

Consent to certain actions for the purposes of the Interim Order made by the Competition and Markets Authority (CMA) on 1 July 2016

Completed acquisition by Arriva Rail North Limited (Arriva) of the Northern Rail Franchise

We refer to your emails of July 2016 requesting that the CMA consents to derogations to the Interim Order of 1 July 2016 (the '**Interim Order**'), as listed below. The terms defined in the Interim Order have the same meaning in this letter.

Under the Interim Order, save for written consent by the CMA, provision was made that Arriva will hold separate the Northern Franchise Business from any Arriva Business and refrain from taking any action which might prejudice the Reference or impede the taking of any remedial action following such a Reference.

After due consideration based on the information received from Arriva and in the particular circumstances of this case, Arriva may carry out the following actions, in respect of the specific paragraphs:

Derogation from paragraphs:

5(c) of the Interim Order: Integration of the information technology of the Northern Franchise Business or the Arriva Business; and

5(f) of the Interim Order: No business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to the Northern Franchise Business shall pass from the Northern Franchise Business to the Arriva Business

By email dated 29 July 2016, Arriva requested permission for ARNL to join a new [REDACTED] which is being put in place by Arriva Group and to share relevant information with Arriva Group for the purpose of establishing and joining that new system.

Arriva stated that although ARNL current has its own [REDACTED], it would benefit from being included in the Group initiative. These benefits would include [REDACTED].

The database is designed to hold [REDACTED]. The process of integration would include the sharing of this [REDACTED] between ARNL and the information system which would primarily be managed by ARNL's [REDACTED], but would require oversight from individuals from Arriva Group (eg for testing). Arriva stated that once the database is in place, it would have

restricted permissions in place to prevent staff in other Arriva businesses from seeing ARNL's information without ARNL granting specific permissions to do so.

This proposal involves limited involvement of Arriva Group staff, and there will be both restrictions in place to prevent inappropriate access to ARNL data, and broader restrictions due to the nature of this information ([REDACTED]).

If subsequent separation was required, Arriva stated that ARNL could revert to its previous solution at a nominal cost, or may choose to adopt an alternative solution either of which could be completed in a period of [REDACTED]. Therefore, this action would not impede the taking of any remedial action in this case, if required.

Arriva is, accordingly, permitted to undertake the actions required to join the new Arriva Group [REDACTED], as described.

Derogation from paragraph 5(g)(ii) of the Interim Order: Changes in nature, description, range and/or quality of services provided by Northern Rail Franchise/Arriva

By email dated 5 August 2016, Arriva requested permission to make a number of changes to its bus timetables with regard to its [REDACTED] Arriva North East bus service.

Arriva stated that it was making minor timetable changes on this service as a result of the award of a new [REDACTED] tender from [REDACTED]. The new timetable was therefore approved by [REDACTED] as part of the tender process. The route of this bus service is also being amended to reinstate a more direct route between [REDACTED], after a landslide had required the use of a long term diversion.

The changes in timetable are being made to a part of the route which does not overlap with Arriva's rail operations ([REDACTED]) and, furthermore, involved approval from the relevant LTA.

Arriva is, accordingly, permitted to make the proposed changes to the timetables for Arriva North East bus service [REDACTED].

The CMA's consent to the aforementioned actions does not, under any circumstances, permit Arriva from taking any other action prohibited under the Interim Order.