

NETWORK LICENCE CONDITION 12 - CONSENT OF THE RAIL REGULATOR

1. Under Condition 12 of the network licence, the Regulator hereby consents:
 - (a) for the purpose of paragraph 1 of Condition 12, to the licence holder conducting any business and carrying on any activity of a type set out in paragraph 2 of this consent;
 - (b) for the purpose of paragraph 2 of Condition 12, to the licence holder acquiring or retaining shares in any relevant body corporate which is a subsidiary of the licence holder, such shares having been acquired or retained for the purpose of any business or activity of a type set out in paragraph 2 of this consent;
 - (c) for the purpose of paragraph 2 of Condition 12, to the licence holder acquiring or retaining shares in a relevant body corporate which conducts business only for the purpose of any business or activity of a type set out in paragraph 2 of this consent; and
 - (d) for the purpose of paragraph 7 of Condition 12, to the licence holder (i) creating or continuing or permitting to remain in effect any mortgage, charge, pledge, lien or other form of security or encumbrance whatsoever, (ii) undertaking any indebtedness to any other person or (iii) guaranteeing any liability or obligation of another person; provided that in each case, it will be on an arm's length basis, on normal commercial terms, in accordance with Condition 26 (where relevant) and for the purpose of any business or activity of a type set out in paragraph 2 of this consent.
2. The types of business or activity referred to in paragraphs 1 and 3 of this consent are:
 - (a) acting as the operator of any station within the meaning of section 6(1) of the Railways Act;
 - (b) permitting another person to use any land or other property comprised in a station primarily for the provision or operation of a station;
 - (c) the maintenance, renewal and replacement of any station of which the licence holder or a relevant body corporate is the operator as referred to in paragraph (a) above or which the licence holder or a relevant body corporate has permitted another person to use as referred to in paragraph (b) above;
 - (d) the improvement, enhancement and development of a station in so far as such improvement, enhancement or development is for the purpose of its use as a railway passenger station or railway passenger terminal (including any approaches, forecourt, cycle store or car park);

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Doc # 129853.01

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- (e) the provision of and the operation of any light maintenance depot, including (i) the maintenance, renewal, replacement, improvement, enhancement and development of a light maintenance depot primarily for the purpose of its use for the provision of light maintenance services and (ii) permitting another person to use a light maintenance depot primarily for the provision of light maintenance services; and
- (f) permitting another person to use any land or other property for the operation of a network.

3. This consent is conditional on the licence holder conducting itself, for the purposes of paragraphs 8 and 20 of Condition 12, as if the definition of Permitted Non-Network Business included any business or activity of a type set out in paragraph 2 of this consent.

4. The Regulator may, after consulting the Authority and the licence holder, modify or revoke this consent and, if he revokes it, may issue a new consent:

- (a) if it appears to him requisite or expedient having regard to the duties imposed on him by section 4 of the Railways Act and:
 - (i) he considers that, by reason of any change of circumstances, this consent is no longer appropriate and needs to be varied or revoked or superseded by a new consent; or
 - (ii) two years have elapsed since this consent was last modified or superseded by a new consent, otherwise than pursuant to (i) above; or
- (b) if the licence holder consents to such modification or revocation.

5. In this consent:

“the Railways Act” means the Railways Act 1993 (as amended);

“licence holder” means the holder of the network licence;

“network licence” means the licence granted to Railtrack PLC by the Secretary of State for Transport on 31 March 1994, as amended from time to time;

“relevant body corporate” means a body corporate in which the licence holder holds shares, other than Network Rail (CTRL) Limited or any other company which is a successor in title to Network Rail (CTRL) Limited or to which all or part of the activities of Network Rail (CTRL) Limited have been transferred.

6. Terms and expressions defined in the Railways Act shall, unless the contrary intention appears, have the same meanings in this consent.

Granted this 18th day of November 2002

TIM MARTIN, Chief Economist, Office of the Rail Regulator
For and on behalf of The Rail Regulator