

Consent to certain actions given on 5 February 2014 for the purposes of the initial undertakings accepted by the Office of Fair Trading on 31 October 2013

COMPLETED ACQUISITION OF THE REMAINDER OF THE ENTIRE SHARE CAPITAL OF CENTREBUS HOLDINGS LIMITED BY ARRIVA PASSENGER SERVICES LIMITED

We refer to the Undertakings recently given by you to us (the **OFT**) pursuant to section 71 of the Enterprise Act 2002 and in connection with Arriva Passenger Services Limited's (**Arriva**) acquisition of the remainder of the entire share capital of Centrebus Holdings Limited (**CBH**) (the "**Initial Undertakings**") and accepted by us on 31 October 2013.

Terms defined in this letter, save where expressly stated to the contrary, have the meanings given thereto in the Initial Undertakings.

After due consideration of your request for derogations to the Initial Undertakings, we hereby expressly consent to Arriva carrying out the following actions, in respect of the specific paragraph(s):

1. Directorial and managerial support for CBH – Paragraphs 1(a), 1(c), 2(a), 2(g), 2(j)

You have explained that post-completion of the transaction, Arriva has had to install managerial and directorial support for the CBH business. The OFT consents to:

1. Arriva Yorkshire and North East's Regional Managing Director [] and Regional Finance Director [] providing directorial support to the Yorkshire part of the CBH business.
2. Finance Director [] providing directorial support to the Hinckley part of the CBH business.
3. AYK's former temporary Commercial Director [] acting exclusively for the Yorkshire part of the CBH business in the role of Business Director.
4. AMD's Area Manager for Leicestershire [], Commercial Manager [], Business Development Manager [] will provide support to the Hinckley part of the business and General Manager of AYK [] will provide managerial support to the Yorkshire business. You have said these roles will also entail negotiation of contracts on behalf of CBH and the financial monitoring of CBH.
5. AMD's Fleet Engineer [] will provide fleet management support and Business System Manager [] will provide IT support to the Hinckley part of the CBH business as required.

None of the individuals named above may disclose Confidential Information relating to one business (either the acquirer or target) to anyone within the other business (either the target or acquirer), or to any third party, except as set out below. Arriva is reminded to be mindful of the provisions of the Initial Undertakings, in particular when negotiating tenders. Paragraph 2(g) of the Initial Undertakings states "*any negotiations with the customers and suppliers in relation to the CBH business will be carried out by the CBH business alone and for the avoidance of doubt AYK and AMD will not negotiate on behalf of CBH or enter into any joint agreements with CBH*".

2. Disclosure of information - Paragraphs 2(a) and 2(j) of the Initial Undertakings:

Certain information relating to CBH may be disclosed to the individuals listed below on a monthly basis, namely the information relating to operational and financial performance aggregated for the month. This will be limited to the information contained in the template sent by you to us on 29 January 2014. This information may be disclosed on the basis set out under (i) of paragraph 2(j) of the Initial Undertakings only to the Regional Directors of Arriva Yorkshire and North East and Arriva Midlands as well as to the:

- Managing Director – [];
- Finance and Business Development Director – [];
- Operations and Commercial Director – []; and
- Divisional Financial Controller – [].

3. Oversight of CBH's central functions - Paragraphs 2(a), 2(f), and 2(j) of the Initial Undertakings:

You have explained that post-completion of the transaction, Arriva has had to provide all back office functions required for the continued operation of the CBH business including finance, payroll, IT Systems, data and mobile telephone contracts, insurance, fuel supply, parts supply, public communications and health and safety. Arriva has also had to provide ticket machines (including baseplates, GPS aerials, management computer, network router and associated infrastructure) to support the operation of the Hinckley business as these items did not form part of the assets acquired with the Transaction and are necessary for the Hinckley business to operate.

The OFT consents to this, on the provision that no Arriva staff in a commercial role have access to this information (with the exception of [] and []) and that no Confidential Information relating to Arriva or CBH is exchanged during this process other than in accordance with paragraph 2(j) of the Initial Undertakings. Arriva, other than those individuals listed at paragraphs 1 and 2 above, may not have access to CBH's IT systems or any Confidential Information relating to the business of CBH.

4. Branding – Paragraphs 2(a) and 2(d) of the Initial Undertakings

The OFT consents to the removal of all references to the Centrebus business, including any badging, livery, logos or other identifying marks attached to the vehicles or the depots acquired in the Transaction, and replace them with suitable alternative markings such as "Yorkshire Tiger" and "Hinckleybus" branding, including by repainting the relevant vehicles if necessary, to the extent that such removal is required for Arriva to comply with the contractual obligations vis-à-vis the sellers of the CBH shares.

5. Disposal of assets – Paragraph 2(d) of the Initial Undertakings

The OFT consents to the disposal of the following CBH assets by Arriva:

- The old ticketing machines: Arriva has explained that it has replaced these old ticketing machines on certain vehicles with new ones, referred to above at derogation 3. These old ones are now redundant and the OFT consents to their disposal.
- Eight vehicles, described by Arriva as being in a “heavily accident damaged condition”.
- One tow truck with registration CWY247Y.

6. Leasing of three vehicles – Paragraph 2(a) and (d) of the Initial Undertakings

The OFT consents to the leasing of three CBH owned vehicles with registrations YR59NNT, YR59NNU and YR59NNV to Arriva.