

## SCHEDULE 6

### GENERAL/REGULATORY

#### PART 1 - ANCILLARY COMMERCIAL BUSINESS

##### 1. **Property Management Services**

- 1.1 DLR Limited appoints the Franchisee with effect from the Franchise Commencement Date and throughout the Franchise Term to undertake and direct and the Franchisee agrees to undertake and direct the management and maintenance of the Retained Estate and to perform the duties set out below in accordance with the following terms.
- 1.2 In pursuance of the foregoing the Franchisee will at its own expense:
- (a) collect all rents from time to time payable to DLR Limited in respect of the Retained Estate or any part of it except any part of the premises occupied by DLR Limited;
  - (b) collect all charges, fees, service charges or other sums (other than rent) from time to time payable to DLR Limited in respect of the Retained Estate or any part of it which DLR Limited shall specify to the Franchisee in writing from time to time;
  - (c) notify DLR Limited of every occasion when any sum due by way of rent or other charge fee or sum within clause 1.2(b) above has been outstanding for 28 days;
  - (d) discharge the following liabilities of DLR Limited in respect of the Retained Estate and pay the following sums in respect of it:
    - (i) general, water, sewerage and other statutory rates (except business rates in the case of the Ritz Building and New Hilton Building which shall be payable by DLR Limited);
    - (ii) sums due from DLR Limited under any service contract in respect of the Retained Estate or any part of it; and
    - (iii) any other sums payable in respect of the Retained Estate not otherwise payable by any tenant or other third party.
  - (e) inspect the state of repair and condition of the Retained Estate as often as may be reasonably necessary but for avoidance of doubt at least once a year to identify all reasonably necessary works of repair and maintenance of the Retained Estate and complete an inspection form (in a form agreed in advance by DLR Limited) for submission and consideration by DLR Limited;
  - (f) carry out all works of repair and maintenance of the Retained Estate necessary to keep the Retained Estate in a good state of repair and condition including:
    - (i) to keep the Retained Estate in good and substantial repair and condition and as often as necessary to rebuild reinstate or replace the Retained Estate;
    - (ii) to replace from time to time with items of an equivalent standard and commensurate with the nature of the Retained Estate DLR Limited's fixtures and fittings on the Retained Estate which may be or become beyond repair at any time during or at the expiry of the Franchise;
    - (iii) to keep the exterior of the Retained Estate cleaned maintained and repaired in accordance with good building and property management practice and to clean the outside of all windows and window frames in any buildings erected on the Retained Estate at least once every calendar month;

- (iv) to keep all landscaped areas properly cultivated and keep any part of the Retained Estate which may not be built upon or landscaped properly surfaced and in good condition;
- (v) where the use of any conduits sewers drains mains ducts pipes gutters watercourses wires cables fibres channels or other conducting media or any boundary structures or other things is common to the Retained Estate and other property to be responsible for and to indemnify DLR Limited against all sums due from and to undertake all work that is the responsibility of the owner lessee or occupier of the Retained Estate in relation thereto;
- (vi) to keep all plant machinery apparatus instruments components and equipment upon the Retained Estate properly maintained and in good working order,

except to the extent such repair and maintenance are the responsibility of any tenant or other third party in which case procure that such tenant or third party undertakes such works or repair and maintenance which are its responsibility in a proper and adequate manner taking where necessary any legal actions against the tenant or third party.

- (g) provide such services and facilities at the Retained Estate to tenants occupiers and lessees of the various parts of the Retained Estate as DLR Limited is statutorily or contractually bound to provide to such tenants occupiers and lessees;
- (h) deal with enquiries complaints claims reports and correspondence in relation to the Retained Estate;
- (i) receive applications from tenants in respect of assignments and sublettings, analysing such applications and reporting to DLR Limited;
- (j) ensure compliance with both landlords and tenants lease covenants;
- (k) ensure that the Retained Estate comply with all statutory requirements;
- (l) carry out regular formal inspections at least once a year;
- (m) take all reasonable steps and attend to any emergency relating to the property consistent with the appointed duties hereunder;
- (n) seek tenants for parts of the Retained Estate (other than parts of the Retained Estate occupied by DLR Limited) from time to time unlet as directed by DLR Limited which in the absence of direction or directed to negotiate lettings expeditiously and on the best terms reasonably obtainable;
- (o) issue new terms and negotiate lease renewals in respect of the Retained Estate so as to obtain the best rent reasonably possible and subject to the written approval of DLR Limited to agree such rent reviews with the tenant or lessee;
- (p) prior to marketing in relation to a new letting or serving rent notices or offering new lease terms to complete a valuation report in the manner described (in a form agreed in advance by DLR Limited) making recommendations for the approval by DLR Limited;
- (q) negotiate rent reviews which arise in respect of leases of any part of the Retained Estate so as to obtain the best rent reasonably possible and subject to the written approval of DLR Limited to agree such rent reviews with the tenant or lessee;

- (r) prepare statements of account for each of the usual quarters in each year such statements to be compiled and delivered to DLR Limited within 21 days of the end of the relevant quarter and to show all receipts and all expenditure by the Franchisee in respect of the Retained Estate for the relevant quarter. The Franchisee shall be entitled to retain all Ancillary Commercial Revenue;
- (s) maintain all reasonably necessary books and records and in particular so as to enable DLR Limited's solicitors to serve all necessary notices under any lease of the Retained Estate or any part of it and to enable DLR Limited's accountants to compile statements of account in respect of the Retained Estate;
- (t) to produce and maintain and submit to DLR Limited on a quarterly basis an events log in the form agreed in advance by DLR Limited;
- (u) notify DLR Limited not more than 6 months and not less than 3 months before any date in any lease of the Retained Estate or any part of it on which such lease may be determined by DLR Limited or with effect from which the rent payable under such lease falls to be reviewed and to seek instructions from DLR Limited as to the form and manner of service of any notice which DLR Limited may be entitled to serve and if so instructed to effect service of any such notice;
- (v) notify DLR Limited of any apparent breach of any lease of any part of the Retained Estate or of any unlawful or suspicious acts or omissions or circumstances relating to the use or occupation of any part of the Retained Estate and in all such cases to seek instructions from DLR Limited before demanding or accepting rent or other sums due under any relevant lease or otherwise treating such lease as subsisting;
- (w) notify and provide DLR Limited with all notices served upon DLR Limited in relation to the Retained Estate as soon as reasonably practicable;
- (x) without prejudice to the generality of the above, comply with all reasonable instructions of DLR Limited from time to time in connection with the management of the Retained Estate or any part of it; and
- (y) without prejudice to the generality of the above, manage the Retained Estate on behalf of DLR Limited in accordance with the principles of good estate management.

2. **Permitted Commercial Activities**

(INFORMATION EXEMPT FROM DISCLOSURE UNDER SECTION 43(2) OF THE FREEDOM OF INFORMATION)

**PART 2 - KEY POSTS**

The following shall be Key Posts provided that the Franchisee shall be entitled to give such persons a different title provided that the relevant person fulfils the role described in this part 2 of schedule 6 (General/Regulatory)

1. **Managing Director**

The Franchisee shall assign a suitable qualified and experienced person as the Managing Director who would have overall responsibility for the Franchise.

2. **Finance Director**

The Franchisee shall assign a suitably qualified and experienced person as the finance director who will have responsibility for the financial management of the Franchisee's business.

3. **Operations Manager**

The Franchisee shall assign a suitably qualified and experienced person as the Operations Manager, who shall be directly employed by the Franchisee and who shall be responsible for the general supervision and direction of operation of the Railway, including management of the provision of the Passenger Services in accordance with part 1 of schedule 2 (Passenger Services) and direction of the Operations staff in the performance of operating duties in accordance with the requirements of part 2 of schedule 2 (Passenger Services).

4. **Maintenance Manager**

The Franchisee shall assign a suitably qualified and experienced person as the Maintenance Manager, who shall be directly employed by the Franchisee and who shall be responsible for the general supervision and direction of the maintenance of the Franchise Assets, including compliance with Clause 11 (Maintenance of Franchise Assets).

5. **Safety Manager**

The Franchisee shall assign a suitably qualified and experienced person as the Safety Manager, who shall be directly employed by the Franchisee and who shall be regarded as the professional head of safety responsible for the management of the Franchisee's safety management system.

6. **DLR Safety Critical posts**

The Franchisee shall assign suitably qualified and experienced personnel to fill any posts specified in the DLR Railway Safety Case each of which shall be directly employed by the Franchisee.

7. **Train Control Manager**

The Franchisee shall assign a suitably qualified and experienced person as the Train Control Manager who will have the responsibility for the operation, maintenance and support of the development of the signalling and train control system and direction of staff engaged in the delivery of such systems.

8. **Rolling Stock Manager**

The Franchisee shall assign a suitably qualified and experienced person as the Rolling Stock Manager who will be responsible for the operation, maintenance and support of the development of rolling stock and direction of staff engaged in the operation or maintenance of the rolling stock.

9. **Concessionaire Liaison Manager**

The Franchisee shall assign a suitably qualified and experienced person as the Concessionaire Liaison Manager, who shall be directly employed by the Franchisee and who shall be responsible for ensuring and developing partnership working with the Concessionaires, whose duties shall include those activities outlined in clause 14 of part 4 of schedule 2 and the direction of staff engaged in such operations.

10. **Marketing and PR Manager**

The Franchisee shall assign a suitably qualified and experienced person as the Marketing PR Manager, who shall be directly employed by the Franchisee and who shall be responsible for the development and delivery of the Annual Marketing Plan and other Franchisee marketing activities, and will provide all required assistance to DLR Limited for the development and delivery of DLR Limited's marketing passenger information and investment campaigns as part of a customer focused agenda.

## PART 3 - AUTHORISED FUNCTIONS

### 1. **Penalty Fares**

- 1.1 DLR Limited appoints the Franchisee as an "authorised" person pursuant to the provisions of schedule 17 of the Greater London Authority Act 1999 ("**Penalty Fares Provisions**").
- 1.2 The Franchisee shall collect on behalf of DLR Limited any penalty fare payable to DLR Limited by any passenger pursuant to the terms of the Penalty Fares Provisions provided that the Franchisee shall not be required to pursue any enforcement action against a passenger where it believes on reasonable grounds that such an action would be unsuccessful.
- 1.3 The Franchisee shall, in addition to the collection of penalty fares, carry out all duties and responsibilities in relation to such collection as may ordinarily and properly be carried out by a penalty fare collector acting in the best interests of DLR Limited.
- 1.4 The Franchisee shall be entitled to retain any Penalty Fares collected by it.

### 2. **Byelaws**

- 2.1 DLR Limited appoints the Franchisee as an "authorised person" pursuant to DLR Ltd's Byelaws made under section 67(1) and (3) to (12) and 84(3) of the Transport Act 1962 which regulate the use and working of and travel on the Railway, the maintenance of order on the Railway and the conduct of all persons while on the Railway (as the same may be amended or replaced from time to time) ("**Byelaws**").
- 2.2 The Franchisee shall, as such authorised person, carry out all duties and responsibilities of an authorised person in relation to the enforcement of the Byelaws as may ordinarily and properly be carried out by a railway operator acting in the best interests of DLR Limited and the travelling public, including those duties specifically detailed in the Byelaws.

### 3. **Tickets/Ticketing Schemes**

The Franchisee shall comply with the provisions of schedule 3 in respect of Tickets and Ticketing Schemes.

### 4. **Extant DLR Projects**

The Franchisee shall comply with the provisions of schedule 5 in respect of Extant DLR Projects and Additional DLR Projects. The Franchisee shall be entitled to take actions on behalf of DLR Limited as expressly permitted (but not otherwise) and shall undertake all obligations, under the Technical Schedules and the Matrices.

### 5. **LT Contracts**

The Franchisee shall comply with all DLR Limited's obligations under each of the contracts set out below:

#### 5.1 **Lost Property Services Agreement**

**Parties:**

(1)	LRT
(2)	DLR Limited

**Service:** Lost Property Service

**Value:** (INFORMATION EXEMPT FROM DISCLOSURE UNDER SECTION 43(2) OF THE FREEDOM OF INFORMATION)

- DLR Limited Obligations:**
- (i) pay for the services
  - (ii) ensure employees and agents comply with procedures relating to lost property found on DLR Limited premises and rolling stock
  - (iii) provide LRT with access etc to the premises and co-operate to enable LRT to provide the service

**Assignment:** No assignment without prior written consent of the other party

The Franchisee must abide by the requirements for handling Lost Property found on DLR Limited property and Rolling Stock as laid down in the relevant procedures.

## 5.2 **Travel Information Services Agreement**

- Parties:**
- (1) LRT
  - (2) DLR Limited

**Service:** Travel Information Services e.g. Teletext/Hot Line

**Value:** (INFORMATION EXEMPT FROM DISCLOSURE UNDER SECTION 43(2) OF THE FREEDOM OF INFORMATION)

- DLR Limited Obligations:**
- (i) DLR Limited to pay for the services
  - (ii) DLR Limited provide co-operation
  - (iii) DLR Limited to provide information on current travel difficulties or anticipated future travel difficulties
  - (iv) information supplied must be accurate and up to date

**Assignment:** No assignment without prior written consent of the other party

The Franchisee is required to provide information to the LT Travel Information Service to enable appropriate travel information to be made available to the public.

## 5.3 **[Not used.]**

## 5.3 **Fire Training Agreement**

- Parties:**
- (1) LRT
  - (2) DLR Limited

**Service:** LRT to provide fire training courses

**Value:** (INFORMATION EXEMPT FROM DISCLOSURE UNDER SECTION 43(2) OF THE FREEDOM OF INFORMATION) per trainee per day when required

- DLR Limited Obligations:**
- (i) payment
  - (ii) co-operation
  - (iii) notification to DLR Limited of its request for course giving reasonable notice of preferred dates
  - (iv) DLR Limited ensures the trainees while present on LRT premises abide by LRT rules and regulations

**Assignment:** No assignment without prior written consent of the other party.

These services are available to the Franchisee on payment of the appropriate fee.

#### 5.4 **First Aid Training Agreement**

- Parties:**
- (1) LRT
  - (2) DLR Limited

**Service:** First Aid training

**Value:** (INFORMATION EXEMPT FROM DISCLOSURE UNDER SECTION 43(2) OF THE FREEDOM OF INFORMATION) per trainee for First Aid course, (INFORMATION EXEMPT FROM DISCLOSURE UNDER SECTION 43(2) OF THE FREEDOM OF INFORMATION) per trainee for emergency course

- DLR Limited Obligations:**
- (i) payment for services
  - (ii) provide co-operation
  - (iii) notify LRT in writing of request for the services giving reasonable notice
  - (iv) DLR Limited ensures the trainees while present on LRT premises abide by LRT rules and regulations

**Assignment:** No assignment without prior written consent of the other party.

These services are available to the Franchisee on payment of the appropriate fee.

#### 5.5 **Intellectual Property Agreement**

- Parties:**
- (1) LRT
  - (2) DLR Limited

**Service:** Intellectual Property Agreement for use of LRT typeface (new Johnston) on certain items such as station signage etc

**Value:** (INFORMATION EXEMPT FROM DISCLOSURE UNDER SECTION 43(2) OF THE FREEDOM OF INFORMATION)

**DLR Limited** DLR Limited only to use typeface for the purposes set out in the

**Obligations:** agreement. DLR Limited must ensure that the licence is personal to DLR Limited and cannot use the typeface for any other purposes other than set out in the Schedule attached to the agreement

**Assignment:** The licence is personal to the licensee and may not be transferred, assigned or otherwise disposed of

These services are available to the Franchisee on payment of the appropriate fee.

#### 5.6 Disabled Passenger Services Agreement

**Parties:** (1) LRT  
(2) DLR Limited

**Service:** LRT provides specialist advice on facilities for the mobility impaired i.e. literature and telephone information service

**Value:** (INFORMATION EXEMPT FROM DISCLOSURE UNDER SECTION 43(2) OF THE FREEDOM OF INFORMATION)

**DLR Limited Obligations:** (i) payment for services  
(ii) provide co-operation  
(iii) provide information including, but not limited to information concerning wheelchair access, to DLR Limited stations

**Assignment:** No assignment without prior written consent of the other party.

These services are available to the Franchisee on payment of the appropriate fee.

#### 5.7 Electricity Operation and Maintenance Agreement

**Parties:** (1) LRT  
(2) DLR Limited

**Service:** Provide maintenance of metering facility at Bank supplementary to DLR Limited/LUL/LEB Transfer Support Agreement and DLR Limited/LEB Supply Agreement and LRT/LEB Export Agreement

**Value:** (INFORMATION EXEMPT FROM DISCLOSURE UNDER SECTION 43(2) OF THE FREEDOM OF INFORMATION) set fee for calibration and maintenance plus hourly rate for location and repair plus materials and transport expenses

**DLR Limited Obligations:** (i) DLR Limited warrants that it will perform duties with reasonable skill and care and ensure that persons deployed to carry out functions under the agreement are suitably experienced/qualified

(ii) DLR Limited will pay for the services

- (iii) DLR Limited will act in accordance with the strict operating and maintenance procedures set out in the schedules in particular, relating to safety procedures
- (iv) DLR Limited will afford co-operation with LRT enabling it to perform its duties and obligations under the agreement and the export agreement

**Assignment:** No assignment without prior written consent of the other party.

The Franchisee is required to abide by the "DLR Limited Obligations" and abide by the procedures laid down.

Note: This agreement is ancillary to an Export Agreement between LRT and London Electricity and a Supply Agreement between DLR Limited and London Electricity/RLH.

## 6. **Property Related Contracts**

The Franchisee shall comply with its obligations in relation to the Property Related Contracts under this Agreement and the Existing Railway Lease Agreement, the Railway Lease and any Supplemental Leases.

## 7. **Additional DLR Contracts**

- 7.1 DLR Limited may by notice in writing to the Franchisee require that the Franchisee treat a specified contract as a DLR Contract for the purpose of this Agreement.
- 7.2 In any notice served pursuant to paragraph 7.1 above, or by subsequent notice in writing within 14 days thereafter, DLR Limited shall specify the liabilities, obligations and other responsibilities which the Franchisee is to undertake, discharge and perform on behalf of DLR Limited and any rights or benefits for the Franchisee which are associated with the DLR Contracts.
- 7.3 The Franchisee may within 14 days of receipt of notice of an Additional DLR Contract from DLR Limited give notice of Variation under the Variation Procedure. DLR Limited may either in the notice pursuant to paragraph 7.1 above or by a subsequent notice to be served on the Franchisee within 14 days thereafter provide a notice of Variation under the Variation Procedure. If the Franchisee or DLR Limited serves a notice of Variation under the Variation Procedure then the provisions of the Variation Procedure shall apply.

## **PART 4 - QUALITY PROCEDURES**

The Franchisee will adopt the existing Quality Procedures (referenced SAF002 SQE 701, 702, 703, 704 and 705) contained in folder reference SAF002 in the Data Room. The Franchisee will work with DLR Limited to extend the coverage of the Quality Procedures to cover an increased proportion of the Franchisee Obligations and to ensure the Quality Procedures are improved in line with Good Industry Practice. Any changes required to such Quality Procedures will be dealt with in accordance with the Change Procedure.

## **PART 5 - SAFETY MANAGEMENT**

The responsibilities of the person or persons responsible for safety matters in accordance with Clause 19.1 (Safety Management) shall include:

### 1. **Risk Assessment and Risk Control**

The Franchisee shall establish and maintain a safety policy and procedures for the ongoing identification of health, safety and environmental hazards, the assessment of risks, and the implementation of necessary control measures. These shall include:

- routine and non-routine activities;
- activities of all personnel having access to the workplace;
- facilities at the workplace; and
- project work.

## 2. **Management of Change**

The Franchisee shall maintain procedures for planning and controlling changes, both permanent and temporary, in people, plant, processes and procedures, to avoid any adverse health, safety and environmental implications of the change. These procedures should be suitable to address the health, safety and environmental issues involved and should address:

- identification and documentation of the proposed change and its implementation;
- Responsibility for reviewing and recording the potential health, safety and environmental hazards;
- documentation of the agreed change and implementation procedure including measures to control health, safety and environmental risks to ALARP (as low as reasonably practicable principle); and
- authority for approval to implement the proposed change.

## 3. **Legislation**

The Franchisee shall maintain procedures for identifying and accessing the legal and other health, safety and environmental requirements that are applicable to it. This information shall be kept up to date and relevant information from it shall be communicated to employees and other relevant interested parties.

## 4. **Health, Safety and Environmental Objectives**

On an annual basis the Franchisee shall establish and maintain documented HSE objectives, at each relevant function and level within the business. Suitable indicators should be defined for each health, safety and environmental objective to allow for monitoring of their implementation.

## 5. **Health, Safety and Environmental Management for Projects**

Where Projects are managed via the Franchisee, the Franchisee shall establish processes by which health, safety and environmental aspects are managed for all stages of the project, from inception and design, through to handover and maintenance of the finished product. Projects must also be managed in accordance with appropriate regulations, particularly, the CDM Regulations (or any replacement thereof).

## 6. **Structure and Responsibility**

The roles, responsibilities and authorities of personnel who manage, perform and verify activities having an effect on health, safety and environmental risks, shall be defined, documented and communicated to facilitate health, safety and environmental management.

## 7. **Training, awareness and competence**

The Franchisee shall establish adequate resources for the management of health, safety and environmental matters.

The Franchisee shall have processes in place to ensure that staff are competent to perform tasks that may impact health, safety and environmental in the workplace by:

- defining the health, safety and environmental competence needed for each role;
- ensuring that staff meet these competence requirements; and

- addressing any shortfalls by the provision of training or other suitable interventions.

**8. Documentation and document control**

The Franchisee shall establish and maintain, in a suitable medium, information that describes the core elements of the health, safety and environmental management system and provides direction to related documentation.

**9. Emergency preparedness and response**

The Franchisee shall establish and maintain plans and procedures to identify the potential for, and responses to incidents and emergency situations, and for preventing and mitigating the likely illness, injury and/or environmental damage that may be associated with them.

**10. Proactive Monitoring of Health, Safety and Environmental Systems**

The Franchisee shall establish and maintain procedures for monitoring the Franchisee's health, safety and environmental management system by undertaking systematic and risk-based inspections of all workplaces, and activities undertaken within such workplaces, with the aim of identifying hazards, sub-standard conditions or sub-standard actions.

**11. Reactive Performance Measuring and Reporting**

The Franchisee shall develop health, safety and environmental performance indicators to monitor health, safety and environmental performance.

The results of monitoring action undertaken in accordance with this procedure shall be analysed and evaluated to identify health, safety and environmental trends, recurrences and root causes.

Where targets or benchmarks are set, performance against them shall be recorded and used to set future targets.

Where adverse trends are identified, remedial action shall be implemented and recorded. This may include further monitoring.

**12. Incident reporting and investigation**

The Franchisee shall establish and maintain procedures defining responsibility and authority for:

- the handling and investigation of accidents, incidents and non-conformances (including environmental accidents and incidents);
- taking action to mitigate any consequences arising from accidents, incidents or non-conformances;
- the initiation and completion of corrective action measures and preventative actions; and
- confirmation of the effectiveness of corrective and preventative actions taken

Procedures for incident reporting should:

- require that all non-conformances, accidents and incidents be reported, including environmental accidents and incidents; and
- apply to all personnel (i.e. employees, temporary workers, contractors, visitors and any other person in the workplace)

Procedures for incident investigation should:

- define the types of events to be investigated;

- identify the purpose of the investigation i.e. to identify immediate and underlying causes and recommend remedial actions to prevent recurrence;
- identify the criteria for selecting investigators; and
- include statutory reporting requirements.

### 13. **Audit**

The Franchisee shall establish and maintain an audit programme and procedures for periodic health, safety and environmental management systems audits to be carried out to:

- determine whether the health, safety and environmental management system conforms to planned arrangements;
- determine whether the health, safety and environmental management system has been properly implemented;
- determine whether the health, safety and environmental management system is effective in meeting the business' policy and objectives;
- review the implementation of previous audits recommendations;
- provide information in the results of audits to management

The developer of the audit programme shall consult with interested and affected parties.

Audits must be undertaken by auditors competent by virtue of skills, knowledge, experience, training and personal attributes in relation to the area or systems being audited.

### 14. **Review**

The Franchisee shall, at suitable intervals, review the health, safety and environmental management system to ensure its continuing suitability, adequacy and effectiveness.

Full reviews of the health, safety and environmental management system shall take place at intervals of not more than 3 years. These reviews can occur on a rolling basis throughout the three year cycle.

Results of reviews shall be recorded and communicated to those affected by the outcome.

The results and findings of reviews shall be recorded along with related improvement actions. These improvement actions should be fed into the business plan and health, safety and environmental objectives where appropriate.

The Franchisee shall commit to adopting in it's entirety (unless otherwise agreed with DLR Limited and the HSE), the existing Franchisee safety management system and the DLR Railway Safety Case at the commencement of the Franchise. Subsequent changes should then be subject to appropriate change control.

## **PART 6 – [NOT USED]**

## **PART 7 - SAFETY REGIME**

### 1. **Introduction**

- 1.1 This Safety Regime implements the general policy of DLR Limited's board in relation to health and safety which has the primary objective of "providing a safe public transportation service for all those affected by their undertaking - employees, contractors, tenants, visitors, neighbours and members of the general public".

- 1.2 The role of the Safety Review Committee (being a committee of DLR Limited's board) shall be to carry out an overview of safety under the Franchise and provide a mechanism for DLR Limited to satisfy itself, in so far as it reasonably can, that the Franchisee is complying with the DLR Railway Safety Case, the Procedures and the Change Procedures and its obligations under this Safety Regime and discharging its statutory safety duties and obligations.
- 1.3 DLR Limited shall have no role in directing the management, operation and maintenance of the Railway and shall bear no responsibility for the operational safety of the Railway. Such role and responsibility shall be exclusively with the Franchisee.
- 1.4 This Regime shall be audited by an auditor appointed by DLR Limited at least once every twelve months. The Franchisee agrees to comply with any reasonable recommendations of such auditor as to changes to this Safety Regime.

## 2. **Role of the Franchisee**

- 2.1 The Franchisee shall be wholly responsible and accountable for the safe management, operation and maintenance of the Railway including the integration into the DLR Railway Safety Case arrangements of all Projects to extend or upgrade or change the operation of the network, and the acceptance of new assets into service. The Franchisee shall determine the organisational structure, management practices and deployment of resources necessary to discharge its safety responsibilities under the Franchise and statutory safety duties and obligations. The Franchisee shall ensure that a proper safety management system is in place and that responsibility for the implementation of Safety Policy Procedures is clearly allocated to individual members of Franchisee line management and staff.
- 2.2 The Franchisee shall nominate a Safety Manager to be responsible for the management of the Franchisee's safety management system, to be the principal point of contact for DLR Limited on day-to-day safety issues and to attend meetings of the Safety Review Committee.
- 2.3 The Franchisee shall copy to DLR Limited all significant correspondence originating from or addressed to the Franchisee on health, safety and environmental matters including without limitation correspondence with the HSE and other statutory bodies, incident reports, accident reports and any correspondence relating to accidents, incidents and significant occurrences. The Franchisee shall also inform DLR Limited of any significant approaches from or discussions with safety authorities or other third parties on safety related issues.
- 2.4 The Franchisee shall comply with the DLR Railway Safety Case, the Procedures, the Change Procedures and its obligations under the Safety Regime and shall discharge its statutory safety duties and obligations.
- 2.5 The safety responsibilities of the Franchisee shall include without limitation the following:
  - (a) ensuring that all statutory and other legal safety requirements are complied with including the maintaining of a valid safety case for the Railway;
  - (b) promoting a Franchise safety culture, in which safety is of paramount importance to all aspects of operations and business and that proper standards of safety are exercised throughout any process of change in the organisation and tasks of the Franchisee;
  - (c) ensuring that the Franchisee has a proper safety management system in existence at all times;
  - (d) establishing safety objectives which are clear, detailed and where possible quantifiable;

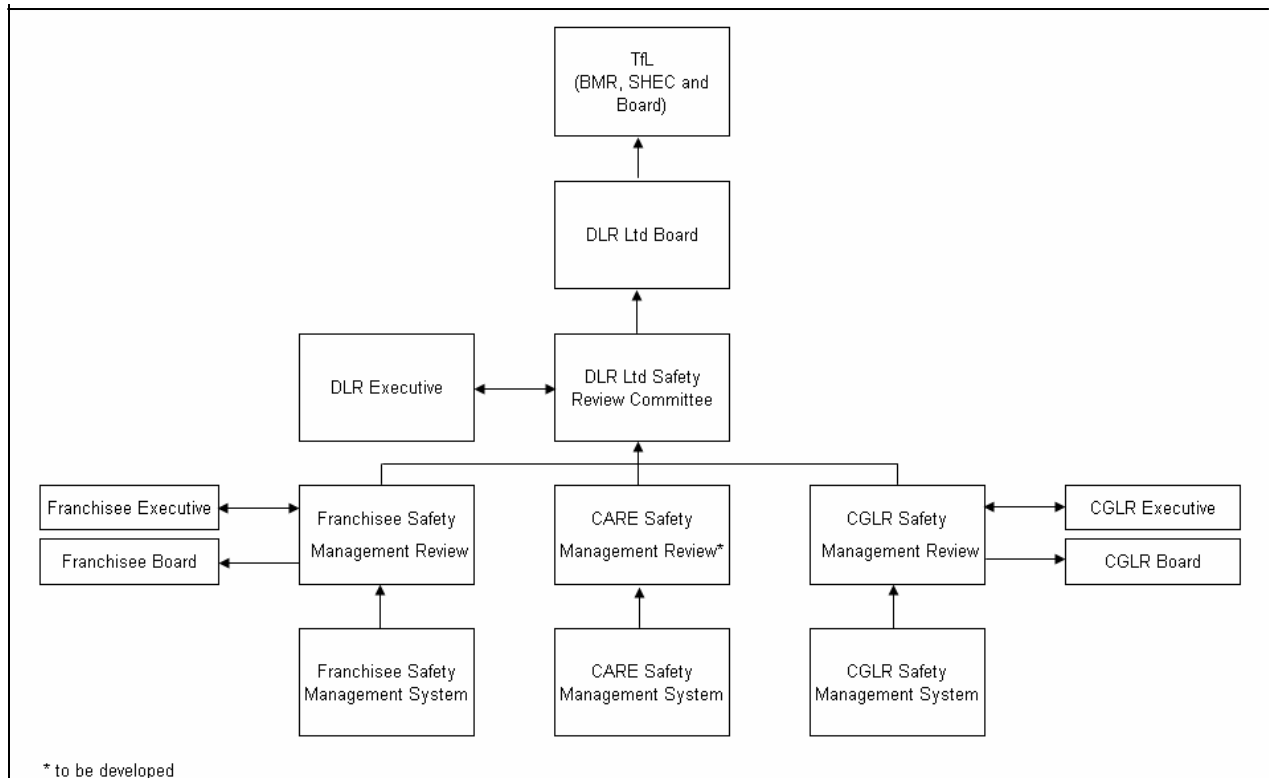
- (e) ensuring that clear and defined lines of responsibility are in place and that staff training programmes are effective and appropriate;
- (f) ensuring that the actions required to meet the safety objectives are identified and communicated effectively to line management and staff;
- (g) considering action on the conclusions and recommendations of all safety audits and other investigations, and agreeing and implementing such actions as appropriate;
- (h) ensuring that decisions on funding priorities take full account of the Franchisee's safety responsibilities;
- (i) monitoring performance in relation to agreed internal safety objectives;
- (j) ensuring that there is effective reporting to the proper authorities on safety management issues, and that there is regular and unimpeded flow of information on safety issues from the Franchisee to DLR Limited, including regular reports on safety performance;
- (k) conducting its own safety audits, and
- (l) preparing an Annual Safety Plan showing where appropriate past performance against safety objectives and establishing safety objectives for the oncoming year.

2.6 The Franchisee shall comply with all statutory requirements to inform relevant statutory authorities of any 'reportable' accidents or serious incidents on the railway. The Franchisee shall inform DLR Limited as soon as possible after any accident or serious incident, whether 'reportable' or not and will copy correspondence in relation to such accident or incident to DLR Limited. Such incidents shall include but not be limited to criminal activities or other action causing major disruption to the Docklands Light Railway services.

### 3. **Safety Review Committee and safety audits**

The Safety Review Committee shall undertake its overview of safety under the Franchise (as referred to in paragraph 1.2 above) in consultation with the Franchisee.

The organisation chart below details safety management within DLR Limited, with specific relation to the Franchisee and Concessionaires, City Greenwich Lewisham Rail (CGLR) and upon completion of the City Airport extension, City Airport Rail Enterprises (CARE) and/or opening of the Woolwich Extension, the Woolwich Extension Concessionaire will be added to this structure.



The role of the Safety Review Committee (SRC) is, as a sub-committee of the DLR Limited Board, to carry out an overview of safety under the Franchise and provide a mechanism for DLR Limited to satisfy itself, insofar as it reasonably can, that the Franchisee is complying with its obligations and statutory duties under the Railway Safety Case for DLR Limited and its Safety Management System.

3.1 The Safety Review Committee shall meet at least quarterly every year during the term of the Franchise and its membership shall be as follows:

DLR Limited	Non-Executive Director with special interest in safety (Chairperson) Director Company Secretary Head of Engineering, Projects and Safety Safety Advisor
Franchisee	Managing Director Non-Executive Director with special interest in safety Safety Executive Safety Advisor
Concessionaire(s)	Non-Executive Director with special interest in safety Safety Advisor

3.2 The Safety Review Committee shall provide a forum for provision of information by the Franchisee, discussion of safety-related issues and review of reports by auditors appointed by DLR Limited. The Chairperson of the Safety Review Committee shall report to DLR Limited's board.

3.3 DLR Limited's safety adviser and the Franchisee's Safety Manager shall attend meetings of the Safety Review Committee and the Safety Review Committee may invite other persons to attend at such meetings, which may include safety specialists or personnel or advisers of DLR Limited or the Franchisee.

- 3.4 The Franchisee shall permit DLR Limited to commission and have carried out independent periodic and no warning spot audits on the Franchisee's compliance with the DLR Railway Safety Case, the Procedures and its obligations under this Safety Regime and the discharge of its statutory safety duties and obligations.
- 3.5 The Franchisee shall co-operate with DLR Limited and the Safety Review Committee and shall without limitation:
- (a) submit its annual safety objectives to the Safety Review Committee;
  - (b) co-operate with any auditors appointed by DLR Limited and promptly respond to any safety issues raised by such auditors in their audit reports;
  - (c) submit quarterly reports to the Safety Review Committee;
  - (d) submit progress reports in relation to achieving annual safety objectives to the Safety Review Committee;
  - (e) submit Franchisee safety statistics to the Safety Review Committee;
  - (f) notify DLR Limited of any failure by the Franchisee to comply with safety under the Franchise and or any failure to discharge its statutory safety duties and obligations;
  - (g) where appropriate submit comments on all other matters in relation to the safe operation of the Railway to the Safety Review Committee.
- 3.6 In the event that an auditor's report raises a safety issue and concludes that the Franchisee is not in compliance with the DLR Railway Safety Case, the Procedures, and the Change Procedures or its obligations under this Safety Regime and/or is not discharging any of its statutory safety duties and obligations DLR Limited shall:
- (a) notify the Franchisee of the auditor's safety issue;
  - (b) deliver a copy of the audit report to the Franchisee; and
  - (c) call on the Franchisee to promptly respond.
- 3.7 Upon the Franchisee receiving notice of a safety issue from DLR Limited, the Franchisee shall:
- (a) promptly address the safety issue; and
  - (b) respond promptly (and in any event within 7 days) to DLR Limited by submitting the Franchisee's safety action plan addressing the safety issue raised by the auditor.
- 3.8 In the event that DLR Limited is not satisfied with the Franchisee's safety action plan, DLR Limited may require the Franchisee to submit a revised safety action plan.
- 3.9 Either party may refer the safety issue raised by the auditor and any safety action plan proposed by the Franchisee for determination under the Dispute Resolution Procedure. The determination of the Dispute Resolution Procedure shall be reported to the Safety Review Committee which shall take appropriate action.
- 3.10 DLR Limited shall have the right to refer the audit report of any auditor appointed by DLR Limited to the HSE.
- 3.11 The Franchisee acknowledges and agrees that the Non-Executive Director and one other staff member of DLR Limited shall be entitled to have reasonable notice of and to attend the

board level safety committee of the Franchisee with such other members of DLR Limited staff as may be agreed for specific meetings.

## PART 8 - ENVIRONMENTAL/REGULATORY

### 1. Noise

1.1 For the purpose of this Clause, the following terms shall have the following meanings:

**"best practicable means"** has the meaning ascribed thereto in paragraph 1.3 of the DLR Noise and Vibration Policy;

**"Capital Works"** means the additional works referred to in paragraph 1.4(b)(ii) below;

**"DLR Noise and Vibration Policy"** means the DLR Noise and Vibration Policy in the agreed form;

**"Enhanced Maintenance"** means the enhanced maintenance referred to in paragraph 1.4(b)(i) below;

**"Identified Occurrence"** means noise or vibration caused by Train Services on the Railway which has been measured in excess of the levels prescribed by the DLR Noise and Vibration Policy under monitoring carried out pursuant to paragraph 1.2 below which in any such case:

- (a) has not been caused by failure by the Franchisee to comply with its obligations under this Agreement, including its obligation to comply with the DLR Noise and Vibration Policy (other than the obligation to maintain noise or vibration below the levels prescribed in such DLR Noise and Vibration Policy);
- (b) is not scheduled to be conformed to the DLR Noise and Vibration Policy under the terms of any applicable maintenance or capital programme or in the course of work arising from that programme;
- (c) was measured where the scheduled Train Services do not exceed the Specified Service Patterns;
- (d) has not arisen where the Franchisee has failed to use best endeavours to minimise the noise and vibration through best practice maintenance of those elements of the Franchise Assets affecting or impacting on the noise or vibration levels;
- (e) is not caused by or manifested in any asset or part thereof procured, obtained, specified or delivered by the Franchisee; and
- (f) gives rise to Capital Works in respect of which the direct costs which can be demonstrated to DLR Limited's reasonable satisfaction to be reasonably required to complete such Capital Works exceed £10,000 or Enhanced Maintenance in respect of which the increase in annual maintenance costs which can be demonstrated to DLR Limited's reasonable satisfaction to be reasonably and directly attributable to such Enhanced Maintenance exceeds £10,000;

**"Specified Service Pattern"** means the future services as set out in the Base Service Plan;

1.2 The Franchisee shall comply with the DLR Noise and Vibration Policy and undertake the periodic monitoring of operational noise as required by the DLR Noise and Vibration Policy.

- 1.3 The Franchisee shall report the results of any monitoring carried out pursuant to paragraph 1.2 above to DLR Limited and provide notice in writing to DLR Limited of any Identified Occurrences within 28 days of such monitoring.
- 1.4 Any notices of an Identified Occurrence served by the Franchisee pursuant to paragraph 1.3 above shall set out the following details:
- (a) the details of the Identified Occurrence, including the locations and details of the premises affected;
  - (b) the best practicable means (if any) for procuring that the Identified Occurrence conforms to the DLR Noise and Vibration Policy including any combination of:
    - (i) enhanced maintenance of the Franchise Assets; and/or
    - (ii) additional works on the Franchise Assets;
  - (c) an estimate of the cost of any Enhanced Maintenance and/or Capital Works referred to in (b) above;
  - (d) where no practicable means are available, an analysis of the means rejected for not being practicable;
  - (e) a preferred programme for the implementation of any Enhanced Maintenance and/or Capital Works taking account of any Committed Projects and any other activities of the Franchisee and DLR Limited which may be affected thereby;
  - (f) an explanation of any potential implications or impact of the Identified Occurrence and/or Enhanced Maintenance and/or Capital Works on the Franchisee's other obligations under the Franchise Agreements (including its ability to comply with the Service Quality Standards).
- 1.5 DLR Limited and the Franchisee shall use all reasonable endeavours to agree the course of action which is the best practicable means of conforming the Identified Occurrence to the DLR Noise and Vibration Policy. If the parties are unable to reach agreement within 28 days, either party may refer the Dispute to resolution under the Dispute Resolution Procedure.
- 1.6 Following agreement or determination of the best practicable means under paragraph 1.5 above, the Franchisee may, by notice in writing to be served on DLR Limited within 14 days thereafter, provide a notice of Variation under the Variation Procedure.
- 1.7 On the Franchise Termination Date, the Franchisee shall hand over to DLR Limited as part of the Handback Information details of the programme of monitoring as required under the DLR Noise and Vibration Policy together with a comprehensive database containing all reports, recommendations and details of actions taken and work done during the Franchise Period.

## 2. **Pollution**

In understanding the Franchise Obligations, the Franchisee shall have due regard to the document referred to as "Beckton Depot/Winsor Park Estate" and contained within the Data Room.

## 3. **Environmental Damage**

- 3.1 The Franchisee shall be responsible for taking promptly all necessary action required to prevent mitigate or remedy any Environmental Damage in respect of the Services and the Franchise Assets and to that intent shall employ an appropriate and effective

environmental management system. For the avoidance of doubt and without limitation to the generality of the foregoing, this obligation shall include all such necessary action to comply with:

- (a) all Applicable Requirements;
- (b) Good Industry Practice;
- (c) DLR Undertakings; and
- (d) the requirements of paragraphs 1 and 2 above.

3.2 **"Environmental Damage"** shall mean any injury or damage to persons (including offence to their senses), Franchise Assets, premises or other property or any pollution of the environment resulting from the discharge, emission, escape or migration of any substance, energy, noise or vibration caused by acts or omissions of the Franchisee Parties.

#### 4. **Consents**

The Franchisee shall not be responsible for obtaining the following consents:

Exemptions under the Railways Act 1993 in respect of Extant DLR Projects.

### **PART 9 - CHANGE PROCEDURES**

#### 1. **APPLICATION**

The Change Procedure will apply to all proposals by the Franchisee to change any of the following:

- 1.1 any change to the DLR Railway Safety Case, Safety Policy and Procedures, Operating Rules/Procedures, Operating Manuals, Asset Management Regime, Asset Management Strategy, Maintenance Procedures, Configuration Management Procedures and Quality Procedures which would have a material effect on the delivery of the Services;
- 1.2 any change to any procedures, manual, rule, standard or standard relating to the Services, Franchise, Franchisee Assets, Railway and/or Stocks which would have a material affect on the delivery of the Services;
- 1.3 the allocation of duties to, or the number of Franchise Employees deployed in, safety critical works and/or revenue protection activities; and
- 1.4 any Annual Plan,  
  
(together the "**Current Procedures**").

#### 2. **THE CHANGE PROCEDURE**

- 2.1 If the Franchisee wishes to change or amend any Current Procedures, the Franchisee will prepare and submit to DLR Limited a proposal (a "**Change Proposal**") in accordance with clause 3 below.
- 2.2 The Franchisee and DLR Limited will consult with each other, the Concessionaires, the DLR Safety Review Committee and any affected third party on the contents of the Change Proposal for a period of 30 days from receipt thereof by DLR Limited or if later, receipt by DLR Limited of any revised version of the Change Proposal.

- 2.3 The Franchisee will have due regard to any comments on the Change Proposal made by DLR Limited and shall comply with any reasonable requirements of DLR Limited. During the period of consultation under clause 2.2 above DLR Limited may by notice to the Franchisee require that the Franchisee revise the Change Proposal if DLR Limited considers that it does not comply with paragraph 3 below.
- 2.4 Following the expiry of the 30 day period DLR Limited will inform the Franchisee whether the Change Proposal has been accepted or rejected by DLR Limited and if it is rejected DLR Limited shall issue a notice of non-satisfaction. DLR Limited shall act reasonably in making this determination save that in circumstances where acceptance of the Change Proposal would involve DLR Limited incurring material costs then it may accept or reject the Change Proposal at its absolute discretion (subject only to the provisions of clause 22.3 of this Agreement). If the Change Proposal is rejected, the relevant Current Procedure shall not be amended and shall continue to apply.
- 2.5 DLR Limited may, at its sole discretion, reduce the period for consultation by notice to the Franchisee.

### 3. CHANGE PROPOSAL

- 3.1 The Change Proposal will state the proposed change(s), how the Franchisee intends to implement the change(s) and contain a summary of the effect the change(s) to the Current Procedure would have on the areas listed below:
- (a) compliance with the Franchise Obligations;
  - (b) Applicable Requirements;
  - (c) third parties;
  - (d) the Asset Management Regime, the Asset Management Strategy and/or the Maintenance Procedures;
  - (e) the Asset Condition Requirements;
  - (f) the provision of Train Services;
  - (g) the relevant Base Service Plan;
  - (h) the life of the Franchise Assets and their associated whole life costs;
  - (i) the Annual Plans;
  - (j) the Extensions or any DLR Contract; and
  - (k) any other aspect of the Franchise that would be affected by the change.
- 3.2 The Change Proposal will include a safety analysis undertaken by the Franchisee which will include:
- (a) consideration of the effects of the change(s) proposed in the Change Proposal on the safety of the Railway;
  - (b) consideration of the effects of the change(s) proposed in the Change Proposal on the safety of the passengers, the Employees, and the public; and
  - (c) an analysis demonstrating that the change(s) proposed in the Change Proposal complies with the DLR Railway Safety Case, Safety Policy and Procedures or that the change(s) is approved by HMRI or ORR.

- 3.3 DLR Limited may also require that the Franchisee demonstrate to DLR Limited's reasonable satisfaction that the proposed changes will not affect compliance with any of the Franchise Obligations or require further details of the matters set out in paragraph 3.1 or require further details of any other matter which DLR Limited considers relevant.