

Union Recognition Agreement

1. Statement of Recognition

- 1.0 This Agreement is made on July 2009 between London & North Western Railway Co. Ltd (LNWR) the Company and UNITE the Union of 35 King Street, London WC2E 8JD, the Union.
- 1.1 The Company acknowledges that it can be beneficial for its employees to join an appropriate union. It believes that fully representative and democratic unions can lead to good employee relations.
- 1.2 The Company recognises the Union as representing and having sole collective bargaining rights in respect of the Bargaining Unit. The Bargaining Unit comprises, 'All employees in the Carriage Shed, Shift Cleaners, Shunting Staff, Wheel Lathe, Workshop and Paint Shop'. The Company and the Union agree that the bargaining unit includes all employees on permanent contracts in the direct workforce at Team Leader level and below, falling into the following categories:
 - fitters
 - vehicle builders
 - fabricators
 - welders
 - all tradespersons
 - painters
 - shunters
 - cleaners
 - technicians
 - site services personnel
 - stores personnel
 - apprentices
 - team leaders
 - gate security staff
- 1.3 This agreement concerns the formal relationship between managers and supervisors acting on behalf of the Company and the Union acting on behalf of their members. It covers consultation, negotiation, communications, facilities, training and time off for union representatives.
- 1.4 This Agreement applies to employees in the jobs specified in 1.2 above. It does not apply to any other employees of the Company.

2. Aims and General Principles

- 2.0 The Company and the Union believe that good employee relations are an important factor in achieving the business objectives of the Company. Co-operation and communication are important features of the relationship between the Company, its employees and the Union.
- 2.1 The Union recognises the Company's responsibility to plan, organise and manage the activities of the Company in order to meet its business objectives.
- 2.2 The Company recognises the Union's responsibility to represent the interests and views of its members and to work for improved conditions of employment for employees covered by this agreement.
- 2.3 The Company and the Union recognise their common interests and concerns and are committed to maintaining and improving employee relations and dealing with and resolving all issues at the earliest stage, under the appropriate jointly agreed procedures.

3. Representation Arrangements

- 3.0 The Company and the Union will agree constituencies to cover the employees included within the scope of this agreement. The current constituencies are defined in Appendix 1.
- 3.1 There will be a review of the constituencies in the event of increased numbers of employees on site due to expansion.
- 3.2 There will be one representative elected for each constituency, in accordance with the rules of the Union.
- 3.3 The name of each Union representative and the constituency that they represent will be notified in writing to the Company by the Union's Full Time Official. Each representative will also be provided with written credentials by the Union.
- 3.4 The Company will formally acknowledge receipt of notification of Union Representatives. In the unlikely event that the Company considers the election of a particular individual to be inappropriate, the Company will discuss the matter with the Union's Full Time Official

4. Scope

- 4.0 This agreement confirms that the Union will have bargaining rights in relation to all contractual terms and conditions of employment for the Bargaining Unit described in 1.2 above.

5. Joint Negotiating Committee

- 5.0 The Company and the Union recognise that the joint negotiating committee (the JNC) will be the major forum for discussion between the Company, the Union and employees. (The constitution of the JNC is set out in Appendix 1)

6. Trade Union Facilities

- 6.0 The Company will provide check off facilities to the Union to enable payment of trade union subscriptions through the payroll. The facility will be made available at no cost but the Company reserves the right to review that decision should administrative costs become excessive. The Union will be responsible for the maintenance of accurate records and the provision of the necessary documentation to implement check off.
- 6.1 The Company agrees to provide the Union representatives with reasonable access to a meeting room, private telephone, facsimile and e-mail facilities. A Noticeboard will also be made available.
- 6.2 Reasonable paid time off for trade union duties and training will be provided for union representatives in line with the ACAS Code of Practice. Representatives will need to make a request to their immediate supervisor when seeking time off giving full details of their requirements.
- 6.3 The Company will notify the senior Union representative of any new employees and will allow the representative a reasonable amount of time to make them aware of the status of the union and its benefits.

7. Status of this Agreement

- 7.0 This agreement is not, of itself, a legally enforceable agreement. However it is recognised that the content of collective agreements reached within the JNC covering terms and conditions of employment would be incorporated into individual employee's contracts of employment for all employees within the Bargaining Unit defined in 1.2 above.
- 7.1 This Agreement can be amended by consent however, the Union has obtained statutory recognition and the only way for the company to de-recognise the Union is via the statutory procedure.

8. Information and Consultation

- 8.0 This agreement is intended to constitute a pre-existing agreement in accordance with the Information and Consultation of Employees Regulations 2004.
- 8.1 *The Employment Protection Act 1975, now incorporated into the Trade Union and Labour Relations (consolidation) Act 1992, contained provisions relating to the general duty of employers to disclose information for the purposes of collective bargaining. Pursuant to the provisions of the Act the Advisory, Conciliation and Arbitration Service (ACAS) issued a Code of Practice containing guidelines on the disclosure of information. These guidelines take account of the provisions in the Act and the ACAS Code of Practice.*
- 8.2 The Company will follow the main principles underlying these guidelines which may be summarised as follows:-
 - 8.2.1 the Union is recognised by the employer for collective bargaining purposes for the employees on whose behalf the information is sought and the information relates to the terms and conditions of employment of those employees;

- 8.2.2 the Union should normally submit a written request outlining the information sought;
 - 8.2.3 the information sought should be information without which the recognised Union would be to a material extent impeded in carrying on collective bargaining with the employer;
 - 8.2.4 it is information which is reasonable for the employer to disclose and which it would be in accordance with good industrial relations practice to disclose for the purpose of collective bargaining.
- 8.3 From time to time the Company may pass commercially sensitive information to union representatives. In these circumstances the representatives will be required to honour the confidentiality of such information. The company also reserves the right to withhold information where the same is considered to be particularly commercially sensitive.
- 8.4 The intention of this agreement is that the Union representatives will be the sole representatives for the Bargaining Unit described in 1.2 above for the purposes of negotiation, bargaining, information and consultation with the Company unless at any time the Company is required to do otherwise by law.
- 8.5 The Company will meet with the JNC representatives at least four times per year for the purposes of consultation regarding the economic and trading situation of the business.
- 8.6 The JNC will also be consulted on any substantive changes to the work organisation or impending threats to employment within the Company. The Company affirms that consultation will be conducted in all respects to comply with legislative requirements.

9. Dispute Resolution

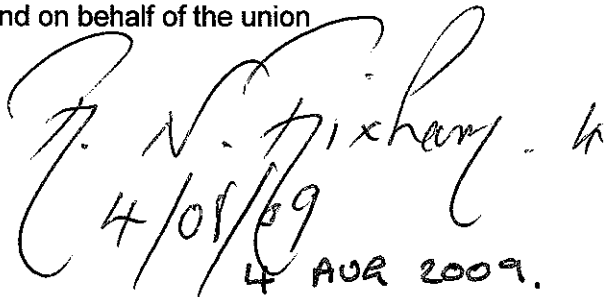
- 9.0 In the event of a dispute arising between the parties which is not able to be resolved within the JNC process then either party may refer the matter to independent mediation, the outcome of which will be non-binding.

For and on behalf of the employer



M. A. KNOWLES

For and on behalf of the union



Date

4/08/09

4 AUG 2009.

Appendix 1

Constitution of Joint Negotiating Committee

1. The Joint Negotiating Committee (JNC) will consist of the Union representatives elected from constituencies as set out in Appendix 2. The relevant UNITE full time official will attend as required.
 - a. The Company's representatives will be appointed by the Managing Director and currently consist of:
2. The Chairmanship of the JNC will be held by the senior Company representative present and the Deputy Chairman will be the senior Union representative.
3. A meeting of the JNC can be called by the Union or the Company representatives and will be arranged by the Chairman.
4. The JNC will meet as required for the purpose of negotiating terms and conditions and/or resolving collective issues. It will meet at least four times a year for the purposes of information and consultation. There will also be at least one meeting per year to deal with the annual review of pay and conditions.
5. The quorum for the JNC will be the Chairman or Deputy Chairman plus at least two Company representatives and two Union representatives.
6. Meetings will be arranged by the JNC Chairman and will normally fall within working hours.
7. The Chairman will endeavour to circulate draft agendas at least three working days in advance of the JNC meetings. Draft minutes will normally be circulated within 10 days of the meeting.
8. Any agreements reached at JNC meetings will be recorded in writing and signed by a representative from the Company and the Union.
9. The procedure for the annual review of pay and conditions shall be:
 - a. At least 2 months prior to the pay review date, the Union will present its proposals for varying pay and any other terms and conditions.
 - b. Within 4 weeks of receipt of the claim, a meeting of the JNC will be held to discuss the claim at which the Company will respond with its proposals.
 - c. By agreement, further meetings may be held if the parties consider that this would assist in reaching agreement.
 - d. If no agreement can be reached the parties may agree to refer the matter for mediation, the outcome of which will not be binding.
 - e. At the end of the pay negotiation process the Union will be given reasonable time to consult with its members as to the Company's final proposal on pay and terms and conditions.
10. Any other collective issues apart from the annual pay review should be raised at JNC for discussion and if no resolution is possible then the parties may agree to refer the matter for mediation, the outcome of which will not be binding.

Appendix 2

Constituencies