

East Midlands Trains Limited
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5 May 2009

Attention: the Managing Director

Dear Sir

**NOTICE PURSUANT TO SECTION 55(6) OF THE RAILWAYS ACT 1993 (THE "ACT")
AS AMENDED BY THE TRANSPORT ACT 2000 AND THE RAILWAYS ACT 2005**

The Secretary of State for Transport (the "**Secretary of State**") and East Midlands Trains (formerly Stagecoach Midland Rail Limited) (the "**Franchisee**") entered into a franchise agreement (the "**Franchise Agreement**") on 21 June 2007 pursuant to section 23(1) of the Act.

Words and expressions defined in the Franchise Agreement have the same meaning when used in this letter.

By letter dated 17 June 2008 the Franchisee was notified by the Secretary of State that it had contravened Clause 4.2 of Schedule 1.4 to the Franchise Agreement (the "**Relevant Clause**"), as East Midlands Trains published an amendment to its Passenger's Charter without obtaining the necessary consent from the Secretary of State (the "**Contravention**").

The Franchisee has since taken the following steps to secure compliance with the Relevant Clause by:

1. Requesting approval for a revision to its Passenger's Charter and, after obtaining such approval, publishing a new version.
2. Putting in place a written procedure to avoid any recurrence of the Contravention.

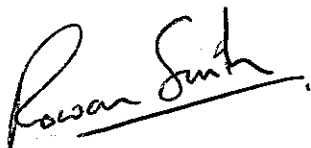
Therefore, the Secretary of State is satisfied, in accordance with Section 55(5B)(a) of the Act, that the Franchisee is for the time being taking appropriate steps for the purposes of securing compliance with the Relevant Clause.

In light of this, the Secretary of State hereby gives the Franchisee notice, as required under Section 55(6)(a) of the Act, that no provisional or final order shall be made in relation to the Contravention.

This notice is without prejudice to any action (including action under the Franchise Agreement) that the Secretary of State may take in relation to any future contravention of the Franchise Agreement, including any further Contravention of the Relevant Clause.

A copy of this letter shall be placed on the Secretary of State's public register as required by Section 73(2)(e) of the Act.

Yours faithfully

A handwritten signature in black ink that reads "Rowan Smith". The signature is written in a cursive style and is underlined.

Rowan Smith

For and on behalf of the Secretary of State for Transport