DCP 349 - Effectiveness of the current provision of unsecured cover under Schedule 1

Schedule 1 – Cover

Amend clause 2.13 as follows:

2.13 The Payment Record Factor shall equal the number of months since the Good Payment Performance Start Date (as specified in Paragraph 2.14) multiplied by 0.033% (that is to say, by 0.4% per annum) up to a maximum value of ~~2%~~0.8% after ~~five years~~24 consecutive months of good payment history. After 24 months of consecutive good payment history has been reached, the User will be required to put in place a secured cover arrangement or an acceptable, alternative, unsecured cover arrangement (i.e. credit rating or independent credit assessment) within six months. The Company shall give the User notice of any adverse change in the calculation of the Payment Record Factor pursuant to Paragraph 2.14.

Amend clause 2.14(c) as follows:

2.14 The Good Payment Performance Start Date shall:

(c) for all User's, where the User fails, or has failed, on any occasion to pay any relevant account relating to undisputed Charges in full on the applicable payment date, be the date on which a relevant account is submitted in a month subsequent to the month in which such payment failure is remedied (unless having regard to all the circumstances, including in particular the value, duration, and frequency of failure, the Company reasonably determines an earlier date). In respect of the impact on the User's good payment history, the Company shall apply the following matrix:

Age of debt (days)	Value of debt as a percentage of previous month's charges *	Effect on Good Payment Performance
1 to 3	<25%	Loss of 25% of previously accrued Good Payment Performance
	>25% and <74%	Loss of 50% of previously accrued Good Payment Performance
	>75%	Loss of 100% of previously accrued Good Payment Performance
>4	Any	Loss of 100% of previously accrued Good Payment Performance

*Total UoS charges and MAP charges (if applicable) billed in the previous month

Amend clause 2.11 as follows:

2.11 During the 12-month period following completion of an annual Independent Credit Assessment pursuant to Paragraph 2.6, the User may request that the Company procure further Independent Credit Assessments for the purpose of requiring the Company recalculate the User's Credit Allowance. Where the User so requests, Paragraphs 2.7 to 2.10 shall apply (provided that, where the Company so requests, the User shall pay the Company's reasonable costs in procuring such Independent Credit Assessments). In any event, the Company will set the User's Credit Allowance no higher than the lower of the credit value recommended within the Independent Credit Assessment and the credit value calculated by applying the Credit Allowance Factor.