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**CONNECTION CONTRACT**

**[Dated]**

**Between**

**NETWORK RAIL INFRASTRUCTURE LIMITED**

**and**

**GOVIA THAMESLINK RAILWAY LIMITED**

**and**

**SIEMENS PLC**

**At**

**HORNSEY DEPOT**

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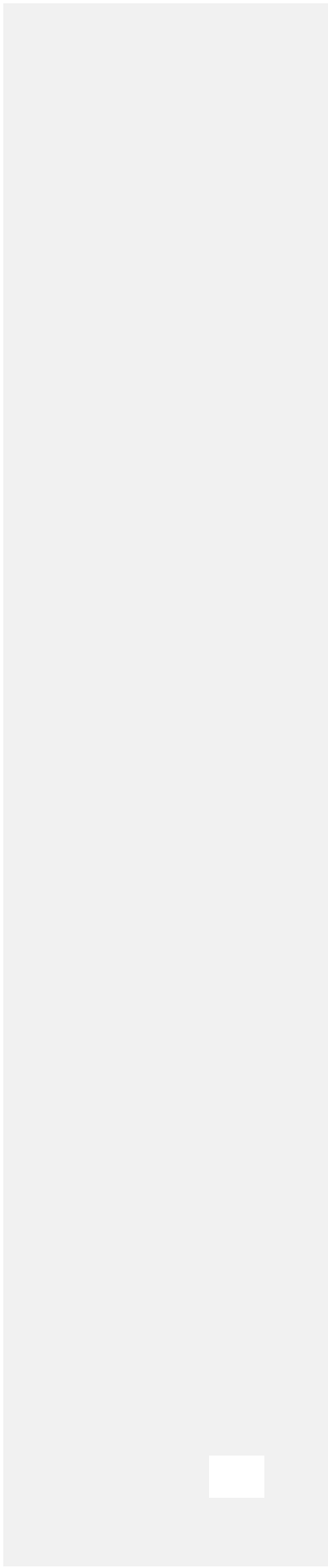
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THIS CONNECTION CONTRACT is made the 2016

BETWEEN:

- (1) **Network Rail Infrastructure Limited**, a company registered in England under number 2904587 having its registered office at 1 Eversholt Street, London, NW1 2DN (“Network Rail”); and
- (2) **Govia Thameslink Railway Limited** a company registered in England under number 07934306 having its registered office at 3<sup>rd</sup> Floor, 41-51 Grey Street, Newcastle Upon Tyne, NE1 6EE (the “Adjacent Facility Owner”); and
- (3) **Siemens plc (Siemens)** a company registered in England under number 00727817 having its registered office at Faraday House, Sir William Siemens Square, Frimley, Camberley, Surrey, GU16 8QD; (the “Head Adjacent Facility Owner”)

WHEREAS:

- (A) Network Rail is the owner of the NR Network, pursuant to the Headlease, Siemens is or will be headlessee of the Premises (including the Adjacent Facility), and pursuant to the Underlease, the Adjacent Facility Owner is or will be the ~~undertenant~~ Undertenant and controller of the Premises (including the Adjacent Facility), relevant parts of which are shown on the Plan annexed to this contract;
- (B) this contract relates to an existing physical Connection of the Adjacent Facility to the NR Network and the operational interface between the Adjacent Facility Owner and Network Rail; and
- (C) The Office of Rail and Road Regulation has issued directions permitting Network Rail to grant to the Adjacent Facility Owner permission to connect to the Connecting Network on the terms and conditions of this contract.

IT IS AGREED AS FOLLOWS:

## 1 DEFINITIONS AND INTERPRETATIONS

### 1.1 Definitions

In this contract unless the context otherwise requires:

“**Access charges review**” has the meaning ascribed to it in paragraph 1 of Schedule 4A of the Act;

“**Access contract**” has the meaning ascribed to it in section 17(6) of the Act;

“**Access Dispute Resolution Rules**” and “**ADRR**” means the rules regulating the resolution of disputes between parties to access agreements entitled “The Access Dispute Resolution Rules” and annexed to the Network Code, as amended from time to time;

“**Act**” means the Railways Act 1993;

“**Adjacent Facility**” means network situated on the Premises of which the Adjacent Facility Owner is the facility owner, the railway lines of which are shown coloured purple on the Plan;

“**Adjusted Amount**” means the increase or decrease to the Amount payable by the Adjacent Facility Owner to Network Rail determined in accordance with Clause 16.4;

“**Adjustment**” means an increase or decrease to the Amount payable by the Adjacent Facility Owner to Network Rail;

“**Adjustment Factor Formula**” means the formula for calculating the variations to the Amount set out in Schedule 3;

“**Affected Party**” means, in relation to a Force Majeure Event, the party claiming relief under Clause 17 by virtue of that Force Majeure Event, and “Non-affected Party” shall be construed accordingly;

“**Affiliate**” means, in relation to any company:

- (a) a company which is either a holding company or a subsidiary of such company; or
- (b) a company which is a subsidiary of a holding company of which such company is also a subsidiary,

and for these purposes “holding company” and “subsidiary” have the meanings ascribed to them in section 1159 of the Companies Act 2006;

“**Allocation Chair**” has the meaning ascribed to it in the ADRR;

“**Amount**” means the sum specified in Clause 15.1.1;

“**Backstop Date**” has the meaning ascribed to it in Clause 16.2;

“**Commencement Date**” means the date of signature of this contract;

“**Connecting Network**” means that part of the NR Network (the railway lines of which are shown coloured orange on the Plan), which is used solely for the support, guidance and operation of rolling stock to and from the Adjacent Facility including those items identified in Schedule 1 to this contract and, where applicable, any part of the NR Network located on the Premises;

“**Connection**” means each of the connections between the Adjacent Facility and the main line shown on the Plan;

“**Connection Point**” means the point(s) at which the railway lines of the NR Network and the Adjacent Facility connect as shown marked “C.P.” on the Plan;

“**Contract**” means this document including all Schedules and annexes to it;

“**Contract Year**” means each yearly period commencing on the Commencement Date and subsequently on each anniversary of such date

“**Criteria**” means the criteria set out in Clause 16.3;

“**DAFL**” means the Depot Agreement for Asset Protection, Works and Grant of Leases dated 27 June 2013 and made between (1) Network Rail (2) Siemens (as Depot Special Purpose Company) (3) the Adjacent Facility Owner (4) Siemens (as Train Manager and Maintainer) and (5) The Secretary of State for Transport under which (inter alia) Network Rail agrees to grant the Headlease to Siemens and Siemens agrees to grant the Underlease to the Adjacent Facility Owner;

“**Default Interest Rate**” is two percent above the base lending rate of Barclays Bank PLC, as varied from time to time;

“**Depot Access Conditions**” means the Depot Access Conditions referred to in the Headlease;

“**Emergency**” means:

- |
- (a) an event or circumstance affecting the Connection Point or the Connecting Network giving rise to an immediate apprehension of damage to property, injury to persons or,
  - (b) an event or circumstance which materially prevents or materially disrupts the operation of trains on the NR Network, the alleviation of which would entail the use or non-use of the Connection Point or the Connecting Network;

**“Facility owner”** has the meaning ascribed to it in section 17(6) of the Act;

**“Force Majeure Event”** means any of the following events (and any circumstance arising as a direct consequence of any of the following events):

- (a) an act of the public enemy or terrorists or war (declared or undeclared), threat of war, revolution, riot, insurrection, civil commotion, demonstration or sabotage;
- (b) acts of vandalism or accidental damage or destruction of machinery, equipment, track or other infrastructure;
- (c) natural disasters or phenomena, including extreme weather or environmental conditions (such as lightning, earthquake, hurricane, storm, fire, flood, drought or accumulation of snow or ice);
- (d) nuclear, chemical or biological contamination;
- (e) pressure waves caused by devices travelling at supersonic speeds;
- (f) discovery of fossils, antiquities or unexploded bombs; and
- (g) strike or other industrial action which is a single circumstance and which also is a strike or industrial action in sectors of the economy other than the railway industry or, where the Adjacent Facility Owner is not an industry party, that sector of the economy in which the Adjacent Facility Owner operates;

**“Force Majeure Notice”** means a notice to be given by the Affected Party to the other party stating that a Force Majeure Event has occurred;

**“Force Majeure Report”** means a report to be given by the Affected Party to the other party following the giving of a Force Majeure Notice;

**“Forum”** has the meaning ascribed to it in the ADRR;

**“Head Adjacent Facility Owner”** means the lessee of the Premises from time to time pursuant to the Headlease (being Siemens as at the date hereof);

**“Headlease”** means the lease of the Premises to be entered into pursuant to the DAFL between Network Rail (1) and Siemens (2);

**“Innocent Party”** means, in relation to a breach of an obligation under this contract, the party who is not in breach of that obligation;

**“Insolvency Event”** means in relation to either of the parties where:

- (a) any step which has a reasonable prospect of success is taken by any person with a view to its administration under Part II of the Insolvency Act 1986;
- (b) it stops or suspends or threatens to stop or suspend payment of all or material part of its debts, or is unable to pay its debts, or is deemed unable to pay its debts under section 123(1) or (2) of the Insolvency Act 1986 except that in the interpretation of this paragraph:



- (i) section 123(1)(a) of the Insolvency Act 1986 shall have effect as if for “£750” there was substituted “£50,000” or such higher figure as the parties may agree in writing from time to time; and
- (ii) it shall not be deemed to be unable to pay its debts for the purposes of this paragraph if any such demand as is mentioned in section 123(1)(a) of the Insolvency Act 1986 is satisfied before the expiration of 21 days from such demand;
- (c) its directors make any proposal under section 1 of the Insolvency Act 1986, or it makes any agreement for the deferral, rescheduling or other readjustment (or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors) of all or a material part of its debts, or a moratorium is agreed or declared in respect of or affecting all or a material part of its debts;
- (d) any step is taken to enforce security over or a distress, execution or other similar process is levied or served out against the whole or a substantial part of its assets or undertaking, including the appointment of a receiver, administrative receiver, manager or similar person to enforce that security;
- (e) any step is taken by any person with a view to its winding up or any person presents a winding-up petition which is not dismissed within 14 days, or it ceases or threatens to cease to carry on all or a material part of its business, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the other party before that step is taken (which approval shall not be unreasonably withheld or delayed); or
- (f) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events listed above

unless:

- (i) in any case, a railway administration order (or application for such order) has been made or such order (or application) is made within 14 days after the concurrence of such step, event, proposal or action (as the case may be) in relation to the party in question under sections 60, 61 or 62 of the Act and for so long as any such order (or application) remains in force or pending; or
- (ii) in the cases of paragraphs (a), (d) and (e), the relevant petition, proceeding or other step is being actively contested in good faith by that party with timely recourse to all appropriate measures and procedures;

“**Liability Cap**” has the meaning ascribed to it in paragraph 1 of Schedule 5;

“**Network**” has the meaning ascribed to it under section 83(1) of the Act;

“**Network Code**” means the document now known as the Network Code and formerly known as the Railtrack Track Access Conditions 1995;

“**Notice of Consent**” means a notice given by the Office of Rail and Road Regulation to the Parties under Clause 16.4.6;

“**Notice of Determined Adjusted Amount**” means a notice given by the Office of Rail and Road Regulation to the Parties under Clause 16.4.8(b);

“**NR Network**” means the network of which Network Rail is the owner and which is situated in England, Wales and Scotland;

“**Office of Rail and Road Regulation**” has the meaning ascribed to it under section 15 of the Railways and Transport Safety Act 2003, and “**ORR**” shall be construed accordingly;

“**Operational Control**” means the safe management and direction of rolling stock;

“**Output Specification**” means the output specification set out in Part 2 of Schedule 1;

“**Party**” means Network Rail or the Adjacent Facility Owner and “**Parties**” shall be construed accordingly;

“**Performance Order**” has the meaning ascribed to it in Clause 12.3.2;

“**Plan**” means the plans numbered N401-NRT-DRG-PP-000075-000-P001, N401-NRT-DRG-PP-000076-000-P001, N401-NRT-DRG-PP-000077-000-P001 and, N401-NRT-DRG-PP-000078-000-P001 annexed to this contract and any replacement thereof as agreed or determined under Clause 6; for the avoidance of doubt plan number N401-NRT-DRG-PP-000075-000-P001 shows the entire Adjacent Facility and each and every Connection Point, plan numbers N401-NRT-DRG-PP-000076-000-P001, N401-NRT-DRG-PP-000077-000-P001 and, N401-NRT-DRG-PP-000078-000-P001 show the same Adjacent Facility and Connection Points at a smaller scale with a higher level of detail.

“**Premises**” means the land shown edged red on the Plan which is in the ownership or control of the Adjacent Facility Owner but excluding the Connecting Network;

“**Procedure Agreement**” has the meaning ascribed to it in the ADRR;

“**Railway Group Standards**” means all Railway Group Standards authorised by the Railway Group Standards Code prepared by the Rail Safety and Standards Board Ltd;

“**Relevant ADRR Forum**” means the Forum to which a Relevant Dispute is allocated in accordance with the ADRR;

“**Relevant Dispute**” means any difference between the Parties arising out of or in connection with this contract;

“**Relevant Force Majeure Event**” means a Force Majeure Event in relation to which an Affected Party is claiming relief under Clause 17;

“**Relevant Losses**” means, in relation to:

- (a) a breach of this contract; or
- (b) in the case of Clause 9, any of the matters specified in Clause 9.3(a), (b) or (c) or Clause 9.4(a), (b) or (c) (each a “breach” for the purpose of this definition),

all costs, losses (excluding loss of profit and loss of revenue and penalties), expenses, payments, damages, liabilities, interest and the amounts by which rights or entitlements to amounts have been reduced, in each case incurred or occasioned as a result of or by such breach;

“**Relevant Obligation**” means an obligation under this contract in respect of which a Force Majeure Event has occurred and the Affected Party has claimed relief under Clause 17;

“**Retail Prices Index**” or “**RPI**” means the General Index of Retail Prices All Items as published in Economic Trends issued by the Office for National Statistics. If RPI shall cease to be published, or there is a material change in the base composition of RPI, then the Parties may agree to such other index as they deem appropriate with the object of placing

both parties in the position in which they would have been had the RPI continued to be published and there been no change in the base composition of RPI;

“**Rolling Stock**” has the meaning ascribed to it in section 83(1) of the Act;

“**Safety Obligations**” means all applicable obligations concerning health and safety (including any duty of care arising at common law, and any obligation arising under statute, statutory instrument or mandatory code of practice) in Great Britain;

“**Train Operator**” means an operator of trains who has permission to use track under an access contract;

“**Underlease**” means the underlease of the Premises to be entered into pursuant to the DAFL between Siemens (1) and the Adjacent Facility Owner (2); and

“**Value Added Tax**” means value added tax as provided for in the Value Added Tax Act 1994, and any tax similar or equivalent to value added tax or any turnover tax replacing or introduced in addition to them, and “**VAT**” shall be construed accordingly.

## 1.2 Interpretation

In this contract, unless the context otherwise requires:

- (a) the singular includes the plural and vice versa;
- (b) any one gender includes the other;
- (c) all headings are for convenience of reference only and shall not be used in the construction of this contract;
- (d) reference to an item of primary or secondary legislation is to that item as amended or replaced from time to time;
- (e) reference to a contract, instrument or other document is to that contract, instrument or other document as amended, novated, supplemented or replaced from time to time;
- (f) reference to a party is to a party to this contract, its successors and permitted assigns;
- (g) reference to a recital, Clause, annex or Schedule is to a recital, Clause, annex or Schedule of or to this contract; reference in an annex or a Schedule to a Part of an annex or a Schedule is to a part of the annex or Schedule in which the reference appears; reference in a Part of an annex or a Schedule to a paragraph is to a paragraph of that part;
- (h) where a word or expression is defined, cognate words and expressions shall be construed accordingly;
- (i) references to the word “person” or “persons” or to words importing persons include individuals, firms, corporations, government agencies, committees, departments, authorities and other bodies incorporated or unincorporated, whether having separate legal personality or not;
- (j) “otherwise” and words following “other” shall not be limited by any foregoing words where a wider construction is possible;
- (k) the words “including” and “in particular” shall be construed as being by way of illustration or emphasis and shall not limit or prejudice the generality of any foregoing words; and
- (l) words and expressions defined in the Act shall, unless otherwise defined in this contract, have the same meanings in this contract.

### **1.3 Indemnities**

Indemnities provided for in this contract are continuing indemnities in respect of the Relevant Losses to which they apply, and hold the indemnified Party harmless on an after tax basis.

## **2 COMMENCEMENT AND EXPIRY**

### **2.1 Commencement**

This contract shall come into force on the Commencement Date.

### **2.2 Expiry**

This contract shall continue in force until termination under Clause 8.

### **2.3 Headlease termination**

In the event that the Headlease terminates (through effluxion of time or for any other reason) the rights hereunder benefiting the Head Adjacent Facility Owner shall terminate and references in this contract to the Head Adjacent Facility Owner shall be deemed deleted.

## **3 STANDARD OF PERFORMANCE**

### **3.1 General standard**

Without prejudice to all other obligations of the parties under this contract, each Party shall, in its dealings with the other for the purpose of, and in the course of performance of its obligations under, this contract, act with due efficiency and economy and in a timely manner with that degree of skill, diligence, prudence and foresight which should be exercised by a skilled and experienced:

- (a) network owner and operator (in the case of Network Rail); and
- (b) owner of a facility adjacent to the NR Network (in the case of the Adjacent Facility Owner).

### **3.2 Good faith**

The parties to this contract shall, in exercising their respective rights and complying with their respective obligations under this contract (including when conducting any discussions or negotiations arising out of the application of any provisions of this contract or exercising any discretion under them), at all times act in good faith.

## **4 PERMISSION TO CONNECT**

Network Rail grants the Adjacent Facility Owner permission to connect, or, in the case of an existing connection, permission to retain the connection of, the Adjacent Facility to the NR Network.

## **5 OBLIGATIONS IN RESPECT OF THE CONNECTION OF THE ADJACENT FACILITY TO THE NR NETWORK**

### **5.1 Obligations of the Adjacent Facility Owner**

#### **5.1.1 The Adjacent Facility Owner shall not:**

- (a) sever the connection of the NR Network to the Adjacent Facility; or

- (b) take any action or omit to take any action which impedes access to/from the NR Network at the Connection Point, unless it has, except in an Emergency, given prior notice of such severance, action or omission to Network Rail.

5.1.2 In an Emergency, the Adjacent Facility Owner shall, within a reasonable time of the occurrence of the Emergency, give notice to Network Rail:

- (a) of the circumstances giving rise to the Emergency;
- (b) the action taken by the Adjacent Facility Owner to deal with the Emergency;
- (c) the impact of its actions on the Connection Point; and
- (d) an indication of when it expects to be able to accept rolling stock off the NR Network to the Adjacent Facility.

5.1.3 The Adjacent Facility Owner shall:

- (a) Not Used.
- (b) be responsible for the Operational Control of all rolling stock movements on the Adjacent Facility;
- (c) ensure that:
  - (i) the operation of the Adjacent Facility; and
  - (ii) any person authorised by the Adjacent Facility Owner to be at or on the Premises,  
does not cause any disruption to the NR Network;
- (d) promptly provide Network Rail with any amendments to the Adjacent Facility Owner's safety and security requirements, as listed in Schedule 4, in relation to the Premises (insofar as they apply or relate to the Adjacent Facility) and;
- (e) establish and maintain adequate security at the Premises.

## **5.2 Obligations of Network Rail**

5.2.1 Network Rail shall not:

- (a) sever (except in the event that this contract is terminated in accordance with Clause 8) the connection of the NR Network to the Adjacent Facility at the Connection Point other than as required by an Emergency; or
- (b) take any action or omit to take any action which impedes access to/from the Connection Point unless it has, except in an Emergency, obtained the prior consent of the Adjacent Facility Owner (whose consent shall not be unreasonably withheld).

5.2.2 In an Emergency, Network Rail shall, within a reasonable time of the occurrence of the Emergency, give notice to the Adjacent Facility Owner:

- (a) of the circumstances giving rise to the Emergency;
- (b) the action taken by Network Rail to deal with the Emergency;
- (c) the impact of its actions on the Connecting Network and the Connection Point; and
- (d) an indication of the timescale for reinstating the connection and allowing rolling stock access to the Adjacent Facility.

5.2.3 Network Rail shall:

- (a) re-instate, at its own cost, the connection of the NR Network to the Adjacent Facility, where such connection has been severed by Network Rail other than in accordance with Clause 8:
  - (i) as soon as reasonably practicable after the date of severance; and
  - (ii) in accordance with applicable Railway Group Standards and the Output Specification;
- (b) inspect, test, maintain, repair and renew the Connecting Network in accordance with:
  - (i) the Output Specification; and
  - (ii) applicable Railway Group Standards;
- (c) consult the Adjacent Facility Owner as regards all planned disruptive maintenance, renewals or enhancements on the NR Network which may impede access at the Connection Point at least 12 weeks before it is due to take place;
- (d) be responsible for the Operational Control of all rolling stock on the NR Network;
- (e) ensure that all persons authorised by Network Rail to be on the Connecting Network on or in the vicinity of the Premises observe the Adjacent Facility Owner's safety and security requirements in relation to the Premises, as listed in Schedule 4 and as may be notified to Network Rail in writing by the Adjacent Facility Owner under Clause 5.1.3(d) and that the presence of such persons does not cause any disruption to the operation of the Adjacent Facility and the Premises; and
- (f) place and maintain suitable markers at the Connection Point which define the maintenance boundaries between the parties.

## **6 JOINT OBLIGATIONS**

- 6.1 Network Rail and the Adjacent Facility Owner shall review as necessary and in accordance with Railway Group Standards, arrangements for the safe transfer of Operational Control of rolling stock from one Party to the other, in consultation with Train Operators who have permission to use the Adjacent Facility;
- 6.2 Network Rail, the Adjacent Facility Owner and the Head Adjacent Facility Owner shall review the validity of the Plan and Schedule 1 (and any consequential amendments to the Amount as set out in Schedule 3) as necessary and as may reasonably be required by any of the parties and make such amendments to either or both of them as are appropriate as soon as reasonably practicable after the Commencement Date in the event that:
- (a) the NR Network identified on the Plan or in Schedule 1 as Connecting Network is not used solely for the support, guidance and operation of rolling stock to and from the Adjacent Facility; or
  - (b) a part of the NR Network, not previously identified as being used solely for the support, guidance and operation of rolling stock to and from the Adjacent Facility, fulfils that condition at the time of the review;
- 6.3 Network Rail and the Adjacent Facility Owner shall inspect the condition of the Connecting Network and the Connection Point as necessary and as may reasonably be required by either of the Parties and, if necessary, audit Network Rail's records of the maintenance, repair and renewal carried out to the Connecting Network and the Connection Point annually or at other regular intervals as may be agreed between the Parties.

## 7 RIGHTS OF ENTRY

### Network Rail's Right of Entry

- 7.1 Subject to Clause 7.2, Network Rail shall be entitled to maintain, modify and renew any part of the Connecting Network on the Premises to enable the movement of rolling stock to and from the Adjacent Facility.
- 7.2 Network Rail shall seek permission from the Adjacent Facility Owner (which permission shall not be unreasonably withheld) to enter upon the Premises at all reasonable times upon giving as much notice as is reasonably practicable and at any time in an Emergency for the following purposes:
- (a) to inspect, test, maintain, repair and renew the connection of the NR Network to the Adjacent Facility;
  - (b) to inspect test, maintain, repair and renew any part of the Connecting Network on or in the vicinity of the Premises; and
  - (c) to carry out remedial procedures in the event of an Emergency.
- 7.3 The Adjacent Facility Owner shall ensure that Schedule 4 sets out the access arrangements by Network Rail in the event of an Emergency in order that Network Rail can incorporate these requirements into the emergency plans which it is required to prepare for the NR Network.
- 7.4 The Adjacent Facility Owner is not entitled, for itself or on behalf of any other person, to any right of access to the NR Network located on Network Rail's property save as expressly set out in this contract.

### Rights of Entry to remedy a breach for Network Rail and the Head Adjacent Facility Owner

- 7.5 In the event that the Adjacent Facility Owner commits a material breach of this contract Network Rail may serve written notice on the Adjacent Facility Owner requiring the Adjacent Facility Owner within a reasonable period of time specified by Network Rail in such notice to remedy the breach (if the breach is remediable) or to take sufficient steps so as to prevent the recurrence of the breach (if the breach is not capable of remedy).
- 7.6 At the same time as serving written notice on the Adjacent Facility Owner pursuant to Clause 7.5 Network Rail shall provide the Head Adjacent Facility Owner with a copy of such notice.
- 7.7 Following receipt of a notice from Network Rail pursuant to Clause 7.5 the Adjacent Facility Owner shall (as appropriate) remedy or take sufficient steps so as to prevent the recurrence of the breach of this contract identified in such notice as soon as reasonably practicable and in any event within the reasonable period of time specified by Network Rail in such notice.
- 7.8 The Adjacent Facility Owner will keep the Head Adjacent Facility Owner informed and up-to-date as to the action that it takes and intends to take pursuant to Clause 7.7.
- 7.9 Network Rail will promptly inform the Head Adjacent Facility Owner in writing as and when it is satisfied that the Adjacent Facility Owner has (as appropriate) remedied or taken sufficient steps so as to prevent the recurrence of the breach of this contract notified to the Adjacent Facility Owner by Network Rail pursuant to Clause 7.5.

- 7.10 If the Adjacent Facility Owner does not comply with its obligation in Clause 7.7 Network Rail (together with all parties properly authorised by Network Rail) may enter the Premises and (as appropriate) remedy or take sufficient steps so as to prevent the recurrence of the breach and if so all costs incurred by Network Rail in doing so shall be paid by the Adjacent Facility Owner to Network Rail on written demand.
- 7.11 If the Adjacent Facility Owner does not comply with its obligation in Clause 7.7 the Head Adjacent Facility Owner (together with all parties properly authorised by the Head Adjacent Facility Owner) may enter the Premises and (as appropriate) remedy or take sufficient steps so as to prevent the recurrence of the breach and if so all costs incurred by the Head Adjacent Facility Owner in doing so shall be paid by the Adjacent Facility Owner to the Head Adjacent Facility Owner on written demand.
- 7.12 Before Network Rail or the Head Adjacent Facility Owner exercises its right of entry pursuant to Clause 7.10 or 7.11 respectively they will liaise with one another with a view to ensuring that they do not both exercise their respective rights.
- 7.13 In the event that the Adjacent Facility Owner commits a breach of this contract causing safety issues Network Rail may without notice enter the Premises and (as appropriate) remedy or take sufficient steps so as to prevent the recurrence of the breach and if so all costs incurred by Network Rail in doing so shall be paid by the Adjacent Facility Owner to Network Rail on written demand.

## **8 TERMINATION**

### **8.1 Termination Events**

8.1.1 Subject to Clause 8.6 and without prejudice to:

- (a) the other rights of the parties under this contract; or
- (b) Clauses 8.2 or 8.3,

Network Rail may terminate this contract with immediate effect by written notice served in accordance with Clause 18.4, if:

- (i) an Insolvency Event occurs in relation to the Adjacent Facility Owner; or
- (ii) the Adjacent Facility Owner fails to comply with its obligations under Clause 7.7 of this contract and neither Network Rail nor the Head Adjacent Facility Owner exercises its rights pursuant to Clause 7.10 or 7.11 respectively.

8.1.2 Subject to Clause 8.7 and without prejudice to:

- (a) the other rights of the parties under this contract; or
- (b) Clause 8.2,

the Adjacent Facility Owner may terminate this contract with immediate effect by written notice served in accordance with Clause 18.4 if:

- (i) an Insolvency Event occurs in relation to Network Rail; or
- (ii) Network Rail defaults in the due performance or observance of any material obligation under this contract and (in case of a remediable breach) fails to remedy the breach within a reasonable time specified by the other party.



## **8.2 Notice to terminate**

Subject to Clauses 8.3 and 8.7 either Party may terminate this contract on not less than three months' written notice served in accordance with Clause 18.4.

## **8.3 Network Rail Notice to Terminate**

- 8.3.1 Any notice of termination served by Network Rail under Clause 8.2 shall not take effect if the Head Adjacent Facility Owner and/or Adjacent Facility Owner has, after the date of service of any notice of termination and before the date of that notice taking effect, applied to the Office of Rail and Road Regulation under section 17 of the Act for directions to be given to Network Rail to enter into an access contract which provides for the continued connection of the Adjacent Facility to the NR Network and for so long as that application shall not have been refused.
- 8.3.2 Where the Office of Rail and Road Regulation gives directions that a new access contract (whether on the same or different terms as this contract) should be entered into between the parties under section 17 of the Act (the "**New Contract**"), this contract shall automatically expire on the commencement date of the New Contract, or the latest date specified in such directions by when the parties must enter into the New Contract, whichever is the sooner.
- 8.3.3 Where a notice has been served by Network Rail in accordance with Clause 8.2 and the Head Adjacent Facility Owner and/or the Adjacent Facility Owner does not apply to the Office of Rail and Road Regulation for directions under section 17 of the Act, the notice will apply in accordance with Clause 8.2.

## **8.4 Effect of Termination**

Upon the termination of this contract, Network Rail:

- (a) may:
- (i) disconnect the NR Network from the Adjacent Facility; and
  - (ii) remove the Connecting Network; and
  - (iii) make good the NR Network, and
- (b) shall, if requested by the Adjacent Facility Owner, remove any part of the Connecting Network located on the Premises,

and the reasonable costs of any action under Clause 8.4(a) or (b) shall be paid by the Adjacent Facility Owner to Network Rail except where this contract is terminated:

- (i) by the Adjacent Facility Owner in accordance with Clause 8.1.2 or
- (ii) by Network Rail in accordance with Clause 8.2,

in which case Network Rail shall carry out any action under Clause 8.4(a) or (b) at its own cost.

## **8.5 Mitigation**

In complying with the provisions of Clause 8.4(a) Network Rail shall use all reasonable efforts to mitigate the cost of carrying out such actions.

## **8.6 Termination by Network Rail**

8.6.1 Network Rail shall not terminate this contract pursuant to Clause 8.1.1(i) without first giving written notice to the Head Adjacent Facility Owner and allowing it a period of 14 days from such notice in which to notify Network Rail in writing that the Head Adjacent Facility Owner is exercising its step-in right pursuant to Clause 8.8 (Network Rail's right of termination ceasing upon such step-in right being exercised).

8.6.2 Network Rail shall not terminate this contract pursuant to Clause 8.1.1(ii) without first giving written notice to the Head Adjacent Facility Owner and allowing the Head Adjacent Facility Owner a period of 10 days from such notice in which either:

- (1) to exercise its rights pursuant to Clause 7.11; or
- (2) to notify Network Rail in writing that the Head Adjacent Facility Owner is exercising its step-in right pursuant to Clause 8.8,

(Network Rail's right of termination ceasing upon the exercise of rights pursuant to Clause 7.11 or the step-in right pursuant to Clause 8.8).

## **8.7 Termination by the Adjacent Facility Owner**

The Adjacent Facility Owner shall not terminate this contract without the prior written consent of the Head Adjacent Facility Owner, except where the Adjacent Facility Owner is directed to do so by the relevant franchising authority.

## **8.8 Step-in right for the Head Adjacent Facility Owner**

- (A) In the event that the Head Adjacent Facility Owner receives notice from Network Rail pursuant to Clause 8.6.1 or Clause 8.6.2 or following the Head Adjacent Facility Owner notifying Network Rail of the expiry or sooner determination of the Underlease, the Head Adjacent Facility Owner may within 14 days of such notice or such expiry or sooner determination exercise a right to step into the role of Adjacent Facility Owner under this contract by notifying Network Rail and the Adjacent Facility Owner in writing (such notice to be accompanied by evidence that the Head Adjacent Facility Owner has submitted to the ORR either a request for the Head Adjacent Facility Owner's existing depot licence to be revised so as to relate to the Premises or (in the event that the Head Adjacent Facility Owner does not already hold a depot licence) an application for a depot licence relating to the Premises together with confirmation that such request or application (as the case may be) has not been withdrawn) whereupon (subject to Clause 8.8(B)) the Head Adjacent Facility Owner covenants with Network Rail to observe and perform the obligations of the Adjacent Facility Owner under this contract and (where the breach is capable of remedy) to remedy the breach or (where the breach is not capable of remedy) take steps to prevent it recurring in each case within 10 days of (or (if longer and appropriate given the nature of the breach) a reasonable period of time after) such notice and so that upon the exercise of such right references to the Adjacent Facility Owner in this contract shall be deemed to refer to the Head Adjacent Facility Owner. If the Head Adjacent Facility Owner does not already hold a depot licence in respect of the Premises the Head Adjacent Facility Owner shall (following the exercise of the step in right referred to above) diligently pursue its request or application (as the case may be) with the ORR so as to become the licensed facility owner of the Premises.

- (B) Notwithstanding Clause 8.8(A) the Head Adjacent Facility Owner shall not be liable to pay to Network Rail (pursuant to Clause 15 or otherwise) any sum attributable to the period prior to the step in right being exercised pursuant to Clause 8.8(A).

## **9 LIABILITY**

### **9.1 Performance Orders in relation to breach**

In relation to any breach of this contract:

- (a) the Innocent Party shall be entitled to apply under Clause 12.4 for a Performance Order against the Party in breach; and
- (b) if a Performance Order is made, the Party against whom it has been made shall comply with it.

### **9.2 Compensation in relation to breach**

In relation to any breach of this contract the Party in breach shall indemnify the Innocent Party against reasonable Relevant Losses properly incurred by the Innocent Party save that any claim falling within Condition L1 of the Depot Access Conditions shall be dealt with in accordance with that Condition and shall not give rise to a claim under this contract.

### **9.3 Adjacent Facility Owner indemnity**

The Adjacent Facility Owner shall indemnify Network Rail against all Relevant Losses resulting from:

- (a) a failure by the Adjacent Facility Owner to comply with its Safety Obligations;
- (b) any damage to the NR Network arising directly from the Adjacent Facility Owner's negligence.

### **9.4 Network Rail indemnity**

Network Rail shall indemnify the Adjacent Facility Owner against all Relevant Losses resulting from:

- (a) a failure by Network Rail to comply with its Safety Obligations;
- (b) any damage to the Adjacent Facility arising directly from Network Rail's negligence.

## **10 RESTRICTIONS ON CLAIMS**

### **10.1 Notification and mitigation**

A Party wishing to claim under any indemnity provided for in this contract:

- (a) shall notify the other Party of the relevant circumstances giving rise to that claim as soon as reasonably practicable after first becoming aware of those circumstances (and in any event within 365 days of first becoming so aware); and
- (b) subject to Clause 10.1(c), shall take all reasonable steps to prevent, mitigate and restrict the circumstances giving rise to that claim and any Relevant Losses connected with that claim; but
- (c) shall not be required to exercise any specific remedy available to it under this contract.

## **10.2 Restrictions on claims by Network Rail**

Any claim by Network Rail against the Adjacent Facility Owner for indemnity for Relevant Losses:

- (a) shall exclude payments to any person under or in accordance with the provisions of any access contract;
- (b) shall exclude loss of revenue in respect of permission to use any part of the NR Network under or in accordance with any access contract with any person; and
- (c) shall:
  - (i) include Relevant Losses only to the extent that these constitute amounts which Network Rail would not have incurred as network owner and operator but for the relevant breach; and
  - (ii) give credit for any savings to Network Rail which result or are likely to result from the incurring of such amounts.

## **10.3 Restrictions on claims by Adjacent Facility Owner**

Any claim by the Adjacent Facility Owner against Network Rail for indemnity for Relevant Losses shall:

- (a) include Relevant Losses only to the extent that these constitute amounts which the Adjacent Facility Owner would not have incurred as owner of a facility adjacent to the NR Network but for the relevant breach; and
- (b) give credit for any savings to the Adjacent Facility Owner which result or are likely to result from the incurring of such amounts.

## **10.4 Restriction on claims by both Parties**

Any claim for indemnity for Relevant Losses shall exclude Relevant Losses which:

- (a) do not arise naturally from the breach; and
- (b) were not, or may not reasonably be supposed to have been, within the contemplation of the Parties:
  - (i) at the time of the making of this contract; or
  - (ii) where the breach relates to a modification or amendment to this contract, at the time of the making of such modification or amendment, as the probable result of the breach; or
- (c) fall within Condition L1 of the Depot Access Conditions.

## **10.5 Limitation on liability**

Subject to Clause 18.3.3, Schedule 5 shall have effect so as to limit the liability of the Parties to one another under the indemnities in this contract.

## **11 GOVERNING LAW**

This contract shall be governed by and construed in accordance with the laws of England and Wales.

## **12 DISPUTE RESOLUTION**

### **12.1 Arbitration**

12.1.1 A Relevant Dispute shall be referred for resolution in accordance with the ADRR in force at the time of the reference as modified by this Clause 12, unless:

- (a) Clause 12.2 applies; or
- (b) Clause 16.4.2(a) applies (which already requires such referral).

### **12.2 Unpaid sums**

12.2.1 If either Party fails to pay:

- (a) any invoice issued to it under this contract; or
- (b) any sum which has fallen due in accordance with the provisions of this contract then:
  - (i) the amount invoiced or sum due, as referred to in Clause 12.2.1(a) or (b), shall immediately constitute a debt due and owing from the Party who has failed to pay the invoice or sum due to the other Party (and to any assignee of a Party's right to payment in respect of any other sum due);
  - (ii) such debt shall be recoverable by any means available under the laws of England and Wales; and
  - (iii) the dispute resolution procedures in Clauses 12.1 and 12.3 to 12.7 shall not apply to proceedings commenced under this Clause 12.2.

12.2.2 If either Party withholds payment of the whole of or any part of an invoice or other statement of amounts payable under Clause 15.1.8, the procedure for resolving such dispute shall be as follows:

- (a) within 7 days of service of any notice under Clause 15.1.7, the Parties shall meet to discuss the disputed aspects of the invoice or statement with a view to resolving the dispute in good faith;
- (b) if, within 7 days of that meeting (the "first meeting"), the Parties are for any reason still unable to agree the disputed aspects of the invoice or statement, each Party shall promptly (and in any event within 7 days) prepare a written summary of the disputed aspects of the invoice or statement and the reasons for each such dispute and shall submit the summaries to the senior officer of each Party;
- (c) within 28 days of the first meeting, the senior officers shall meet with a view to resolving all disputes; and
- (d) if no resolution results within 14 days of that meeting, either Party may refer the dispute for resolution under the ADRR.

### **12.3 Performance Orders**

12.3.1 Power to order provisional relief

For the purposes of section 39 of the Arbitration Act 1996, should any Relevant Dispute be allocated in accordance with the ADRR to arbitration under Chapter F of the ADRR, the arbitrator shall have power to order on a provisional basis any relief which he would have power to grant in a final award including Performance Orders.

### 12.3.2 Performance Orders

A Performance Order:

- (a) is an order made under Clause 12.3.3(b), relating to a Relevant Dispute, whether by way of interim or final relief; and
- (b) may be applied for by Network Rail or the Adjacent Facility Owner in the circumstances set out in Clause 9.1, subject to the qualifications in Clause 17.7,

and an application for a Performance Order shall be without prejudice to any other remedy available to the claimant under this contract (whether final or interim or by way of appeal).

### 12.3.3 Duties of the arbitrator in relation to Performance Orders

Without prejudice to any additional remedies that may be ordered by the arbitrator under Clause 12.4, where a dispute is allocated in accordance with the ADRR to arbitration and a Party has applied for a Performance Order, the parties shall agree in a Procedure Agreement that:

- (a) the arbitrator shall decide as soon as possible whether the application is well founded or not; and
- (b) if the arbitrator decides that the application is well founded, it shall be required to make an interim or final declaration to that effect and, in that event, the arbitrator may also make any interim or final order directing any Party to do or to refrain from doing anything arising from such declaration which it considers just and reasonable in all the circumstances.

## 12.4 Remedies

The powers exercisable by the arbitrator as regards remedies shall include:

- (a) the powers specified in sections 48(3) to (5) of the Arbitration Act 1996;
- (b) the powers specified in the ADRR;
- (c) the power to make Performance Orders; and
- (d) the power to order within the same reference to arbitration any relief specified in Clause 12.4(a), (b) and (c) consequent upon, or for the breach of, any interim or final Performance Order previously made.

## 12.5 Exclusion of applications on preliminary points of law

Any recourse to any Court for the determination of a preliminary point of law arising in the course of the arbitration proceedings is excluded.

## 13 CONFIDENTIALITY

All the Parties to this contract shall comply with the confidentiality provisions Condition Q1 (Confidentiality) of the Depot Access Conditions as if this contract were a Relevant Agreement (a term as defined in the Depot Access Conditions).

## 14 ASSIGNMENT

- 14.1 Neither Party may assign, transfer, novate or create any encumbrance or other security interest over the whole or any part of its rights and obligations under this contract except:

- (a) to the extent approved by the Office of Rail and Road Regulation following consultation with the other party, and subject to the conditions (if any) of the Office of Rail and Road Regulation's approval; or
- (b) in the case of the Adjacent Facility Owner only, if directed to do so by the relevant franchising authority and subject to the Adjacent Facility Owner providing evidence that the assignee shall following such assignment be the licensed facility owner of the Premises and the assignee covenanting with Network Rail to observe and perform the obligations of the Adjacent Facility Owner hereunder, and subject to the conditions (if any) of the Office of Rail and Road Regulation's approval; or
- (c) in the case of the Head Adjacent Facility Owner to an assignee of the Headlease who shall first have covenanted with the Landlord to observe and perform the obligations on the part of the Head Adjacent Facility Owner hereunder, and subject to the conditions (if any) of the Office of Rail and Road Regulation's approval.

## 14.2

- (A) Upon the grant of a new underlease of the Premises (or part thereof) or the assignment of any underlease of the Premises (or any part thereof) (in accordance with the terms of the Headlease) the Head Adjacent Facility Owner or (if the Head Adjacent Facility Owner has already exercised its step in rights pursuant to Clause 8.8(A)) the Adjacent Facility Owner shall be entitled to deliver to Network Rail (and in the case of the Head Adjacent Facility Owner) the Adjacent Facility Owner a notice that it requires the rights and obligations of the Adjacent Facility Owner hereunder to be novated to the new underlessee such notice to be accompanied by evidence that the novatee will following the novation of this contract and the grant or assignment (as the case may be) of such underlease be the licensed facility owner of the Premises and such notice also to specify the date upon which the novation is to occur whereupon in the event that the Head Adjacent Facility Owner has already exercised its step in rights pursuant to Clause 8.8(A) the Adjacent Facility Owner (being the lessee pursuant to the Headlease) shall return to being the Head Adjacent Facility Owner.
- (B) Upon the date specified in the notice served pursuant to Clause 14.2(A) Network Rail and the novatee ("New Adjacent Facility Owner") shall enter into a deed of novation under which each covenant with the other to be bound by the provisions of this contract as if the New Adjacent Facility Owner had been a party hereto in place of the previous Adjacent Facility Owner Provided That the New Adjacent Facility Owner shall not be liable to pay Network Rail (pursuant to Clause 0 or otherwise) any sum attributable to the period prior to such novation.

## 15 PAYMENT, INTEREST AND VAT

### 15.1 Payment

#### 15.1.1 Payment of Amount

In respect of each Contract Year the Adjacent Facility Owner shall pay to Network Rail the amount of £37,287.76 annually in advance, as such amount may be adjusted under Schedule 3, in each Contract Year in respect of the costs incurred by Network Rail in discharging its obligations under Clause 5.2 (other than under Clause 5.2.3(a) which shall

be at Network Rail's own cost) and Clause 6 (the "Amount") and excluding renewals covered by paragraph 15.4.

*15.1.2 No deduction*

All sums due or payable by either Party under this contract shall be paid free and clear of any deduction, withholding or set off except only as may be required by law or as expressly provided in Clause 15.1.8 below.

*15.1.3 Delivery of invoices*

All invoices issued, or statements of amounts payable, under this contract, shall be delivered by hand at, or sent by prepaid first class post or by facsimile transmission (with confirmation copy by prepaid first class post) to, the address for service for the recipient specified in Schedule 2 and shall be deemed to have been received by the addressee in accordance with Clause 18.4.3.

*15.1.4 Content of invoices and other statements of amounts payable*

Each invoice and statement of amounts payable shall contain such detail as to the constituent elements of the amounts stated to be payable as shall be necessary or expedient so as to enable the person to whom it is given to understand and check it.

*15.1.5 Due date for payment*

The due date for payment of any invoice or other statement of amount payable is 28 days after the receipt of such invoice or other statement of amount payable.

*15.1.6 Method of payment*

All payments shall be made by direct debit mandate or standing order mandate, CHAPS transfer, BACS transfer or other electronic or telegraphic transfer to a London clearing bank or such other financial institution as may be approved by the Party entitled to the payment, such approval not to be unreasonably withheld or delayed.

*15.1.7 Disputed amounts*

Within 14 days after receipt by the Adjacent Facility Owner of any invoice or other statement of amounts payable, the Adjacent Facility Owner shall notify Network Rail of any aspects of such invoice or statement which it disputes, giving reasons for each such dispute. Such disputes shall be resolved in accordance with the procedure in Clause 12.2.2. Save to the extent that disputes are so notified, the Adjacent Facility Owner shall be deemed to have agreed the contents of each invoice or statement of amounts payable.

*15.1.8 Payments in the event of dispute*

Where any sum which is payable under this Clause 15 is in dispute:

- (a) the undisputed amount shall be paid in accordance with Clause 15.1.5;
- (b) the disputed balance (or such part of it as has been agreed or determined to be payable) shall be paid 28 days after the date upon which the dispute is resolved or determined; and



- (c) the disputed balance shall carry interest in accordance with the provisions of Clause 15.2 below from the date on which such balance would but for such dispute have been due to be paid until the date of payment.

## **15.2 Interest**

Without prejudice to any other rights or remedies which one Party may have in respect of the failure of the other Party to pay any amount on the due date, amounts payable under this contract and not paid by the due date shall carry interest (to accrue daily and to be compounded monthly) at the Default Interest Rate from the due date until the date of actual payment (as well after judgment as before), except to the extent that late payment arises from any failure by the invoicing Party to comply with Clause 15.1.3 or Clause 15.1.4.

## **15.3 VAT**

### *15.3.1 Payment of VAT*

Where any taxable supply for VAT purposes is made under or in connection with this contract by one Party to the other the payer shall, in addition to any payment required for that supply, pay such VAT as is chargeable in respect of it.

### *15.3.2 Reimbursement of VAT*

Where under this contract one Party is to reimburse or indemnify the other in respect of any payment made or cost incurred by the other, the first Party shall also reimburse any VAT paid by the other which forms part of its payment made or cost incurred to the extent such VAT is not available for credit for the other Party (or for any person with whom the indemnified Party is treated as a member of a group for VAT purposes) under sections 25 and 26 of the Value Added Tax Act 1994.

### *15.3.3 VAT credit note to be issued on repayment*

Where under this contract any rebate or repayment of any amount is payable by one Party to the other, and the first Party is entitled as a matter of law or of HM Revenue and Customs practice to issue a valid VAT credit note, such rebate or repayment shall be paid together with an amount representing the VAT paid on that part of the consideration in respect of which the rebate or repayment is made, and the first Party shall issue an appropriate VAT credit note to the other Party.

## **15.4 Renewals**

### *15.4.1 Costs of renewals*

Network Rail shall inform the Adjacent Facility Owner of the reasonable costs of any renewals as described in Clause 15.4.4 not later than 12 months in advance of the commencement of these works (with the exception of emergency renewals carried out in accordance with Clauses 15.4.2). Where the parties cannot agree such costs, or the scope of works required, the matter shall be considered a Relevant Dispute, and determined in accordance with Clause 12 of this Contract. The Adjacent Facility Owner shall pay to Network Rail the reasonable costs of all renewals so agreed or determined, such costs to be paid over a period of five years commencing six months before the works are carried out.

### *15.4.2 Emergency Renewals*

Network Rail will notify the Adjacent Facility Owner of any emergency renewal as soon as possible after it becomes aware that such renewal is required. Network Rail will inform the

Adjacent Facility Owner of the problem, cause, solution and (where the cost of the emergency renewal is agreed or determined to be the responsibility of the Adjacent Facility Owner in accordance with Clause 15.4.3) the reasonable cost.

#### *15.4.3 Payment for emergency renewals*

The responsibility for paying the cost of the emergency renewal works shall be discussed in good faith and agreed between the parties. Where the parties cannot agree who is responsible for funding the emergency renewal works and/or the amount of such costs, the matter shall be considered a Relevant Dispute, and determined in accordance with Clause 12 of this Contract. The Adjacent Facility Owner shall pay to Network Rail the reasonable costs as agreed or determined of such emergency renewals, such costs to be paid over a period of [three] years, commencing with the next billing date after both the works have been completed and costs agreed or determined.

#### *15.4.4 Meaning of renewal*

For the purposes of this Clause 15.4, the term “renewal” means any work on the Connection Point or Connecting Network that replaces components incorporated therein without changing the overall performance of the Connection Point or Connecting Network and which is not routine maintenance.]

## **16 VARIATION OF AMOUNT**

### **16.1 Review of Amount**

The Amount payable under Clause 15.1.1 shall be reviewed upon the fifth anniversary of the Commencement Date and at five-yearly intervals thereafter.

### **16.2 Details of proposed Adjustment**

The Parties shall, no later than 84 days before the review date under Clause 16.1 (the “Backstop Date”), meet to consider whether an Adjustment to the Amount should be made. If either of the Parties considers that any such Adjustment should be made:

- (a) that Party shall provide reasonable details of the proposed Adjustment and the reasons for such change based on the Criteria; and
- (b) Clause 16.4 shall apply.

### **16.3 Criteria**

#### *16.3.1 Purpose of Criteria*

The Criteria are to be applied in determining the Adjustment, if any, needed so that the Amount payable over the following five year period covers Network Rail’s reasonable costs in fulfilling its obligations under Clause 5.2 (other than under Clause 5.2.3(a)) and Clause 6 of the contract, including earning a reasonable rate of return.

#### *16.3.2 List of Criteria*

The Criteria are:

- (a) the actual cost to Network Rail of fulfilling its obligations under Clause 5.2 (other than under Clause 5.2.3(a)) and Clause 6 of the contract in the preceding five years;
- (b) the number of rolling stock movements through the Connection, and the physical characteristics of that rolling stock, in the preceding five years;

- (c) the actual services performed by Network Rail in fulfilling its obligations under Clause 5.2 (other than under Clause 5.2.3(a)) and Clause 6 of the contract in the preceding five years;
- (d) any changes to the factors in paragraphs (a) to (c) above that can reasonably be foreseen as likely to occur in the following five years;
- (e) use of the Connecting Network other than for the support, guidance and operation of rolling stock to and from the Adjacent Facility, if any;
- (f) use of any part of the NR Network, other than the Connecting Network for the support, guidance and operation of rolling stock to and from the Adjacent Facility, if any; and
- (g) the conclusions of any access charges review since the Amount was last reviewed, and in particular the conclusions on Network Rail's rate of return and on efficiency improvements required over the following control period.

#### **16.4 Procedures governing any proposed Adjustment**

##### *16.4.1 Negotiation of proposed Adjustment*

In respect of the proposed Adjustment:

- (a) the Parties shall meet and negotiate and attempt to agree the proposed Adjustment;
- (b) each Party shall ensure that:
  - (i) such negotiations are conducted in a timely, efficient and economical manner, with appropriate recourse to professional advice; and
  - (ii) the Criteria are applied in the negotiations; and
- (c) the negotiations shall not continue after the Backstop Date.

##### *16.4.2 Adjustment of Amount - failure to agree*

If the Parties fail to agree the proposed Adjustment on or before the Backstop Date:

- (a) the matter shall be submitted for determination in accordance with the ADRR; and
- (b) Network Rail shall within 5 working days notify the Office of Rail and Road Regulation in writing of such referral.

##### *16.4.3 Use of Criteria in determination of Relevant Dispute*

If a matter is referred for determination under Clause 16.4.2, the Relevant ADRR Forum which is to resolve the dispute shall:

- (a) determine the dispute in accordance with the Criteria and make such orders in its determination as it considers necessary to establish the Adjusted Amount;
- (b) provide reasons for its decision; and
- (c) state the extent to which and ways in which the Criteria have been applied in determining the Adjusted Amount and, in any case where they have not been applied, give the reasons.

*16.4.4 Adjusted Amount – notice to the Office of Rail and Road Regulation*

Not later than 7 days after the Backstop Date or the determination, as the case may be, details of the Adjusted Amount shall be sent by the Parties to the Office of Rail and Road Regulation for its consent, together with a statement, signed by or on behalf of both Parties:

- (a) stating the reasons for the Adjusted Amount;
- (b) stating the extent to which and ways in which the Criteria have been applied in determining the Adjusted Amount and, in any case where they have not been applied, the reasons; and
- (c) giving such other information as the Office of Rail and Road Regulation may have requested.

*16.4.5 No Adjusted Amount - notice to the Office of Rail and Road Regulation*

If, following their negotiations in accordance with Clause 16.4.1, the Parties agree that the Amount shall not be Adjusted written notice of this fact shall be given to the Office of Rail and Road Regulation not later than 7 days after the Backstop Date together with a statement, signed by or on behalf of both Parties:

- (a) stating the reasons why no Adjustment is required;
- (b) stating the extent to which and ways in which the Criteria have been applied in determining that no Adjustment is required and, in any case where they have not been applied, the reasons; and
- (c) giving such other information as the Office of Rail and Road Regulation may have requested.

*16.4.6 Adjusted Amount – Office of Rail and Road Regulation's consent*

If the Office of Rail and Road Regulation is satisfied with the Adjusted Amount submitted to it pursuant to Clause 16.4.4, and it gives a notice to that effect, this contract shall be modified accordingly as provided for in Clause 16.6.

*16.4.7 No Adjusted Amount – Office of Rail and Road Regulation's consent*

If the Office of Rail and Road Regulation is satisfied that there shall be no Adjustment to the Amount under Clause 16.4.5 it shall give notice to that effect.

*16.4.8 Adjusted Amount and no Adjusted Amount – Office of Rail and Road Regulation's refusal of consent*

If the Office of Rail and Road Regulation gives notice to the Parties that it is not satisfied with the Adjusted Amount or that there shall be no Adjustment to the Amount, it may:

- (a) require the Parties again to follow the procedure or any part of the procedure set out in Clauses 16.4.1 to 16.4.5 for agreeing the Adjusted Amount, in which case they shall do so; or
- (b) following such consultation with the Parties as it considers necessary, determine the Adjusted Amount itself and give a notice specifying such Adjusted Amount.

## **16.5 Procedural matters**

### *16.5.1 Co-operation and information*

If the Office of Rail and Road Regulation gives notice to either or both of the Parties that it requires from either or both of them information in relation to the Adjusted Amount or proposed Adjustment:

- (a) the Party of whom the request is made shall provide the requested information promptly and to the standard required by the Office of Rail and Road Regulation; and
- (b) if that Party fails to do so in a timely manner, the Office of Rail and Road Regulation shall be entitled to proceed with its consideration of the matter in question and to reach a decision in relation to it without the information in question and the Party in default shall have no grounds for complaint in that respect.

### *16.5.2 Saving*

Nothing in this Clause affects the right of either Party to approach and obtain from the Office of Rail and Road Regulation guidance in relation to the Adjusted Amount.

## **16.6 Effect**

### *16.6.1 General*

This contract shall have effect:

- (a) with the Adjusted Amount; and
- (b) from the date,

specified by the Office of Rail and Road Regulation in a Notice of Consent or Notice of Determined Adjusted Amount.

### *16.6.2 Retrospective effect*

A Notice of Consent or Notice of Determined Adjusted Amount shall not have retrospective effect.

## **17 FORCE MAJEURE EVENTS**

### **17.1 Nature and extent of relief for Force Majeure**

Force Majeure relief under this Clause 17:

- (a) extinguishes the obligation of the Affected Party to indemnify the other Party under Clause 9.2 in respect of Relevant Losses sustained as a result of the failure of the Affected Party to perform a Relevant Obligation; but
- (b) is not available in respect of any other obligation to do or refrain from doing any other thing provided for in this contract.

### **17.2 Entitlement to Force Majeure relief**

An Affected Party is entitled to Force Majeure relief if and to the extent that:

- (a) performance of the Relevant Obligation has been prevented or materially impeded by reason of a Force Majeure Event;
- (b) it has taken all reasonable steps, taking account of all relevant circumstances (including as to whether the event in question could reasonably have been anticipated):

- (i) to avoid the occurrence of the Force Majeure Event; and
- (ii) to minimise, and where practicable avoid, the effects of the Force Majeure Event on its ability to perform the Relevant Obligation; and
- (c) except in the case of paragraph (f) of the definition of Force Majeure Event, none of the Affected Party, its officers, employees or agents caused the Force Majeure Event.

### **17.3 Procedure for claiming relief**

Without prejudice to Clause 17.2, an Affected Party is only entitled to claim Force Majeure relief under this Clause 17 if it complies with the obligations to give Force Majeure Notices, Force Majeure Reports and provide other information under Clause 17.4 and to perform its obligations under Clause 17.5.

### **17.4 Force Majeure Notices and Reports**

#### *17.4.1 Force Majeure Notice*

In relation to any Relevant Force Majeure Event:

- (a) as soon as reasonably practicable after the Affected Party becomes aware, or ought reasonably to have become aware, that such Force Majeure Event qualifies for relief under this Clause 17 (and, in any event, within 72 hours of becoming aware of such circumstances), the Affected Party shall give a Force Majeure Notice; and
- (b) the Force Majeure Notice shall include detailed particulars (to the extent available) of the Relevant Force Majeure Event and its consequences, its effects on the Affected Party, the Relevant Obligations, the likely duration of such consequences and effects and the remedial measures proposed by the Affected Party to avoid or remove the Relevant Force Majeure Event or to mitigate its consequences and effects.

#### *17.4.2 Force Majeure Report*

Following the giving of a Force Majeure Notice:

- (a) the Affected Party shall give a Force Majeure Report as soon as practicable, and in any event within 7 days of service of the Force Majeure Notice; and
- (b) the Force Majeure Report shall constitute a full report on the Relevant Force Majeure Event, amplifying the information provided in the Force Majeure Notice and containing such information as may reasonably be required by the Non-affected Party, including the effect which the Relevant Force Majeure Event is estimated to have on the Affected Party's performance of the Relevant Obligations.

#### *17.4.3 Other information*

The Affected Party shall promptly give the Non-affected Party all other information concerning the Relevant Force Majeure Event and the steps which could reasonably be taken, and which the Affected Party proposes to take, to avoid or remove the Relevant Force Majeure Event or to mitigate its consequences and effects as may reasonably be requested by the Non-affected Party from time to time.

### **17.5 Mitigation**

The Affected Party shall, promptly upon becoming aware of the occurrence of a Force Majeure Event in respect of which it intends to claim relief, use all reasonable endeavours to:

- (a) minimise the effects of such Force Majeure Event on the performance of the Relevant Obligations; and
  - (b) minimise the duration of such Force Majeure Event,
- and shall keep the Non-affected Party fully informed of the actions which it has taken or proposes to take under this Clause 17.5.

#### **17.6 Duration of relief for force majeure**

The right of an Affected Party to relief under Clause 17.1 shall cease on the earlier of:

- (a) the date on which its performance of the Relevant Obligations is no longer prevented or materially impeded by the Relevant Force Majeure Event; and
- (b) the date on which such performance would no longer have been prevented or materially impeded if the Affected Party had complied with its obligations under Clause 17.5.

#### **17.7 Availability of Performance Order**

If and to the extent that a breach of this contract has been caused by a Relevant Force Majeure Event, the Non-affected Party shall not be entitled to a Performance Order except to secure performance by the Affected Party of its obligations under this Clause 17.

### **18 MISCELLANEOUS**

#### **18.1 Non waiver**

##### *18.1.1 No waiver*

No waiver by either party of any failure by the other to perform any obligation under this contract shall operate or be construed as a waiver of any other or further default, whether of a like or different character.

##### *18.1.2 Failure or delay in exercising a right or remedy*

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

#### **18.2 Variations**

##### *18.2.1 Amendments to be in writing and to be approved*

No amendment of any provision of this contract shall be effective unless such amendment is in writing and signed by, or on behalf of, the parties and, subject to Clause 18.2.2, has been approved by the Office of Rail and Road Regulation.

##### *18.2.2 Office of Rail and Road Regulation approval needed*

Modifications of the following do not require the approval of the Office of Rail and Road Regulation under section 22 of the Act:

- (a) modifications effected by virtue of any of the Schedules to this contract unless the relevant provision expressly states that it requires the approval of the Office of Rail and Road Regulation;

- (b) modifications to Schedule 1 pursuant to Clause 6(b), save as set out below;
- (c) modifications to Schedule 4 pursuant to Clause 5.1.3(d); and
- (d) modifications effected by virtue of Clause 18.4.2.

Any amendment made to the Plan under Clause 6(b) requires the Office of Rail and Road Regulation's approval under section 22 of the Act.

#### *18.2.3 Conformed copy of contract*

Network Rail shall produce and send to the Head Adjacent Facility Owner, to the Adjacent Facility Owner and to the Office of Rail and Road Regulation a conformed copy of this contract within 28 days:

- (a) after the giving of a Notice of Approval or Notice of Determined Adjusted Amount in the case of any Adjustment to the Amount; or
- (b) of the making of any amendment or modification to this contract, in any other case.

### **18.3 Entire contract and exclusive remedies**

#### *18.3.1 Entire contract*

Subject to Clause 18.3.3:

- (a) this contract contains the entire agreement between the parties in relation to the subject matter of this contract;
- (b) each party acknowledges that it has not been induced to enter into this contract in reliance upon, nor has it been given, any warranty, representation, statement, agreement or undertaking of any nature whatsoever other than as expressly set out in this contract and, to the extent that this is not the case, the relevant party unconditionally and irrevocably waives any claims, rights or remedies which it might otherwise have had in relation to any such matter; and
- (c) no party shall have any right to rescind or terminate this contract either for breach of contract or for misrepresentation or otherwise, except as expressly provided for in this contract.

#### *18.3.2 Exclusive remedies*

Subject to Clause 18.3.3 and except as expressly provided in this contract:

- (a) no party shall have any liability (including liability arising as a result of any negligence, breach of contract or breach of statutory obligation) to the others in connection with the subject matter of this contract; and
- (b) the remedies provided for in this contract shall be the sole remedies available to the parties in respect of any matters for which such remedies are available.

#### *18.3.3 Fraud, death and personal injury*

Without prejudice to the generality of this Clause 18.3, nothing in this contract shall exclude, restrict or limit, or purport to exclude, restrict or limit:

- (a) any liability which any party would otherwise have to the other parties, or any right which any party may have to rescind this contract, in respect of any statement made fraudulently by the other parties before the execution of this contract;



- (b) any right which any party may have in respect of fraudulent concealment by the other parties;
- (c) any right which any party may have in respect of a statement of the kind referred to in section 146 of the Act, whether or not proceedings have been instituted in that respect; or
- (d) any liability which any party may have towards the other parties for death or personal injury resulting from its negligence or the negligence of any of its officers, employees or agents.

## **18.4 Notices**

### *18.4.1 Giving of notices*

Any notice to be given under this contract:

- (a) shall be in writing; and
- (b) shall be duly given if signed by or on behalf of a person duly authorised to do so by the party giving the notice and delivered by hand at, or by sending it by prepaid first class post or by facsimile transmission (with confirmation copy by prepaid first class post) the relevant address or facsimile number set out in Schedule 2.

For the purposes of this Clause 18.4.1, delivery by hand shall include delivery by a reputable firm of couriers.

### *18.4.2 Right to modify communication details*

A party shall be entitled to modify in any respect the communication particulars which relate to it and which are set out in Schedule 2 by giving notice of such modification:

- (a) to the other parties as soon as reasonably practicable; and
- (b) to the Office of Rail and Road Regulation within 14 days of such modification.

### *18.4.3 Deemed receipt*

A notice shall be deemed to have been given and received:

- (a) if sent by hand or recorded delivery, at the time of delivery; or
- (b) if sent by prepaid first class post from and to any place within the United Kingdom, three working days after posting unless otherwise proven; or
- (c) if sent by facsimile (subject to confirmation of uninterrupted transmission by a transmission report) before 1700 hours on a working day, on the day of transmission and, in any other case, at 0900 hours on the next following working day; or

If Schedule 2 specifies any person to whom copies of notices shall also be sent:

- (a) the party giving a notice in the manner required by this Clause 18.4.4 shall send a copy of the notice to such person at the address for sending copies as specified in Schedule 2, or to such other person or address as may, from time to time, have been notified by the party to be notified to the notifying party under this Clause 18.4.4; and
- (b) such copy notice shall be sent immediately after the original notice.

## **18.5 Counterparts**

This contract may be executed in two or three counterparts which, taken together, shall constitute one and the same document. Any party may enter into this contract by signing any of such counterparts.

## **18.6 Survival**

Those provisions of this contract which by their nature or implication are required to survive expiry or termination of this contract (including the provisions of Clauses 9 (Liability), 10 (Restrictions on Claims); 11 (Governing Law), 12.2 (Unpaid Sums), 13 (Confidentiality), 15 (Payments, Interest and VAT), 17 (Force Majeure Events) and Schedule 5 (Limitation on liability) shall so survive and continue in full force and effect, together with any other provisions of this contract necessary to give effect to such provisions.

## **18.7 Contracts (Rights of Third Parties) Act 1999**

### *18.7.1 Application to third parties*

Save as provided in this Clause 18.7 or as expressly provided elsewhere in this contract, no person who is not a party to this contract shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this contract.

### *18.7.2 Application to the Office of Rail and Road Regulation*

The Office of Rail and Road Regulation shall have the right under the Contracts (Rights of Third Parties) Act 1999 to enforce directly such rights as have been granted to it under this contract.

## PART 1– LIST OF ITEMS INCLUDED IN CONNECTING NETWORK

### CP1 & 2

#### Signalling equipment

- One route indicator (only), associated with a Main Aspect colour light signal post K454 and one signal position colour light sub plus one route indicator associated with a Main Aspect colour light signal post K454
- Two route indicators (only), associated with a Main Aspect colour light signal post K458 and one signal position colour light sub plus one route indicator associated with a Main Aspect colour light signal post K458
- Two Ground Position colour light signals, each with a theatre indicator K107, K109
- Ground Position colour light signal K117
- Four track circuits 463T, 464T, 465T, 466T
- Three sets of points operating equipment 2143A/B, 2148

#### Track

- 20x60ft panels – plain line track
- One buffer stop
- 10 Insulated Block Joints including buffer stop IRJ's and all associated crossover IRJ's

#### E&P

- Three sets of points heating

### CP3 & 4

#### Signalling equipment

- Two theatre indicators associated with Ground Position colour light signals K97, K99
- One track circuit 26T
- Two sets of points operating equipment HY90A, HY90B

#### Track

- 8x60ft panels – plain line track
- 3 Insulated Block Joints

#### E&P

- Two sets of points heating

### CP 5 & 6

#### Signalling equipment

- Two Main Aspect colour light signals plus sub and route indicator K426, K428
- One Ground Position colour light signal associated with a Main Aspect colour light signal post K421
- Two track circuits 371T, 372T
- One set of points operating equipment 2109

#### Track

- 30x60ft panels – plain line track
- 2 Insulated Block Joints

E&P

- One set of points heating

GENERIC

Signalling

- 2 X Train Describers berths (stepping out)
- 1 location cabinet (loc case 17 for HY90 points)

Cable

- 4010m cable

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**PART 2 – OUTPUT SPECIFICATION**

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Outline Requirements and Specification. Capacity and Performance Requirements.

1. In this Schedule unless the context otherwise requires:

"Capacity and Performance Requirements" means from the Commencement Date for the relevant Connection the provision of such capacity over the Connection between the NR Network and the Premises as enables the Adjacent Facility Owner and any Train Operator to exercise without restriction or constraint such permission to use as it may have at the relevant time to make a movement over any part of the NR Network to or from the Premises, subject to:

- (a) such entitlement not exceeding the maximum physical capacity of the Connecting Network; and
- (b) any amended capacity or performance requirements as are notified by the Adjacent Facility Owner to Network Rail from time to time in writing; and
- (c) any facility for restrictions of use or conditions relating to the taking of restrictions such that a minimum access requirement is maintained; and

"Specified Equipment" means, in relation to the Connecting Network at any time, any railway vehicle which the Adjacent Facility Owner or any Train Operator has permission to use on the NR Network in making a movement over any part of the NR Network to or from the Premises.

2. Without prejudice to all other obligations of the Parties in this Schedule, each Party shall, in its dealings with the other for the purpose of, and in the course of performance of its obligations under, this contract, act with due efficiency and economy and in a timely manner with that degree of skill, diligence, prudence and foresight which should be exercised by a skilled and experienced:

- (a) network owner and operator (in the case of Network Rail); and
- (b) depot facility owner (in the case of the Adjacent Facility Owner).

3. Without prejudice to the other provisions of this contract:

- (a) the Adjacent Facility Owner shall maintain and operate the part of the Adjacent Facility directly adjoining the Connection in accordance with its obligations in paragraph 2; and

- |
- (b) Network Rail shall maintain and operate the Connecting Network in accordance with its obligations in paragraph 2,

with a view to permitting the railway vehicles to move over the Connection to or from the Premises sufficient to deliver the Capacity and Performance Requirements and the Safety Obligations.

4. In relation to its respective Safety Obligations:

- (a) the Adjacent Facility Owner shall comply with any reasonable request by Network Rail in relation to any aspect of the Adjacent Facility Owner's operations which affects or is likely to affect the performance of Network Rail's Safety Obligations applicable to the Connecting Network; and
- (b) Network Rail shall comply with any reasonable request by the Adjacent Facility Owner in relation to any aspect of Network Rail's operations which affects or is likely to affect the performance of the Adjacent Facility Owner's Safety Obligations applicable to the Adjacent Facility and/or the Connecting Network.

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## SCHEDULE 2: CONTACT DETAILS

Network Rail's address for service of notices is:

Network Rail Infrastructure Limited  
1 Eversholt Street  
London  
NW1 2DN  
Email: notices@networkrail.co.uk

All written notices to be marked:

“URGENT: ATTENTION THE COMPANY SECRETARY AND SOLICITOR”

and copied to: Stations and Depot Portfolio Manager

Tel: [ ]

Fax: [ ]

Email stations&depotsteamnetworkoperations@networkrail.co.uk

1B. Network Rail's address for service of invoices or other statements of amounts payable, if different from paragraph 1A above, is:

Network Rail Infrastructure Limited Accounts Receivable  
PO Box 4150  
Square One,  
2<sup>nd</sup> Floor,  
4 Travis Street,  
Manchester  
M1 2NY

Tel: [ ]

Fax: [ ]

Email [ ]

All invoices/statements of amounts payable to be marked:

“URGENT: ATTENTION THE COMPANY SECRETARY [AND SOLICITOR]”

and copied to: [National Receivables Manager *or as nominated by Network Rail* ]

Tel: [ ]

Fax: [ ]

Email: [ ]

2A. The Adjacent Facility Owner's address for the service of notices is:

Govia Thameslink Railway Limited  
3<sup>rd</sup> Floor, 41-51 Grey Street, Newcastle Upon Tyne, NE1 6EE

All written notices to be marked:

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“URGENT: ATTENTION THE COMPANY SECRETARY”

and copied to: Wendy Robertson

Tel: [ ]

Fax: [ ]

Email: @GTRrailway.com

- 2B. The Adjacent Facility Owner’s address for the service of invoices or other statements of amounts payable, if different from paragraph 2A above, is:

All invoices/statements of amounts payable to be marked:

“URGENT: ATTENTION [ ]”

The Head Adjacent Facility Owner’s address for the service of notices is at its registered office for the time being which at the date of this contract is :

Siemens plc  
Faraday House  
Sir William Siemens Square  
Frimley  
Camberley  
GU16 8QD

“URGENT: ATTENTION of the COMPANY SECRETARY”

and copied to: Ian Duncan

Fax:

Email: [@siemens.com](mailto: @siemens.com) -



**-SCHEDULE 3**

**PART 2: ADJUSTMENT FACTOR FORMULA**

**Indexation and variation of the Amount**

*For passenger train connections:*

The Amount shall be subject to variation as follows:

$$\text{Adjustment factor} = 1 + \frac{(\text{RPI}_{(t-1)} - \text{RPI}_{(t-2)}) - X}{\text{RPI}_{(t-2)}}$$

Where:

- i) t = the relevant 12 month period in respect of which the annual amount is being calculated.
- ii) RPI(t-1) means the general index of RPI (all items) published by the Central Statistics Office under code CHAW for the 12 months up to and including the month of December immediately preceding the relevant 1st November.

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- iii)  $RPI(t-2)$  means the general index of RPI (as defined above) for the 12 months up to and including the month of December which is 12 months before the month of December which immediately precedes the relevant 1st November.
- iv) X is the efficiency factor published by ORR for the relevant period, being 3.53% at the date of this contract

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#### **SCHEDULE 4: ADJACENT FACILITY OWNER'S SAFETY AND SECURITY REQUIREMENTS**

Comment [MA1]: To be updated.

All visitors to the Premises will report to the main gates and ring for attention. They will be directed to the Depot Facility Owner's local responsible manager. If they are undertaking any inspections or physical works they will be required to attend a site briefing which will encompass the Depot Facility Owner's Safety and Security Requirements.

All persons entering the Depot or part thereof to undertake any inspections or physical works shall be the holder of a current personal track safety certificate or equivalent, being a certificate to either national standards or the Depot Facility Owner's standard.

All persons entering the Depot Facility or part thereof to undertake any inspections or physical works shall be equipped with the following minimum personal protective equipment:

- Hard hat;
- Hi-vis clothing;
- Eye protection;
- Safety footwear;
- Gloves.

All persons entering the Premises by railway access shall exit by the same route unless permission is granted by Facility Owner's representative and shall attend the control room at the Premises in order to be issued with a site pass to allow the access to and exit from the Premises to be recorded.

Any accident or incident occurring in the Facility shall be notified to the Facility Owner as soon as practicable. All visitors to the Premises will report to the Adjacent Facility Owner's local responsible manager for a site briefing which will encompass the Adjacent Facility Owner's Safety and Security Requirements and any additional requirements of any other [Train Operator] operating from the Premises from time to time.

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~~All persons entering the Adjacent Facility or part thereof shall be the holder of a current personal track safety certificate or equivalent, being a certificate to either national standards or the Adjacent Facility Owner's standard.~~

~~All persons entering the Adjacent Facility or part thereof shall be equipped with the following minimum personal protective equipment:~~

- ~~• Hard hat;~~
- ~~• Hi-vis clothing;~~
- ~~• Eye protection;~~
- ~~• Safety footwear;~~
- ~~• Gloves.~~

~~All persons entering the Premises by railway access shall exit by the same route unless permission is granted by the Adjacent Facility Owner's representative and shall attend the gatehouse/reception at the Premises in order to be issued with a site pass to allow the access to and exit from the Premises to be recorded.~~

~~Any accident or incident occurring in the Adjacent Facility shall be notified to the Adjacent Facility Owner as soon as practicable.~~

## SCHEDULE 5: LIMITATION ON LIABILITY

### 1 Definitions

In this Schedule:

“Liability Cap” means:

- (a) in relation to the first Contract Year, the sum of £750,000; and
- (b) in relation to any subsequent Contract Year, the sum calculated in accordance with the following formula:

$$C_n = C_1 * \left( \frac{RPI_n}{RPI_1} \right)$$

where:

- (i)  $C_1$  is the sum of £750,000;
- (ii)  $C_n$  is the Liability Cap in the nth subsequent Contract Year;
- (iii)  $RPI_n$  is the Retail Prices Index published or determined with respect to the first month of the subsequent Contract Year n; and
- (iv)  $RPI_1$  is the Retail Prices Index published or determined with respect to the month in which this contract became effective under Clause 2.1.

### 2 Application

The limitations on liability contained in this Schedule apply in the circumstances set out in Clause 10.5.

### 3 Limitation on Network Rail’s liability

In relation to any claim for indemnity made by the Adjacent Facility Owner to which this Schedule 5 applies:

- (a) Network Rail shall not be liable to make payments in relation to such claims which are admitted in writing or finally determined in any Contract Year to the extent that its liability for such claims exceeds the Liability Cap for such Contract Year; and
- (b) to the extent that its liability for such claims exceeds the Liability Cap for such Contract Year, any claim for payment of a sum which exceeds such Liability Cap shall be extinguished and Network Rail shall have no further liability for it.

### 4 Limitation on Adjacent Facility Owner’s liability

In relation to any claims for indemnity made by Network Rail to which this Schedule 5 applies:

- (a) the Adjacent Facility Owner shall not be liable to make payments in relation to such claims which are admitted in writing or finally determined in any Contract Year to the extent that its liability for such claims exceeds the Liability Cap for such Contract Year; and

- (b) to the extent its liability for such claims exceeds the Liability Cap for such Contract Year, any claim for payment of a sum which exceeds such Liability Cap shall be extinguished and the Adjacent Facility Owner shall have no further liability for it.

#### **5 Disapplication of limitation**

To the extent that any Relevant Losses:

- (a) result from a conscious and intentional breach by a party; or
- (b) are in respect of obligations to compensate any person for liability for death or personal injury, whether resulting from the negligence of a party or the negligence of any of its officers, employees or agents or from a failure by a party to comply with the safety and security requirements set out in Schedule 4,

such Relevant Losses:

- (i) shall not be subject to the limitation of liability in Schedule 5; and
- (ii) shall not be taken into account when calculating the amount of Relevant Losses in respect of claims admitted or finally determined in a Contract Year for the purposes of the limitations of liability in this Schedule 5.

#### **6 Exclusion of legal and other costs**

The limits on the parties' liabilities provided for in paragraphs 3 and 4 shall not apply to costs incurred in recovering any amount under a relevant claim, including legal, arbitral and other professional fees and expenses.

#### **7 Exclusion of certain Relevant Losses**

A party shall have no claim for Relevant Losses to the extent that such Relevant Losses result from its own negligence or breach of this contract.

#### **8 Continuing breaches**

Nothing in this Schedule 5 shall prevent a party making a new claim for indemnity in respect of a continuing breach of contract which:

- (a) is a continuing breach of contract which continues for more than 12 months; or
- (b) is a continuing breach of contract which continues beyond a period within which it might reasonably be expected to have been remedied; or
- (c) is a breach of a Performance Order in relation to a breach of contract,

but any such new claim shall not include any sum which was the subject matter of a previous claim and was extinguished by virtue of paragraph 3(b) or 4(b).

#### **9 Final determination of claims**

For the purpose of this Schedule 5, a determination of a claim for Relevant Losses by a Court or other tribunal shall be treated as final when there is no further right of appeal or review from such determination or in respect of which any right of appeal or review has been lost, whether by expiry of time or otherwise.

This contract was signed by Network Rail, Siemens Plc (Head Adjacent Facility Owner) and the Adjacent Facility Owner as first dated above.

SIGNED BY \_\_\_\_\_

Print name \_\_\_\_\_

Duly authorised on behalf of  
NETWORK RAIL INFRASTRUCTURE LIMITED

SIGNED BY \_\_\_\_\_

Print name \_\_\_\_\_

Duly authorised on behalf of  
GOVIA THAMESLINK RAILWAY LIMITED (Adjacent Facility Owner)

SIGNED BY \_\_\_\_\_

Print name \_\_\_\_\_

Duly authorised on behalf of  
SIEMENS PLC (Head Adjacent Facility Owner)

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Annex: the Plan

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