Date of change	Reason for Change	Clauses Changed	End Date of Change
July 2017	Update to the franchise agreement.	Schedule 6.1, Schedule 6.1 Part 2, Appendix 2 to Schedule 6.1 Part 2, Appendix 2 to Schedule 6.4 .	
3.2 – Employee En 3.5 – Employer of (4.1 – International 5.4 – Customer Su 7.1 - Reconfigurati 7.2 - Fit auto-door 15.3 - ToGo Kiosks 15.4 - Tickets Plus 17.3 - Not Spot Sol 20.1 – Annual Marl 24.1 - IIP Gold 24.7 - Inspire Train	Rail Summit pport Team on of Class 158 Train Fleet close on Class 156 Vehicles utions keting Spend ing Programme usiness In The Community	vey	
24.16 – Training Fa 24.17 - Training for 24.18 - Training for 25.4 – SME engage 28.4 – Off-Peak Fle 28.10 – ScotRail Cl 29.3 – Web – TIS D	acilities available to charitie r Scottish Veterans r Scottish Prisoners ement ex Carnet lub 50 Smartcard evelopment		
29.8 – ITSO at Hon 29.9 - Near Field C 29.14 – Flex Carne 29.17 – Account ba 29.19 – Rail and Sa 29.20 – Smartcard 30.4 – Better Wayfi	ommunication (NFC) phone t ased Ticketing ail Pilot [New CO] Branding [New CO]		

This letter is a notice under the terms of Schedule 9.1, Variations and Financial Consequences of Change, paragraph 1.1 (a) of the Franchise Agreement between the Scottish Ministers and Abellio ScotRail Ltd ("ScotRail") dated 7 and 18 October 2014 ("the

Franchise Agreement") to vary the ScotRail Franchise Agreement for the above noted Committed Obligations and Schedule paragraph.

The changes to the specification to be included as part of the above noted Committed Obligations and Schedule paragraph is detailed below.

Both Transport Scotland and Abellio ScotRail have agreed to the proposed changes.

None of the changes incur any additional sums to the Franchise subsidy.

In accordance with the Franchise Agreement, Schedule 9.1 Clause 4.1, the Authority notifies the Franchisee that this Change could potentially exceed the Threshold Amount (£636,018) either alone, or when taken together with any future Change, resulting in a Qualifying Change. The parties agree that no Run of the Financial Model will be required in respect of this Change alone.

Detail of Changes to the Specification

CO 3.2 – Employee Engagement Satisfaction Survey

Agreed Revised CO wording

Throughout the Franchise Term, the Franchisee shall carry out an annual employee engagement satisfaction survey to inform business planning. The first such survey shall be completed and shared with the Authority no later than 31st October 2015 and thereafter annually by 31st December during the remainder of the Franchise Term.

Current CO wording

Throughout the Franchise Term, the Franchisee shall carry out an annual employee engagement satisfaction survey to inform business planning. The first such survey shall be completed and shared with the Authority no later than 31st October 2015 and thereafter annually by 31st October during the remainder of the Franchise Term.

Agreed revised COPA wording

31st October 2015 and thereafter each Franchisee Year by 31st December during the remainder of the Franchise Term.

Current COPA wording

31st October 2015 and thereafter each Franchisee Year by 31st October during the remainder of the Franchise Term.

CO 3.5 – Employer of Choice

Agreed Revised CO wording

The Franchisee shall use reasonable endeavours to achieve:

• 'Top Employers' accreditation on or before 31st March 2018.

Current CO wording

The Franchisee shall use reasonable endeavours to achieve:

- 'Best Companies to Work For' accreditation on or before 31st March 2018; and
- 'Times 100' accreditation by 31st December 2020.

Agreed revised COPA wording 31st March 2018

<u>Current COPA wording</u> 31st March 2018 31st December 2020

CO 4.1 – International Rail Summit

Agreed Revised CO Wording

The Franchisee shall convene a biennial (every other year) international rail summit to facilitate best practice exchange between the Scottish and Dutch railways. The first international rail summit will take place no later than 31st December 2017. The Franchisee shall invite suitable individuals from both Scottish and Dutch Governments. The Franchisee shall also procure that participants will include the Parent, Network Rail and ProRail (Dutch Network Rail equivalent).

Current CO Wording

The Franchisee shall convene a biennial (every other year) international rail summit to facilitate best practice exchange between the Scottish and Dutch railways. The first international rail summit will take place no later than 30th April 2016. The Franchisee shall invite suitable individuals from both Scottish and Dutch Governments. The Franchisee shall also procure that participants will include the Parent, Network Rail and ProRail (Dutch Network Rail equivalent).

Agreed revised COPA wording

First Summit by 31st December 2017 and biennially thereafter

CO 5.4 – Customer Support Team

Agreed Revised CO wording

On or before 31st December 2016, the Franchisee shall train 50% of all ScotRail ticket examiners to enable them to play a greater role in combating anti-social behaviour and vandalism.

On or before 30th September 2017 all ticket examiners shall have completed such training.

Current CO wording

On or before 30th September 2016, the Franchisee shall train 50% of all ScotRail ticket examiners to enable them to play a greater role in combating anti-social behaviour and vandalism.

On or before 30th September 2017 all ticket examiners shall have completed such training.

Agreed revised COPA wording

31st December 2016 (for 50% of all ticket examiners)

30th September 2017 (for all ticket examiners)

Current COPA wording

30th September 2016 (for 50% of all ticket examiners)

30th September 2017 (for all ticket examiners)

7.1 - Reconfiguration of Class 158 Train Fleet

Agreed Revised CO wording

The Franchisee shall carry out and complete the reconfiguration of the Class 158 Train Fleet for use on Scenic Train Routes by no later than the dates detailed in the table below:

QUANTITY OF 158 UNITS CONVERTED (AGGREGATE)	LAST ACCEPTANCE DATE
10	31 May 2016
20	31 March 2017
30	31 January 2018
40	30 November 2018

The reconfiguration of the Class 158 Train Fleet scope to include -

- A) Unit acceptance
- B) Removal of all seating and interior fittings
- C) Upgrade of toilets
- D) PRM-TSI works
- E) Recoat internal surfaces
- F) Install Wi-Fi
- G) Addition of 13A sockets and USB sockets
- H) Install [C3 media delivery system providing an enhanced experience for passengers]¹
- I) Fit new carpets
- J) Reconfigure interior layout to new design maximised around windows
- K) Apply new trim to seat back and bases
- L) Add design to tables and re-fit
- M) Add luggage signs to under-seat areas
- N) Commission and acceptance

Ensure that all aspects of the Franchise Agreement, Schedule 6, Appendix 2 to Schedule 6.4 – Highland Rural section are met or continue to be met as part of the scope of work agreed within this specification of the Class 158 Train Fleet.

¹ Substituted by the Amendment Agreement relating to the ScotRail Franchise Agreement between the Scottish Ministers and Abellio ScotRail Limited dated 30 October and 5 November 2015

Current CO wording

<u>The Franchisee shall carry out and complete the reconfiguration of the Class 158 Train Fleet</u> for use on Scenic Train Routes by no later than the dates detailed in the table below:

QUANTITY OF 158 UNITS CONVERTED (AGGREGATE)	LAST ACCEPTANCE DATE
10	31 May 2016
20	31 March 2017
30	31 January 2018
40	30 November 2018

The reconfiguration of the Class 158 Train Fleet scope to include –

- A. Unit acceptance
- B. Removal of all seating and interior fittings
- C. Upgrade of toilets
- D. PRM-TSI works
- E. Recoat internal surfaces
- F. Install Wi-Fi
- G. Addition of 13A sockets
- H. Install [C3 media delivery system providing an enhanced experience for passengers]²
- I. Fit new carpets
- J. Reconfigure interior layout to new design maximised around windows
- K. Apply new trim to seat back and bases
- L. Add design to tables and re-fit
- M. Add luggage signs to under-seat areas
- N. Apply route maps
- O. Commission and acceptance

Ensure that all aspects of the Franchise Agreement, Schedule 6, Appendix 2 to Schedule 6.4 – Highland Rural section are met or continue to be met as part of the scope of work agreed within this specification of the Class 158 Train Fleet.

<u>Agreed revised COPA wording</u> [No change.]

<u>Current COPA wording</u> Per Acceptance Date £1,500/per Unit/per Reporting Period

7.2 - Fit auto-door close on Class 156 Vehicles

Agreed Revised CO wording

² Substituted by the Amendment Agreement relating to the ScotRail Franchise Agreement between the Scottish Ministers and Abellio ScotRail Limited dated 30 October and 5 November 2015

[Refer to footnote: Following the West Wickham passenger incident and subsequent door operation safety review, ScotRail have determined that it would not be appropriate to fit auto-door closing equipment to the Class 156 fleet, due to the lack of an obstruction detection and associated risk of passenger entrapment.]

On or before the 31st December 2018, the Franchisee shall complete the C156 Fansia seat fitment for the 38 retained units.

Current CO wording

On or before the 31st December 2018, the Franchisee shall ensure auto-door closing equipment is available on any Class 156 Vehicle which is still in service on the ScotRail network.

Agreed revised COPA wording [No change.]

Current COPA wording 31st December 2018

15.3 - ToGo Kiosks

Agreed Revised CO wording

Subject only to the consent of Network Rail and other relevant property owners, on or before the 31st December 2016 the Franchisee shall construct ten ToGo Kiosks at stations with over 1 million footfall per annum. The ToGo Kiosks will retail hot and cold beverages and snacks and provide a consistent range of drinks, bakery goods, snacks, confectionery, newspapers and convenience products:-

STATIONS TO BE FITTED WITH TOGO KIOSKS		
Ayr	Dundee	
Paisley GS	Aberdeen	
Kirkcaldy	Inverness	
Motherwell		
Aviemore	Charing Cross	
Stirling		

This investment will establish a more consistent and familiar retail offering across locations that encompass over 60% of all Passenger Journeys.

Current CO wording

Subject only to the consent of Network Rail and other relevant property owners, on or before the 31st December 2016 the Franchisee shall construct eleven ToGo Kiosks at stations with over 1 million footfall per annum. The ToGo Kiosks will retail hot and cold beverages and snacks and provide a consistent range of drinks, bakery goods, snacks, confectionery, newspapers and convenience products:-

STATIONS TO BE FITTED WITH TOGO KIOSKS		
Ayr	Dundee	
Paisley GS	Aberdeen	
Partick	Inverness	
Motherwell	Glasgow Central Low Level	
Haymarket	Charing Cross	
Stirling		

This investment will establish a more consistent and familiar retail offering across locations that encompass over 60% of all Passenger Journeys.

Agreed revised COPA wording [No Change.]

Current COPA wording 31st December 2016

15.4 - Tickets Plus

Agreed Revised CO wording

On or before 31 December 2016 the Franchisee will introduce a combined ticket and retail facility with the ability to sell tickets at Tweedbank. In addition, the Franchisee will introduce a retail vending facility at Rutherglen and Linlithgow station. The new facilities will have the capability to allow users to download ITSO smart products on to ITSO Certified Smartmedia.

On or before 31 December 2017, the Franchisee shall review the success of the facilities introduced and report its findings to the Authority. Subject to the success of the pilot, on or before 31 December 2018, the Franchisee shall either (as agreed between the Franchisee and the Authority based on the findings of the pilot):-

- (i) Introduce combined ticket and retail facilities with the ability to sell tickets at an additional 3 stations; or
- (ii) Introduce a retail vending facility at an additional 16 stations; or
- (iii) a mix of (i) and (ii) (the quantity to be agreed between the Franchisee and the Authority)

Locations will be subject to future agreement following the pilot.

Current CO wording

On or before 31st December 2016 the Franchisee will introduce combined ticket and retail facilities with the ability to sell tickets at not less than 5 stations. The new facilities will have the capability to allow users to download ITSO smart products on to ITSO Certified Smartmedia.

On or before 31st December 2017, the Franchisee shall review the success of the facilities introduced pursuant to this Committed Obligation in order to determine whether to introduce

the combined facilities at a further 16 stations and will report its findings to the Authority. Subject to the Authority's approval, the Franchisee shall procure that the combined facilities are installed and operated at those further 16 stations.

For stations with footfall of 500,000 - 1 million per annum, the Franchisee shall introduce the Tickets Plus concept. This will enhance ticket offices with additional food and drink products. The Franchisee shall install the Ticket Plus concept at 21 stations which match the footfall profile stated above and feature staffed ticket operations throughout the day. These are detailed in the table below, together with projected implementation timescales. Following the successful implementation of Tickets Plus, the Franchisee will consider extending the concept to a further 80 Stations which match the stated footfall and ticket office opening hours profile.

[-plus table]

This investment will establish a more consistent and familiar retail offering across locations that encompass over 60% of all Passenger Journeys.

Agreed revised COPA wording

31st December 2016 for pilot.

- 31st December 2017 for reporting its findings to the Authority.
- 31 December 2018 for roll out (if pilot a success).

Current COPA wording

31st December 2016 for pilot.

31st December 2017 for roll out (if pilot a success)

17.3 - Not Spot Solutions

Agreed Revised CO wording

By 31st December 2017, the Franchisee shall introduce the following improvements to wifi availability and connectivity at stations:-

- (i) Installation of station wifi at the following additional locations:-
 - Bishopbriggs
 - Lenzie
 - Charing Cross
 - · Dingwall
 - · Mallaig
 - · Dunblane
 - · Stonehaven
 - . Gourock
- (ii) Enhancement of existing station wifi connectivity at Glasgow Central and Edinburgh Waverley. The range of the existing station wifi solutions will be extended to cover all platform areas to provide increased coverage and service and to facilitate connectivity with trains which are waiting at platforms.
- (iii) On-train wifi system connectivity to station wifi. The Franchisee shall procur that the on train-wifi systems fitted to all of its fleets are configured to utilise

station wifi at locations where it is available, providing increased bandwidth and a more reliable connection for trains at stations.

Current CO wording

No more than one year after 4G Connectivity becomes available across the network, and in any event no later than the 31st December 2016, the Franchisee will install a PICO Mast or similar equipment at up to 10 stations where there would otherwise be no 4G Connectivity.

Agreed revised COPA wording

By 31st December 2017. "Per mast" amended to "per station".

Current COPA wording

One year after 4G Connectivity becomes available across the network.

20.1 – Marketing Spend

Agreed Revised CO wording

The Franchisee shall allocate and spend at least £6 million every 3 Franchisee Years to be spent on marketing activities. In addition, before December 2016, the Franchisee shall spend £16,425 on promotional material to support an event to mark the first Class 385 train arriving in Scotland.

Current CO wording

The Franchisee shall allocate and spend at least £6m every 3 Franchisee Years to be spent on marketing activities.

Agreed revised COPA wording [No change.]

24.1 - IIP Gold

Agreed Revised CO wording

The Franchisee shall use reasonable endeavours to ensure that the Investors In People Gold accreditation is obtained for the ScotRail Alliance no later than 31st March 2019 and thereafter is maintained throughout the Franchise Term.

Current CO wording

The Franchisee shall use reasonable endeavours to ensure that the Investors In People Gold accreditation is obtained by no later than 31st March 2017 and thereafter is maintained throughout the Franchise Term.

<u>Agreed revised COPA wording</u> 31st March 2019

Current COPA wording 31st March 2017

Consequential amendment

Schedule 13.4, para 5 – "third anniversary" shall be amended to "fifth anniversary".

24.7 - Inspire Training Programme

Agreed Revised CO wording

By 30th September 2017, the Franchisee shall deliver interactive development workshops to 4,200 Franchise Employees. Such training shall be delivered by an external training partner and shall include bespoke training sessions for directors, line-managers and front-line Franchise Employees.

Every two Franchisee Years following the first round of training detailed above, the Franchisee shall deliver refresher workshops for at least all managers and team leaders.

On or before the 31st December 2017, the Franchisee shall use all reasonable endeavours to ensure the Inspire programme is accredited to SCFQ level 2 standard. Each Franchise Employee participating in such training once the programme is accredited will receive an SVQ in Customer Services.

Current CO wording

On or before the end of the second Franchisee Year, the Franchisee shall deliver 420 interactive development workshops to all Franchise Employees. Such training shall be delivered by an external training partner and shall include bespoke training sessions for directors, line-managers and front-line Franchise Employees.

Every two Franchisee Years following the first round of training detailed above, the Franchisee shall deliver refresher workshops for at least all managers and team leaders.

On or before the 31st December 2017, the Franchisee shall use all reasonable endeavours to ensure the Inspire programme is accredited to SCFQ level 2 standard. Each Franchise Employee participating in such training once the programme is accredited will receive an SVQ in Customer Services.

Agreed revised COPA wording

By 30th September 2017.

£500 lump sum per 10 staff who have not received training by 30th September 2017 and thereafter.

Current COPA wording

End of second Franchisee Year.

 ± 500 lump sum per workshop not delivered by the end of the second Franchisee Year and thereafter.

24.13 – Scottish Business In The Community Scheme

Agreed Revised CO wording From the Franchise Commencement Date, the Franchisee shall be a member of the Scottish Business in the Community Scheme and allow every Franchise Employee to be released for one day per annum to take part in a community project organised pursuant to the Scottish Business in the Community Scheme.

From the Franchise Commencement Date, the Franchisee shall place all six of its customer service apprentices with Scottish Business in the Community to volunteer as part of their 'Paired Reading' scheme which operates in local primary schools, during each Franchisee Year for a period of 6 months.

The Franchisee will work with Volunteer Scotland to achieve their Investing in Volunteers for Employees (IiVE) quality standard by the end of 2017.

Current CO wording

From the Franchise Commencement Date, the Franchisee shall be a member of the Scottish Business in the Community Scheme and allow every Franchise Employee to be released for one day per annum to take part in a community project organised pursuant to the Scottish Business in the Community Scheme.

The Franchisee shall nominate itself for the BiTC Big Tick Award during 2017.

The Franchisee shall also nominate itself for Volunteering Company of the Year Award during 2019.

From the Franchise Commencement Date, the Franchisee shall place two of its customer apprentices with Scottish Business in the Community during each Franchisee Year for a period of 3 months.

<u>Agreed revised COPA wording</u> From the Franchise Commencement Date Franchise Commencement Date 31st December 2017

£1,500/per Franchisee Year in which the Franchisee fails to release an employee who requests to be released to take part in a community project £4,000 per Franchisee Year during which the apprentices are not placed £1,000 for failure to nominate for Investing in Volunteers for Employees (IiVE) quality standard.

<u>Current COPA wording</u> From the Franchise Commencement Date 31st December 2019 Franchise Commencement Date

£1,500/per Franchisee Year in which the Franchisee fails to release an employee who requests to be released to take part in a community project

£1,000 for failure to nominate for BiTC Reward £1,000 for failure to nominate for Volunteering company of the Year Award

£4,000 per Franchisee Year during which the apprentices are not placed

24.14 – Schools Programme

Agreed Revised CO wording

From 1st March 2016, the Franchisee shall introduce a schools programme. The programme will comprise at least two Franchise Employees visiting 40 Scottish schools each year during the school term to promote the employment opportunities within the Franchisee.

Current CO wording

From 1st March 2016, the Franchisee shall introduce a schools programme. The programme will comprise at least two Franchise Employees visiting 4 Scottish schools each month during the school term to promote the employment opportunities within the Franchisee.

<u>Agreed revised COPA wording</u> From 1st March 2016

Current COPA wording 1st March 2016

24.16 – Training Facilities available to charities

Agreed Revised CO wording

From 1st October 2015 and throughout the remainder of the Franchise Term, the Franchisee shall, so far as is reasonably practicable, make its training facilities available for the benefit of local charities.

At least once every three Reporting Periods the Franchisee shall allow a charity to use the simulator free of charge for fundraising, all proceeds from the simulator will be retained by the charity.

Current CO wording

From 1st October 2015 and throughout the remainder of the Franchise Term, the Franchisee shall, so far as is reasonably practicable, make its training facilities available to local charities free of charge on request.

At least once every three Reporting Periods the Franchisee shall Publish, promote and hold a train simulator open day from which all proceeds will be paid to a local charity.

Agreed revised COPA wording [No change.]

<u>Current COPA wording</u> From 1st October 2015 Franchise Commencement Date

24.17 - Training for Scottish Veterans

Agreed Revised CO wording

From the 1st June 2016, the Franchisee shall offer free courses in interview skills and employer awareness sessions to at least 100 Scottish veterans, Service Leavers or unemployed Reservists who are registered with any organisation that support the Serving and ex-Serving communities in Scotland.

Current CO wording

From the 1st June 2016, the Franchisee shall offer free courses in CV writing and interview skills to at least 100 Scottish veterans who are registered with the Scottish Association for Mental Health or Poppy Scotland.

Agreed revised COPA wording [No change.]

Current COPA wording 1st June 2016

24.18 - Training for Scottish Prisoners

Agreed Revised CO wording

From 1st June 2016, the Franchisee shall:

- a) Make at least two visits per year to Scottish prisons to provide recruitment and selection workshops; and
- b) Make available at least 5 work placements for current offenders within their last year of sentence.

Current CO wording

From 1st June 2016, the Franchisee shall:

- c) Make at least two visits per year to Scottish prisons to provide recruitment and selection workshops; and
- d) Make available at least 5 work placements for newly released ex-offenders.

Agreed revised COPA wording [No change.]

25.4 – SME engagement

Agreed Revised CO wording

The Franchisee will review and improve its procurement processes in line with Scottish Government guidance to encourage SMEs and local SMEs to bid for its supply chain requirements, in particular in relation to the elements of its supply chain which are particularly suited to local SMEs such as the catering supplies for the scenic trains.

The Franchisee will advertise all appropriate contracts on the PCS portal.

The Franchisee will attend appropriate supplier and other industry forums, to allow discussion in relation to the barriers to, and opportunities arising from, SME involvement in the supply chain and how the Franchisee can assist SMEs. The Franchisee shall attend at least ten events in each Franchisee Year including events at each of four regional centres.

The Franchisee will work with the Scottish Council for Development and Industry, the Federation of Small Businesses and Chambers of Commerce to use two of these events as wider 'meet the buyer' roadshows.

These SME engagement methods set out above will be formalised in the Franchisee's Sustainable Procurement Strategy. The Franchisee will impose an obligation on its main contractors to adopt similar SME engagement methods when they procure sub-contract packages, and the Franchisee will impose community benefit provisions on its main contractors where this is appropriate and offers value for money.

Current CO wording

The Franchisee will review and improve its procurement processes in line with Scottish Government guidance to encourage SMEs and local SMEs to bid for its supply chain requirements, in particular in relation to the elements of its supply chain which are particularly suited to local SMEs such as the catering supplies for the scenic trains.

The Franchisee will advertise all appropriate contracts on the PCS portal.

The Franchisee will establish its own SME forum, to allow discussion in relation to the barriers to, and opportunities arising from, SME involvement in the supply chain and how the Franchisee can assist SMEs. There will at least two forum events in each Franchisee Year in each of four regional centres.

The Franchisee will work with the Scottish Council for Development and Industry, the Federation of Small Businesses and Chambers of Commerce to use two of these events as wider 'meet the buyer' roadshows. In addition the Franchisee will participate in the annual local PCS supplier events and the National Procurement Conference.

These SME engagement methods set out above will be formalised in the Franchisee's Sustainable Procurement Strategy. The Franchisee will impose an obligation on its main contractors to adopt similar SME engagement methods when they procure sub-contract packages, and the Franchisee will impose community benefit provisions on its main contractors where this is appropriate and offers value for money.

Agreed revised COPA wording

£1,600/ per missed roadshow

Current COPA wording £2,000/per missed roadshow

28.4 – Off-Peak Flex Carnet

Agreed Revised CO wording

On or before 30th April 2019, the Franchisee shall introduce via Account Based Ticketing, appropriate discounts for off-peak and flexible passengers to incentivise frequent travellers to travel on Off-Peak services where possible. Off-peak day return restrictions will be relaxed compared to the standard restrictions for individual tickets where capacity is available, e.g. Account Based Ticketing users will be able to benefit from Off-Peak fare discounts for early morning travel, where they start their journey before 06:30. This will help to spread demand away from the busy core morning peak period and will also further encourage migration to Smart from individual day tickets.

Current CO wording

On or before the 30th September 2016, the Franchisee shall introduce an Off Peak Flex

Carnet product which will enable customers to purchase an Off-peak Ticket Fare at a discounted rate which entitles the purchaser to make multiple Off-Peak day return journeys during the period for which, and between the Stations for which, such Fare is valid.

To make better use of capacity in the shoulder peak, the Franchisee will also introduce an Off-Peak version of the Flex Carnet, allowing customers to choose between Anytime and Off-Peak Fares based on their time of travel. Unlike Flexipass, this will encourage frequent travellers using the Flex Carnet product to travel on Off-Peak services where possible, and will encourage greater take-up of the Flex Carnet product. Off-Peak day return restrictions will be relaxed compared to the standard restrictions for individual tickets where capacity is available, e.g. Flex Carnet users will be able to use an Off-Peak ticket for early morning travel, where they start their journey ('touching in' with their Smart card) before 06:30. This will help to spread demand away from the busy core morning peak period and will also further encourage migration to this Smart product from individual day tickets.

Agreed partial COPA derogation

A partial COPA of £10,000 will be applied in Period 7 of 2017/18 in recognition of the delayed implementation of benefits for off-peak and flexible passengers under this CO. Transport Scotland will reserve the right to apply the remaining penalty (£20,000) if Account Based Ticketing (or an alternative smart product in the event the trial of ABT is not successful) does not deliver equivalent benefits for off-peak and flexible passengers to those provided for under CO 28.4 on or before 30th April 2019.

Current COPA wording

30th September 2016

28.10 – ScotRail Club 50 Smartcard

Agreed Revised CO wording

On or before the end of the first Franchisee Year, the Franchisee shall launch, promote and publicise a ScotRail Club 50 Smartcard. The Club 55 product will be retained until replaced by the Club 50 Smartcard. The Club 50 Smartcard will exceed the discounts offered on the Club 55 product by offering deeper discounts on longer distance routes in the low season.

The Franchisee shall invest at least £128,000 in the first Franchisee Year for this product. []³Franchise Employees will be briefed three times on this change, two months, two weeks and two days prior to withdrawal.

In association with Saga or an [equivalent]⁴organisation, the ScotRail Club 50 will offer year-round member benefits. The club will engage this growing segment and be designed specifically to increase Off-Peak journeys where capacity is available, by offering members

³ Removed by the Amendment Agreement relating to the ScotRail Franchise Agreement between the Scottish Ministers and Abellio ScotRail Limited dated 30 October and 5 November 2015

⁴ Substituted by the Amendment Agreement relating to the ScotRail Franchise Agreement between the Scottish Ministers and Abellio ScotRail Limited dated 30 October and 5 November 2015

who have purchased a railcard a 10% discount on Off-Peak, Super Off-Peak and Advance Ticket fares, or a 20% discount for online sales. Annual membership will be free for the first year and thereafter cost £15, with railcard reductions available through strategic partnerships with organisations such as the National Trust for Scotland, Historic Scotland and the Ramblers Association. The Franchisee will apply promotions and other marketing activity effectively, to stimulate use of available capacity throughout the year, using Club 50 data and Saga [or an equivalent organisation]⁵'s data and expertise.

Current CO wording

On or before the end of the first Franchisee Year, the Franchisee shall launch, promote and publicise a ScotRail Club 50 Smartcard. The Club 55 product will be retained until replaced by the Club 50 Smartcard. The Club 50 Smartcard will exceed the discounts offered on the Club 55 product by offering deeper discounts on longer distance routes in the low season.

The Franchisee shall invest at least £128,000 in the first Franchisee Year for this product. []⁶Franchise Employees will be briefed three times on this change, two months, two weeks and two days prior to withdrawal.

In association with Saga or an [equivalent]⁷organisation, the ScotRail Club50 will offer year-round member benefits. The club will engage this growing segment and be designed specifically to increase Off-Peak journeys where capacity is available, by offering members who have purchased a railcard a 10% discount on Off-Peak, Super Off-Peak and Advance Ticket fares, or a 20% discount for online sales. Annual membership will cost £15, with railcard reductions available through strategic partnerships with organisations such as the National Trust for Scotland, Historic Scotland and the Ramblers Association. Payment by direct debit will reduce annual membership to £10. The Franchisee will apply promotions and other marketing activity effectively, to stimulate use of available capacity throughout the year, using Club50 data and Saga [or an equivalent organisation]⁸'s data and expertise.

Agreed revised COPA wording [No change]

29.3 – Web – TIS Development

Agreed Revised CO wording

The Franchisee shall continue to develop the new ScotRail web ticketing solution introduced in accordance with Committed Obligation reference 22.3 above in accordance with the implementation strategy set out in the table below:-

⁸ Added by the Amendment Agreement relating to the ScotRail Franchise Agreement between the Scottish Ministers and Abellio ScotRail Limited dated 30 October and 5 November 2015

⁵ Added by the Amendment Agreement relating to the ScotRail Franchise Agreement between the Scottish Ministers and Abellio ScotRail Limited dated 30 October and 5 November 2015

⁶ Removed by the Amendment Agreement relating to the ScotRail Franchise Agreement between the Scottish Ministers and Abellio ScotRail Limited dated 30 October and 5 November 2015

⁷ Substituted by the Amendment Agreement relating to the ScotRail Franchise Agreement between the Scottish Ministers and Abellio ScotRail Limited dated 30 October and 5 November 2015

[table here - no change]

The Franchisee shall also ensure the system allows users to purchase the Initial ITSO Fares for fulfilment on ITSO Certified Smartmedia by 1st April 2017 and all other Fares for fulfilment on ITSO Certified Smartmedia by 1st April 2019.

The Franchisee shall also ensure that any time, off peak and super off peak smart products are available for purchase on TVMs (without the requirement for online purchase) from 28th February 2017.

Current CO wording

The Franchisee shall continue to develop the new ScotRail web ticketing solution introduced in accordance with Committed Obligation reference 22.3 above in accordance with the implementation strategy set out in the table below:-

[table here]

The Franchisee shall also ensure the system allows users to purchase the Initial ITSO Fares for fulfilment on ITSO Certified Smartmedia by 1st April 2017 and all other Fares for fulfilment on ITSO Certified Smartmedia by 1st April 2019.

Agreed revised COPA wording

1st April 2017 (for Initial ITSO Fares)

1st April 2019 (for all other Fares)

28th February 2017 (any time, off peak and super off peak smart products are available for purchase on TVMs)

£1,000/per Reporting Period/ per Smartcard product not enabled in accordance with the Implementation Strategy and/or the other timescales set out in the Committed Obligation.

Current COPA wording

1st April 2017 (for Initial ITSO Fares)

1st April 2019 (for all other Fares)

£1,000/per Reporting Period/ per Smartcard product not enabled in accordance with the Implementation Strategy and/or the other timescales set out in the Committed Obligation.

29.4 - New Handheld Ticket Machines for on-train [Mobile TIS]

Agreed Revised CO wording [No change]

Current CO wording

On or before the end of the first Franchisee Year, the Franchisee shall fully replace the ticket validation machines currently used on Outgoing Franchisee's railway passenger services Trains with new machines capable of validating and retailing ITSO tickets and retailing conventional magnetic stripe tickets. The new machines will be ITSO 2.1.4 compliant.

Agreed revised COPA wording

Following the COPA of £616,000 applied, all further COPAs are suspended until 30th September 2016. Thereafter, provided the roll out is otherwise complete by that date, further COPAs in respect of non-availability of ITSO retail functionality may only be applied on a reduced basis, as follows: A COPA of £10,000 per Period shall apply against any failure to commence a pilot of ITSO Retail functionality by 18th December 2016 or the roll-out into live service of ITSO Retail functionality by 18th March 2017, providing for the avoidance of doubt that the foregoing provisions are non-cumulative and the maximum total applicable COPA in any Period shall be £10,000.

Current COPA wording

End of first Franchisee Year

£1,000/per Reporting Period/ per ticket validation machine not replaced.

29.8 – ITSO at Home Service

Agreed Revised CO wording updated

On or before 30th September 2016, the Franchisee shall launch a pilot of the ITSO at Home Service. The pilot will be available to 50 holders of the ScotRail 'Club 50' Smartcard and other Smartcard product holders.

The pilot will run for three months with holders being equipped with RTD home readers free of charge. At the end of the pilot, feedback will be captured by questionnaires and user panels. Technical data will be captured by Ecebs or an alternative organisation. Pilot results will be provided to the Authority and reviewed by 31st March 2017. If the pilot has been successful, a future operating model will be developed for approval by the Franchisee's board by 30th April 2017.

Subject to the success of the pilot programme, the Franchisee shall make the ITSO at Home Service available to all ScotRail passengers who register to use this service, and will promote this option with due prominence alongside promotion of other retailing channels by no later than the 30th June 2017.

Agreed Revised CO wording as of May 2016

On or before 30th September 2016, the Franchisee shall launch a pilot of the ITSO at Home Service. The pilot will be available to 50 holders of the ScotRail 'Club 50' Smartcard and other Smartcard product holders.

The pilot will run for three months with holders being equipped with RTD home readers free of charge. At the end of the pilot, feedback will be captured by questionnaires and user panels. Technical data will be captured by Ecebs or an alternative organisation. Pilot results will be provided to the Authority and reviewed by 31st December 2016. If the pilot has been successful, a future operating model will be developed for approval by the Franchisee's board by 31st January 2017.

Subject to the success of the pilot programme, the Franchisee shall make the ITSO at Home Service available to all ScotRail passengers who register to use this service, and will promote this option with due prominence alongside promotion of other retailing channels by no later than the end of March 2017.

Current CO wording

On or before 31st May 2017, the Franchisee shall launch a pilot of the ITSO at Home Service. The pilot will be available to 50 holders of the ScotRail 'Club 50' Smartcard and

other Smartcard product holders.

The pilot will run for three months with holders being equipped with RTD home readers free of charge. At the end of the pilot, feedback will be captured by questionnaires and user panels. Technical data will be captured by Ecebs or an alternative organisation. Pilot results will be provided to the Authority and reviewed by 31st August 2017. If the pilot has been successful, a future operating model will be developed for approval by the Franchisee's board by 31st January 2018.

Subject to the success of the pilot programme, the Franchisee shall make the ITSO at Home Service available to other ScotRail passengers.

Agreed revised COPA wording updated 30th September 2016

£1000/per Reporting Period if the pilot is not launched by 30 September 2016 and/or completed 6 months after launch (including preparation and production of reports and feedback)

And £1000/per Reporting Period if the ITSO at home scheme is not (subject to success of the pilot) promoted with due prominence and available to all registering ScotRail passengers by 30th June 2017.

Agreed revised COPA wording as of May 2016 30th September 2016

£1000/per Reporting Period if the pilot is not launched by 30 September 2016 and/or completed 3 months after launch (including preparation and production of reports and feedback)

And £1000/per Reporting Period if the ITSO at home scheme is not promoted with due prominence and available to all registering ScotRail passengers by 31 March 2017.

Current COPA wording

31st August 2017

£1000/per Reporting Period if the pilot is not launched by 31 August 2017 and/or completed 3 months after launch (including preparation and production of reports and feedback)

CO 29.9 - Near Field Communication (NFC) phone pilot schemes

Agreed Revised CO wording

Preparation for pilot:

From 1st June 2016 the Franchisee will begin preparations for the NFC pilot. The required software will be developed and integrated with the Franchisee's Nevis HOPS.

Employee Pilot:

On or before 30th September 2016, the Franchisee shall launch a 3 month NFC phone pilot to Franchise Employees.

Customer Pilot:

On or before 30th September 2016, the Franchise shall launch a 6 month NFC phone pilot. The scheme will allow 50 customers to download a ticket to a Smartcard from an NFC enabled mobile device issued by the Franchisee free of charge. The pilot will be limited to point to point journeys.

Full Deployment

Subject to the success of the pilot programme as demonstrated by the results of the pilot presented to the Franchisee's board and made available to the Authority, the Franchisee shall make the NFC service available to all ScotRail Franchise passengers by no later than 1st September 2017.

Current CO wording

Preparation for pilot:

From 1st June 2016 the Franchisee will begin preparations for the NFC pilot. The required software will be developed and integrated with the Franchisee's Nevis HOPS.

Employee Pilot:

On or before [1st January 2017]⁹, the Franchisee shall launch a 3 month NFC phone pilot to Franchise Employees.

Customer Pilot:

On or before 31^{st} January [2017]¹⁰, the Franchise shall launch a 6 month NFC phone pilot. The scheme will allow 50 customers to download a ticket to a Smartcard from an NFC enabled mobile device issued by the Franchisee free of charge. The pilot will be limited to point to point journeys.

Subject to the success of the pilot programme as demonstrated by the results of the pilot presented to the Franchisee's board and made available to the Authority [no later than 31st December 2017]¹¹, the Franchisee shall make the NFC service available to all ScotRail Franchise passengers by no later than [1 January 2018]¹².

Agreed revised COPA wording 1st June 2016

⁹ Substituted by the Amendment Agreement relating to the ScotRail Franchise Agreement between the Scottish Ministers and Abellio ScotRail Limited dated 30 October and 5 November 2015

¹⁰ Substituted by the Amendment Agreement relating to the ScotRail Franchise Agreement between the Scottish Ministers and Abellio ScotRail Limited dated 30 October and 5 November 2015

¹¹ Added by the Amendment Agreement relating to the ScotRail Franchise Agreement between the Scottish Ministers and Abellio ScotRail Limited dated 30 October and 5 November 2015

¹² Substituted by the Amendment Agreement relating to the ScotRail Franchise Agreement between the Scottish Ministers and Abellio ScotRail Limited dated 30 October and 5 November 2015

30th September 2016 30th September 2016 1st September 2017

<u>Current COPA wording</u> 1st June 2016 [1st January 2017]¹³ 30th January [2017]¹⁴ [1st January 2018]¹⁵

CO 29.14 – Flex Carnet

Agreed Revised CO wording 29.14 Flexipass

The Franchisee shall convert its existing 10 journey Flexipass product onto Smart and roll it out to additional flows and channels in accordance with the following timescales:-

Phase 1: On or before 31st January 2017 the Franchises shall convert its existing 10 journey flexipass product (existing flows) on to Smart and shall make it available on all additional season ticket flows with a destination or origin at a gated station.

Phase 2: On or before 31st August 2017 the Franchisee shall make the Smart Flexipass product available for retail via TVMs.

Phase 3: The Franchisee shall make the Smart Flexipass product available on all remaining season ticket flows once mobile TIS has ability to 'Check in' (and therefore decrement a journey). The Franchisee shall use best endeavours to make this available on or before 29th September 17.

Current CO wording

On or before 30th September 2016, the Franchisee shall introduce a Peak Flex Carnet product which will enable customers to purchase a Fare at a discounted rate which entitles the purchaser to make multiple day return journeys during the period for which, and between the Stations for which, such Fare is valid.

The Flex Carnet product will address customer demand for a more flexible product that balances commitment of frequent travel but over greater periods. This product will allow customers travelling between two points to choose how many return journeys they need (10-240) and the period over which they will use them (1 week – 12 months).

¹³ Substituted by the Amendment Agreement relating to the ScotRail Franchise Agreement between the Scottish Ministers and Abellio ScotRail Limited dated 30 October and 5 November 2015

¹⁴ Substituted by the Amendment Agreement relating to the ScotRail Franchise Agreement between the Scottish Ministers and Abellio ScotRail Limited dated 30 October and 5 November 2015

¹⁵ Added by the Amendment Agreement relating to the ScotRail Franchise Agreement between the Scottish Ministers and Abellio ScotRail Limited dated 30 October and 5 November 2015

Varying discounts will be applied according to duration and volume, with the price per journey being based on 10% of the weekly season fare for very frequent travel, increasing to half of the Anytime day return Fare for infrequent travel. The Smartcard Flex Carnet product will be available for day tickets on all flows where seasons are currently available, and also (subject to agreement with other operators) on zonal day tickets. Customers will specify their Flex Carnet requirements using the Franchisee's WebTIS application.

The primary retailing channel for Flex Carnets will be online with the option of pickup via RTD at multiple locations (including NFC) or gatelines. An online 'auto top-up' option will be provided, enabling a renewal carnet to be loaded immediately after the last journey and will be automatically charged to the Flex Carnet holder via a direct debit arrangement. The value and flexibility of carnets will be promoted through local advertising, customer relationship management and the Website. Regular customers using day tickets will also be targeted at stations.

Agreed revised COPA wording 31st January 2017 [for Phase 1] 31st August 2017 [for Phase 2] 29th September 17 [for Phase 3] £400/per Reporting Period

<u>Current COPA wording</u> 30th September 2016 £400/per Reporting Period

29.17 – Account based Ticketing

Agreed Revised CO wording

On or before 1st April 2017, the Franchisee shall conduct a 6 month pilot of an accountbased ticketing initiative. This pilot will allow customers within the scope of the pilot (as further defined below) to receive a Smartcard which they can use to access the ScotRail network and pay for travel.

The scope of the pilot shall include the following:

- Functionality for both pre and post payment, with daily & weekly caps on pre-payment and post-payment.
- "Daily and Weekly Best value": provided every entry and exit is logged, the cheapest combination of daily singles, returns (peak, off-peak, super off-peak) for the journey pattern observed will be calculated and deducted from the balance at the end of the day and week.
- The pilot will be operated on the Cathcart loop, plus Neilston and Newton, via King's Park, i.e. into Glasgow Queen Street High Level
- The pilot shall initially be offered to a restricted customer base (at least 1,000 customers) and extended progressively to all customers on the above routes by 1st July 2017

During the pilot, the Franchisee shall carry out continuous feedback and evaluation with a view to developing a suitable operating model for the subsequent roll out of the scheme and it is acknowledged that the Franchisee may make reasonable adjustments to the scope of the pilot where it can reasonably demonstrate those are necessary to develop a

commercially viable operating model.

Subject to the pilot not being reasonably considered to have failed, including development of the operating model, the Franchisee shall commence a phased roll out of the scheme to all eligible Passengers from November 2017, to be completed by April 2018.

Current CO wording

On or before the end of the third Franchisee Year, the Franchisee shall conduct a pilot of an account-based ticketing initiative. This pilot will allow Franchise Employees to receive a Smartcard which they can use to access the ScotRail network and then pay post-travel. Subject to the success of the pilot, the Franchisee shall expand the scheme to all eligible Passengers.

Agreed revised COPA wording 1st April 2017 for commencement of 6 month pilot 30 April 2018

Current COPA wording End of third Franchisee Year

29.19 – Rail and Sail Pilot [New CO]

Additional new CO commitment.

Agreed Revised CO wording

On or before 31st January 2017, the Franchisee shall launch a six month pilot of a "Rail & Sail" combined Anytime Off Peak return (adult & child) product for point to point travel on ScotRail and Calmac services between Glasgow Central to Rothesay. The product shall be retailed on-line only for collection at Glasgow Central, with validation being carried out at Glasgow Central by ScotRail and at Wemyss Bay and Rothesay ferry port by Calmac.

29.20 – Smartcard Branding [New CO]

Additional new CO commitment.

Agreed Revised CO wording

On or before 30th September 2016, the Franchisee shall issue the first re-branded smartcards, and as soon as is reasonably practicable thereafter but no later than 31st December 2016, the Franchisee shall change the branding of all smartcards issued to ScotRail passengers to featuring one full side of the card printed with the *saltire*card branding and prominent ScotRail branding in accordance with the design set out below.

Agreed revised COPA wording

30th September 2016 31st December 2016



30.4 – Better Wayfinding Signage

Agreed Revised CO wording

Subject only to the consent of Network Rail and other relevant property owners, on or before the end of October 2016, the Franchisee shall spend at least £100,000 in installing improved wayfinding signage at the following Stations.

Ayr	Haymarket
Paisley Gilmour Street	Aberdeen
Stirling	Oban
Perth	Inverness
Partick	Motherwell

Current CO wording

Subject only to the consent of Network Rail and other relevant property owners, on or before the end of October 2016, the Franchisee shall spend at least £100,000 in installing improved wayfinding signage at the following Stations.

Glasgow Queen Street	Haymarket
Paisley Gilmour Street	Aberdeen
Stirling	Dundee
Perth	Inverness
Partick	Motherwell

Agreed revised COPA wording [No change]

Current COPA wording 31st October 2016

Schedule 6.1, Part 2, Para 9.2 - Seating

<u>Agreed Revised wording</u> Include additional clause as follows:

9.2.9 Priority seat covers shall be fitted as per the design* agreed by the franchisee in Standard Class Accommodation only. The franchisee shall ensure 888 covers, per double seat, are fitted across the fleet.

* design contained within the Hitachi Variation Response VP008

Appendix 2 to Schedule 6.1, Part 2, Para 9.8.3 [Class 380s CCTV Upgrade]

Agreed revised wording

The Franchisee shall ensure as a minimum that the system has a capacity to record for 14 days before overwriting. To ensure this is the case for the Class 380 Rolling Stock the Franchisee will upgrade the hard drives to 1Tb.

Current wording

The Franchisee shall ensure as a minimum that the system has a capacity to record for 14 days before overwriting.

Appendix 2 to Schedule 6.4 [Class 380s CCTV Upgrade]

Agreed revised wording

- The Rolling Stock class 156, 158, 170, 318, 320 and 334 shall be equipped with CCTV coverage of the passenger saloons and shall have on-board recording facilities at a minimum of 25 fps of all passenger areas (except toilets). System to include forward facing camera mounted in each driving cab.
- The Rolling Stock class 380 shall be equipped with CCTV coverage of the passenger saloons and shall have on-board recording facilities at a minimum of 18 fps for DMOS (front and rear coaches), 16 fps for PTOSL (middle coach), 24 fps for TOSL (extra middle coach in the 4 car units). The Forward Facing CCTV will remain at 12 fps. The coverage would remain as it is with all the existing cameras still in use with no degradation in image quality.

Current wording

[Extracted from table.]

• The Rolling Stock shall be equipped with CCTV coverage of the passenger saloons and shall have on-board recording facilities at a minimum of 2 fps normal and 25 fps for 2 mins before and 5 mins after a trigger event of all passenger areas (except toilets). System to include forward facing camera mounted in each driving cab.