Agreement.

## **8. FINANCIAL UNDERTAKINGS**

Receipt by the Authority of evidence in a form and substance satisfactory to it that the Franchisee will comply, on and from the Franchise Commencement Date, with its obligations in respect of the financial undertakings set out in Schedule 12 (*Financial Obligations and Undertakings*) to the Franchise Agreement including, without limitation, receipt by the Authority on or before the Franchise Commencement Date of (i) the inter company loan facility side letter from the Parent in the agreed form (marked *SLICF*), and (ii) evidence that that the Parent has advanced an amount of £13.6 million to the Franchisee under the inter company loan facility pursuant to the document in the agreed terms marked *ICF* referred to in paragraph 2.2 of Schedule 12.

## **9 PERFORMANCE BOND, SEASON TICKET BOND AND MAINTENANCE BONDS**

The Authority has received on or before the Franchise Commencement Date the Performance Bond, the Authority Maintenance Bond and the Season Ticket Bond duly executed and delivered by the relevant Bond Provider and the SPTA and the Authority, for delivery to the SPTA, have received on or before the Franchise Commencement Date the SPTA Maintenance Bond duly executed and delivered by the relevant Bond Provider.

## **10 POWER OF ATTORNEY**

The Authority has received on or before the Franchise Commencement Date the Power of Attorney (in agreed terms marked *POA*) duly executed and delivered by the Franchisee.

**11. PENSIONS**

The Franchisee has at the Franchise Commencement Date:

- (a) entered into the deeds of establishment, participation or adherence with the trustees of the Railways Pension Scheme and/or the Closed Schemes (as defined in Schedule 16 (*Pensions*) of the Franchise Agreement); and
- (b) taken such other steps (if any) as are required to secure compliance with the terms of paragraphs 1 to 3 (inclusive) of Schedule 16 of the Franchise Agreement (such compliance to also be from the Franchise Commencement Date).

**12 CONTINUING REPRESENTATIONS AND WARRANTIES**

The Authority is satisfied that no event has occurred which has or ought to have been notified to the Authority by the Franchisee under clause 3.2(b) of this Agreement (including, a change in identity of any 1 person, or 2 or more persons acting by agreement, who may Control the Franchisee as at the Franchise Commencement Date, other than as agreed with the Authority prior to the date of the Franchise Agreement) and which, if it had been known to the Authority before the signature of the Franchise Agreement, would, in its reasonable opinion, have resulted in:

- (a) it not entering into the Franchise Agreement with the Franchisee; or
- (b) it entering into the Franchise Agreement with the Franchisee on materially different terms.

**13. COMMENCEMENT TRANSFER SCHEME**

The Authority being reasonably satisfied:

- (a) that at the date on which all of the other conditions precedent listed in this Appendix 1 are first satisfied (or waived):
  - (i) any Commencement Transfer Scheme made by it pursuant to clause 4.1 of this Agreement will have the effect of transferring to the Franchisee the Required Commencement Agreements; and
  - (ii) upon receipt by the Authority of evidence in a form and substance satisfactory to it, the Franchisee will enter into the Supplemental Agreement (as defined under the Previous Franchise Agreement); or
- (b) that the Franchisee has made appropriate alternative arrangements in order to ensure that on the Franchise Commencement Date, the Franchisee will be party to the Required Commencement Agreements.

**14 ONE TICKET SESTRAN**

Production of evidence to the satisfaction of the Authority that the Franchisee will from the Franchise Commencement Date be a participant in the fare scheme operated by One-Ticket Limited (formerly SESTRAN Traveltickets Limited).

**15 TRAVELINE**

Production of evidence to the satisfaction of the Authority that the Franchisee will from the Franchise Commencement Date be a participant in the Traveline Scotland telephone enquiry service scheme

**16 INVERNET**

Production of evidence to the satisfaction of the Authority that the Franchisee will from the Franchise Commencement Date have entered into contractually binding arrangements with Highland Council to provide the Invernet service, wholly funded by Highland Council, for a period of 3 years from January 2005.

**17 SPTA GRANT FUNDED ASSETS**

Production of evidence to the satisfaction of the Authority of the novation of the following SPTA grant funding letters or such of the following SPTA grant funding letters as, in the reasonable opinion of the SPTE, are in respect of works and/or obligations which, as at the Franchise Commencement Date are continuing. For the avoidance of doubt, works and/or obligations which have been completed or fulfilled by the Franchise Commencement Date but in respect of which a financial reconciliation between the Outgoing Operator and SPTA has not taken place shall not, for these purposes be treated as continuing works and/or obligations:-

**Agreements relating to CCTV**

1. Letter re Paisley Gilmour Street station – Old Sneddon Street entrance dated 4 February 1999.
2. Letter re Strathclyde CCTV phase 1 upgrade project dated 4 February 1999.
3. Letter re Strathclyde CCTV phase 3 project dated 4 February 1999.
4. Letter re Strathclyde CCTV phase 4 project dated 30 March 2000.
5. Letter re Strathclyde CCTV stage 4 Barrhead CCTV replacement dated 20 December 2000.
6. Letter re Strathclyde CCTV project – phase 5 dated 5 March 2001.
7. Letter re Strathclyde CCTV – Paisley control room date 22 February 2001.
8. Letter re Strathclyde CCTV – Paisley control room dated 29 October 2001.
9. Letter re Strathclyde CCTV project – upgrade dated 14 March 2002.

10. Letter re Strathclyde CCTV project – stage 5 dated 14 March 2002.
11. Letter re Strathclyde CCTV project – stage 6 dated 14 March 2002.
12. Letter re Strathclyde CCTV project – stage 7 dated 21 March 2002.
13. Letter re Strathclyde CCTV project – upgrade dated 21 March 2002.
14. Letter re Strathclyde CCTV project – stage 8 and upgrade dated 16 December 2002.
15. Letter re Strathclyde CCTV project – stage 9 and Strathclyde CCTV project – upgrade dated 5 February 2004.
16. Letter re Strathclyde CCTV project – stage 1 upgrade dated 5 February 2004.
17. Letter re Strathclyde CCTV project – Paisley Gilmour Street dated 15 March 2004.
18. Letter re Strathclyde CCTV project – stage 10 (upgrade) dated 14 June 2004.
19. Letter re Strathclyde CCTV project – Feasibility Study and Tender Development dated 14 June 2004.

**Agreements relating to Station Facilities.**

20. Letter re Station Rebranding dated 23 July 1999.
21. Letter re new waiting shelter at Lenzie Railway station dated 5 October 1999.
22. Letter re Station rebranding dated 8 October 1999.
23. Letter re Station rebranding dated 12 January 2000.
24. Letter re Kilmarnock station improvement works dated 7 February 2000.
25. Letter re Kirkhill station car park lighting upgrade dated 25 February 2000.
26. Letter re Motherwell station rebranding dated 23 March 2000.
27. Letter re Irvine station : enhanced waiting facilities dated 23 March 2000.
28. Letter re station improvements dated 4 September 2000.
29. Letter re Strathclyde Passenger Transport rebranding programme dated 20 December 2000.
30. Letter re Newton Station : Mill Road footpath : Provision of handrails dated 8 January 2001.

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31. Letter re SPT: signage at Dumbarton East and shunt switches at Auchinleck etc. dated 9 February 2001
32. Letter re rebranding signage at Glasgow Central Low Level etc. dated 19 February 2001.
33. Letter re SPT : rebranding Programme (Ayrshire Stations) dated 21 February 2001.
34. Letter re station improvements dated 14 March 2001.
35. Letter re Glasgow Central Low Level station improvements dated 21 March 2001.
36. Letter re station rebranding dated 26 September 2001.
37. Letter re Whitecraigs Park and Ride lining dated 12 December 2001.
38. Letter re Paisley Gilmore Street – Park and Ride Expansion dated 12 December 2001
39. Letter re SPT – Rebranding Programme dated 4 February 2002.
40. Letter re Patterton Station – signage dated 4 February 2002.
41. Letter re West Kilbride Station – provision of handrails dated 4 February 2002.
42. Letter re Paisley Gilmore Street station waiting room etc. dated 4 February 2002.
43. Letter re Kilmarnock Station – Park and Ride dated 4 February 2002.
44. Letter re Glasgow Queen Street and Glasgow Central station – Signage dated 4 March 2002.
45. Letter re Ardrossan South Beach Station dated 20 March 2002.
46. Letter re Shettleston Station car park and CCTV dated 20 March 2002.
47. Letter re Neilston Station waiting shelter dated 20 March 2002.
48. Letter re Helensburgh Central Station Park and Ride expansion dated 20 March 2002.
49. Letter re installation of cycle facilities at stations dated 13 May 2002.
50. Letter re SPT logos on CIS screens dated 29 November 2002.
51. Letter re SPT logos on CIS screens dated 9 January 2003.

52. Letter re East Kilbride station Park and Ride ticket machine dated 13 January 2003.
53. Letter re Singer station car park – feasibility Study dated 9 January 2003.
54. Letter re Irvine Station car park Improvements dated 9 January 2003.
55. Letter re Glasgow Central Low Level former booking office dated 3 March 2003.
56. Letter re white lining dated 3 March 2003.
57. Letter re CIS system : West Kilbride dated 3 March 2003.
58. Letter re Central Low Level accesses dated 3 March 2003.
59. Letter re Singer shelter dated 3 March 2003.
60. Letter re Station frequency journey signs dated 3 March 2003.
61. Letter re Hartwood Kiss & Ride dated 3 March 2003.
62. Letter re Cardross station - Park and Ride dated 3 March 2003.
63. Letter re Fort Matilda car park dated 3 March 2003.
64. Letter re Barrassie car park expansion dated 3 March 2003.
65. Letter re Bishopton station : alterations dated 3 March 2003.
66. Letter re Blairhill station – feasibility study dated 3 March 2003.
67. Letter re Dalmuir station – feasibility study dated 3 March 2003.
68. Letter re Glasgow to Kilmarnock Line feasibility study dated 3 March 2003.
69. Letter re handrails at Croy Station dated 8 January 2004.
70. Letter re Virtual Ticket Office at Jordanhill Station dated 8 January 2004.
71. Letter re New Shelter at Singer Station dated 8 January 2004.
72. Letter re Station Logo Signs dated 8 January 2004.
73. Letter re Improved Lighting at Inverkip Station dated 8 January 2004.
74. Letter re Improved Customer Information at Various Stations dated 8 January 2004.
75. Letter re Various Minor Station Improvements dated 22 January 2004.

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76. Letter re SPT Logo on CIS Monitors at Glasgow Queen Street High Level dated 22 January 2004.
77. Letter re Various Station Signs dated 12 February 2004.
78. Letter re Installation of Self Service Ticket Machines at Various Stations dated 12 February 2004.
79. Letter re Trial of Wireless Customer Information System (CIS) at Motherwell Station dated 20 February 2004.
80. Letter re Garrowhill Booking Office dated 24 March 2004.
81. Letter re Improvements at Motherwell Station dated 25 March 2004.
82. Letter re CIS at Springburn dated 21 June 2004.
83. Letter re car park expansion at Westerton Station dated 4 February 2002.

**Agreements relating to Rolling Stock**

84. Letter re fitting of cycle racks to Class 334 units dated 29 January 2002.
85. Letter re refurbishment of Class 156 units dated 4 February 2002.
86. Letter re 314 re-livery dated 4 February 1999.
87. Letter re Class 318 refurbishment dated 21 February 2000.
88. Letter re Grant Funding – 4 February 1999 Class 314 re-livery dated 24 March 2000.
89. Letter re rolling stock improvements dated 30 March 2000.
90. Letter re Class 318 refurbishment dated 25 October 2000.
91. Letter re Class 156 refurbishment dated 15 January 2001.
92. Letter re Class 156 refurbishment dated 14 February 2001.
93. Letter re SPT : On-Train CCTV dated 14 March 2001.
94. Letter re repainting of Class 314 units dated 19 September 2001.
95. Letter re SPT : On-Train CCTV dated 16 January 2002.
96. Letter re repainting of Class 314 units dated 1 March 2004.
97. Letter re New Trains Deal dated 19 March 2004.

**18 TRAIN PLAN**

The Authority and the SPTE have received on or before the Franchise Commencement Date the Train Plan for the Timetable as at that date duly delivered by the Franchisee.

**THIS IS APPENDIX 2 TO THE FOREGOING CONDITIONS PRECEDENT AGREEMENT BETWEEN THE STRATEGIC RAIL AUTHORITY, STRATHCLYDE PASSENGER TRANSPORT EXECUTIVE, AND FIRST SCOTRAIL LIMITED**

**1 LICENCES**

- 1.1 Passenger Train Operator's Licence granted to the Franchisee;
- 1.2 Station Operator's Licence granted to the Franchisee;
- 1.3 Depot Operator's Licence granted to the Franchisee; and
- 1.4 Non-Passenger Train Operator's Licence granted to the Franchisee.

**2 ACCESS AGREEMENTS**

**2.1 Track Access Agreement**

Track Access Agreement(s) substantially in accordance with the interim document in the agreed terms marked *TAA* subject to the Franchisee's further review, as supplemented by the Regulator's directions (when available) and as otherwise approved by the Regulator.

**2.2 Station Access Agreements and Collateral Agreements in Favour of Franchisee:-**

Station Access Agreements with the relevant Facility Owners and Collateral Agreements with Network Rail for such of the following Stations as the Authority and, where it is affected, the SPTE reasonably consider(s) necessary and on such terms as are acceptable to the Authority and, where affected, the SPTE and approved by the Regulator:-

- |                  |                      |
|------------------|----------------------|
| 1. Bardon Mill   | 10. Milton Keynes    |
| 2. Brampton      | 11. Newcastle        |
| 3. Carlisle      | 12. Preston          |
| 4. Corbridge     | 13. Prudhoe          |
| 5. Crewe         | 14. Riding Mill      |
| 6. Haltwhistle   | 15. Stocksfield      |
| 7. Haydon Bridge | 16. Watford Junction |
| 8. Hexham        | 17. Wetherall        |
| 9. Metro Centre  | 18. Wylam            |

**2.3 Depot Access Agreements in Favour of Franchisee:**

Depot Access Agreements with the relevant Facility Owners for such of the following Depots as the Authority and, where affected, the SPTE reasonably consider(s)

necessary and on such terms as are acceptable to the Authority and, where affected, the SPTE and approved by the Regulator:-

1. Aberdeen Clayhills
2. Edinburgh Craigentiny
3. Newcastle Heaton
4. Polmadie (Glasgow)
5. Wembley

#### **2.4 Major Station and Prestwick International Station Access Agreements in Favour of Franchisee**

Major Station Access Agreements with Network Rail on such terms as are acceptable to the Authority and, where affected, the SPTE and approved by the Regulator for the following Stations:-

1. Edinburgh Waverley
2. Glasgow Central (High Level)
3. London Euston

and Access Agreement relating to Prestwick International with the relevant landlord on such terms as are acceptable to the Authority and, where affected, the SPTE and approved by the Regulator.

#### **2.5 Station Access Agreements in favour of third parties**

Station Access Agreements with the relevant beneficiaries for such of the following Stations as the Authority and, where affected, the SPTE reasonably considers(s) necessary and on such terms as are acceptable to the Authority and, where affected, the SPTE and approved by the Regulator:-

##### **Northern Rail Limited**

1. Motherwell Station

##### **West Coast Trains Limited**

1. Carstairs
2. Motherwell Station

##### **CrossCountry Trains Limited**

1. Aberdeen Station
2. Arbroath Station
3. Carstairs
4. Cupar Station
5. Dundee Station

6. Haymarket Station
7. Inverkeithing Station
8. Kirkcaldy Station
9. Ladybank Station
10. Leuchars
11. Lockerbie Station
12. Markinch Station
13. Montrose Station
14. Motherwell Station
15. Stonehaven Station

**Great North Eastern  
Railway Limited**

1. Aberdeen Station
2. Arbroath Station
3. Aviemore Station
4. Blair Atholl Station
5. Carrbridge Station
6. Dunblane Station
7. Dundee Station
8. Dunkeld Station
9. Falkirk Grahamston Station
10. Gleneagles Station
11. Haymarket Station
12. Inverkeithing Station
13. Inverness Station
14. Kingussie Station
15. Kirkcaldy Station
16. Leuchars
17. Montrose Station
18. Motherwell Station
19. Newtonmore Station
20. Perth
21. Pitlochry Station
22. Stirling Station
23. Stonehaven Station

**Rail Express Systems Limited**

Charter station access for ad hoc use of all stations listed in paragraph 4.1 of this Appendix 2.

**English Welsh and Scottish Railway Limited**

Access to all stations listed in paragraph 4.1 of this Appendix 2 (occasional use).

**West Coast Railway Company Limited**

- i. Charter station access for ad hoc use of all stations listed in paragraph 4.1 of this Appendix 2.
- ii. Access to Fort William Station, Glenfinnan Station and Mallaig Station (daily use).

**Merlin Rail Limited**

Charter station access for ad hoc use of all stations listed in paragraph 4.1 of this Appendix 2.

**2.6 Depot Access Agreements and Collateral Agreements in favour of third parties**

Depot Access Agreements and Collateral Agreements with the relevant beneficiaries on such terms as are acceptable to the Authority and, where affected, the SPTE and approved by the Regulator, and which will be transferred to the Franchisee under the Commencement Transfer Scheme, for the following depots:-

<b>Great North Eastern Railway Limited</b>	<ol style="list-style-type: none"><li>1. Inverness</li></ol>
<b>English Welsh and Scottish Railway Limited</b>	<ol style="list-style-type: none"><li>1. Corkerhill</li><li>2. Inverness</li><li>3. Perth</li><li>4. Shields</li></ol>
<b>First Engineering Limited</b>	<ol style="list-style-type: none"><li>1. Ayr Townhead</li><li>2. Corkerhill</li><li>3. Haymarket</li><li>4. Perth</li><li>5. Shields</li><li>6. Yoker</li></ol>
<b>Scotland Track Renewals Company Limited</b>	<ol style="list-style-type: none"><li>1. Ayr Townhead</li><li>2. Corkerhill</li><li>3. Haymarket</li><li>4. Inverness</li><li>5. Perth</li><li>6. Shields</li><li>7. Yoker</li></ol>
<b>Serco Railtest Limited</b>	<ol style="list-style-type: none"><li>1. Ayr Townhead</li><li>2. Corkerhill</li><li>3. Haymarket</li><li>4. Inverness</li><li>5. Perth</li><li>6. Shields</li></ol>
<b>English, Welsh &amp; Scottish Railway Limited</b>	<ol style="list-style-type: none"><li>1. Ayr Townhead</li><li>2. Corkerhill</li><li>3. Haymarket</li><li>4. Inverness</li><li>5. Perth</li></ol>

6. Shields
7. Yoker

**West Coast Trains Limited**

1. Shields

**CrossCountry Trains Limited**

1. Haymarket

**3 SCHEMES**

3.1 The Discount Fare Schemes listed in paragraph 4 of the Appendix (List of Transport, Travel and Other Schemes) to Schedule 2.5 (*Transport, Travel and Other Schemes*) of the Franchise Agreement.

3.2 The Inter-Operator Schemes listed in paragraph 5 of the Appendix to Schedule 2.5 of the Franchise Agreement.

**4 PROPERTY LEASES**

4.1 Station Leases with Network Rail for such of the following Stations as the Authority reasonably considers necessary and on such terms as are acceptable to the Authority:-

- |                       |                     |                                |
|-----------------------|---------------------|--------------------------------|
| 1. Aberdeen           | 26. Bridge of Allan | 51. Dunblane                   |
| 2. Aberdour           | 27. Bridge of Orchy | 52. Duncraig                   |
| 3. Achanalt           | 28. Brora           | 53. Dundee                     |
| 4. Achnasheen         | 29. Broughty Ferry  | 54. Dunfermline Queen Margaret |
| 5. Achnashellach      | 30. Brunstane       | 55. Dunfermline Town           |
| 6. Addiewell          | 31. Burntisland     | 56. Dunkeld and Birnam         |
| 7. Alness             | 32. Cardenden       | 57. Dunrobin Castle            |
| 8. Altnabreac         | 33. Carnoustie      | 58. Dyce                       |
| 9. Amman              | 34. Carrbridge      | 59. Edinburgh Park             |
| 10. Arbroath          | 35. Connel Ferry    | 60. Elgin                      |
| 11. Ardgay            | 36. Corpach         | 61. Falkirk Camelon            |
| 12. Ardlui            | 37. Corroul         | 62. Falkirk Grahamston         |
| 13. Arisaig           | 38. Cowdenbeath     | 63. Falkirk High               |
| 14. Arrochar & Tarbet | 39. Crianlarich     | 64. Falls of Cruachan          |
| 15. Attadale          | 40. Culrain         | 65. Fauldhouse                 |
| 16. Aviemore          | 41. Cupar           | 66. Fearn                      |
| 17. Balmossie         | 42. Curriehill      | 67. Forres                     |
| 18. Banavie           | 43. Dalgety Bay     | 68. Forsinard                  |
| 19. Barrhill          | 44. Dalmally        | 69. Fort William               |
| 20. Barry Links       | 45. Dalmeny         | 70. Garve                      |
| 21. Bathgate          | 46. Dalwhinnie      | 71. Georgemas Junction         |
| 22. Beasdale          | 47. Dingwall        | 72. Gleneagles                 |
| 23. Beaully           | 48. Drem            | 73. Glenfinnan                 |
| 24. Blair Atholl      | 49. Duirinish       | 74. Glenrothes                 |
| 25. Breich            | 50. Dumfries        |                                |

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75. Golf Street	103. Livingston North	130. Portlethen
76. Golspie	104. Livingston South	131. Prestonpans
77. Gretna Green	105. Loch Awe	132. Rannoch
78. Haymarket	106. Loch Eil	133. Rogart
79. Helmsdale	Outwardbound	134. Rosyth
80. Huntly	107. Lochailort	135. Roy Bridge
81. Insch	108. Locheilside	136. Sanquhar
82. Invergordon	109. Lochgelly	137. Scotscaider
83. Invergowrie	110. Lochluichart	138. Slateford
84. Inverkeithing	111. Lockerbie	139. South Gyle
85. Inverness	112. Longniddry	140. Spean Bridge
86. Invershin	113. Mallaig	141. Springfield
87. Inverurie	114. Markinch	142. Stirling
88. Keith	115. Monifieth	143. Stonehaven
89. Kildonan	116. Montrose	144. Stranraer
90. Kinbrace	117. Morar	145. Strathcarron
91. Kinghorn	118. Muir of Ord	146. Stromeferry
92. Kingsknowe	119. Musselburgh	147. Tain
93. Kingussie	120. Nairn	148. Taynuilt
94. Kirkcaldy	121. Newcraighall	149. Thurso
95. Kirkconnel	122. Newtonmore	150. Tulloch
96. Kirknewton	123. North Berwick	151. Tyndrum Lower
97. Kyle of Lochalsh	124. North Queensferry	152. Uphall
98. Ladybank	125. Oban	153. Upper Tyndrum
99. Lairg	126. Perth	154. Wallyford
100. Larbert	127. Pitlochry	155. West Calder
101. Leuchars	128. Plockton	156. Wester Hailes
102. Linlithgow	129. Polmont	157. Wick

Station Leases with Network Rail for SPTE Stations for the following Stations, or for such of the following Stations as the Authority and the SPTE reasonably consider necessary and on such terms as are acceptable to the Authority and the SPTE:-

1. Airbles	14. Baillieston	27. Bogston
2. Airdrie	15. Balloch	28. Bowling
3. Alexandra Parade	16. Barassie	29. Branchton
4. Alexandria	17. Bargeddie	30. Bridgeton
5. Anderston	18. Barnhill	31. Burnside
6. Anniesland	19. Barrhead	32. Busby
7. Ardrossan Harbour	20. Bearsden	33. Cambuslang
8. Ardrossan S. Beach	21. Bellgrove	34. Cardonald
9. Ardrossan Town	22. Bellshill	35. Cardross
10. Argyle Street	23. Bishopbriggs	36. Carfin
11. Ashfield	24. Bishopton	37. Carluke
12. Auchinleck	25. Blairhill	38. Carmyle
13. Ayr	26. Blantyre	39. Carntyne

ScotRail Franchise - Conditions Precedent Agreement

- |  |                         |                                |
|--|-------------------------|--------------------------------|
| 40. Carstairs                          | 86. Gourock             | 135. Newton                    |
| 41. Cartsydyke                         | 87. Greenfaulds         | 136. Newton-on-Ayr             |
| 42. Cathcart                           | 88. Greenock Central    | 137. Nitshill                  |
| 43. Charing Cross                      | 89. Greenock West       | 138. Paisley Canal             |
| 44. Clarkston                          | 90. Hairmyres           | 390. Paisley Gilmour Street    |
| 45. Cleland                            | 91. Hamilton Central    | 140. Paisley St James          |
| 46. Clydebank                          | 92. Hamilton West       | 141. Partick                   |
| 47. Coatbridge Central                 | 93. Hartwood            | 142. Patterton                 |
| 48. Coatbridge Sunnyside               | 94. Hawkhead            | 143. Pollokshaws East          |
| 49. Coatdyke                           | 95. Helensburgh Central | 144. Pollokshaws West          |
| 50. Corkerhill                         | 96. Helensburgh Upper   | 145. Pollokshields East        |
| 51. Craigendoran                       | 97. High Street         | 146. Pollokshields West        |
| 52. Croftfoot                          | 98. Hillfoot            | 147. Port Glasgow              |
| 53. Crookston                          | 99. Hillington East     | 148. Possilpark &<br>Parkhouse |
| 54. Crosshill                          | 100 Hillington West     | 149. Prestwick Town            |
| 55. Crossmyloof                        | 101 Holytown            | 150. Priesthill & Darnley      |
| 56. Croy                               | 102 Howwood             | 151. Queens Park               |
| 57. Cumbernauld                        | 103 Hyndland            | 152. Renton                    |
| 58. Dalmarnock                         | 104 IBM                 | 153. Rutherglen                |
| 59. Dalmuir                            | 105 Inverkip            | 154. Saltcoats                 |
| 60. Dalreoch                           | 106 Irvine              | 155. Scotstounhill             |
| 61. Dalry                              | 107 Johnstone           | 156. Shawlands                 |
| 62. Drumchapel                         | 108. Jordanhill         | 157. Shettleston               |
| 63. Drumfrochar                        | 109. Kennishead         | 158. Shieldmuir                |
| 64. Drumgelloch                        | 110. Kilmarnock         | 159 Shotts                     |
| 65. Drumry                             | 111. Kilmaurs           | 160. Singer                    |
| 66. Duke Street                        | 112. Kilpatrick         | 161. Springburn                |
| 67. Dumbarton Central                  | 113. Kilwinning         | 162. Stepps                    |
| 68. Dumbarton East                     | 114. King's Park        | 163. Stevenston                |
| 69. Dumbreck                           | 115. Kirkhill           | 164. Stewarton                 |
| 70. Dunlop                             | 116. Kirkwood           | 165. Summerston                |
| 71. East Kilbride                      | 117. Lanark             | 166. Thornliebank              |
| 72. Easterhouse                        | 118. Langbank           | 167. Thorntonhall              |
| 73. Exhibition Centre                  | 119. Langside           | 168. Troon                     |
| 74. Fairlie                            | 120. Largs              | 169. Uddingston                |
| 75. Fort Matilda                       | 121. Lenzie             | 170. Wemyss Bay                |
| 76. Garelochhead                       | 122. Lochwinnoch        | 171. West Kilbride             |
| 77. Garrowhill                         | 123. Maryhill           | 172. Westerton                 |
| 78. Garscadden                         | 124. Maxwell Park       | 173. Whifflet                  |
| 79. Giffnock                           | 125. Maybole            | 174. Whinhill                  |
| 80. Gilshochill                        | 126. Milliken Park      | 175. Whitecraigs               |
| 81. Girvan                             | 127. Milngavie          | 176. Williamwood               |
| 82. Glasgow Central Low<br>Level       | 128. Mosspark           | 177. Wishaw                    |
| 83. Glasgow Queen Street<br>High Level | 129. Motherwell         | 178. Woodhall                  |
| 84. Glasgow Queen Street<br>Low Level  | 130. Mount Florida      | 179. Yoker                     |
| 85. Glengarnock                        | 131. Mount Vernon       |                                |
|  | 132. Muirend            |                                |
|  | 133. Neilston           |                                |
|  | 134. New Cumnock        |                                |

## 4.2 Depots

Depot Leases with Network Rail for such of the following Depots as the Authority and, where affected, the SPTE reasonably consider(s) necessary and on such terms as are acceptable to the Authority and, where affected, the SPTE:-

1. Ayr Townhead
2. Corkerhill
3. Haymarket
4. Inverness
5. Perth
6. Shields
7. Yoker

The Franchisee having a proprietary (or future proprietary) interest in Eastfield depot on such terms as are acceptable to the Authority and, if affected, the SPTE.

## 4.3 Major Station Areas

Leases with Network Rail on such terms as are acceptable to the Authority and, where affected, the SPTE for the following areas within the Major Stations:-

1. Reception room on the concourse (part of Caledonia Centre) at Glasgow Central High Level.
2. Crew accommodation and offices at platform 7 at Edinburgh Waverley.
3. Various small stores/bothy units on platforms at Glasgow Central High Level.
4. Travel centre at Glasgow Central High Level.
5. Mail room at Glasgow Central High Level.
6. 2 x Basement stores at Glasgow Central High Level.
7. Office premises at the entrance to platform 14 and extending beneath the exit ramp to platform 11 at Edinburgh Waverley.
8. Office premises at the entrance to platform 14 at Edinburgh Waverley.
9. Ground floor office off platform 11 at Edinburgh Waverley.
10. Cash office in the basement at Glasgow Central High Level.
11. Caledonian Chambers 87 Union Street, Glasgow.
12. Sleeper lounge at platform 16 at London Euston.
13. Basement, First and Second Floor of Main Office Building at Edinburgh Waverley.
14. Locker Room and Cleaner Store at Platform 11 at Edinburgh Waverley.

**5. BRAND LICENCES**

5.1 Exclusive Trade Mark Licence Agreement dated 10 December 1995 between the Franchising Director and the Franchisee in respect of certain trademarks relating exclusively to the Franchisee.

5.2 Non-exclusive Trade Mark Licence Agreement dated 10 December 1995 between the Franchising Director and the Franchisee in respect of certain other trademarks not relating exclusively to the Franchisee.