

SECTION A: PARTIES AND PARTICIPATION (*version 2.0 including all Approved Modifications awaiting implementation*)

Amend paragraph 5.1.3 as follows:

- 5.1.3 A Party may not withdraw from the Code or cease to be a party to the Framework Agreement (and any Withdrawal Notice shall be of no effect) if, as at 1700 hours on the day which is 2 Business Days prior to the Withdrawal Date:
- (a) subject to paragraph 5.1.5, any sums accrued and payable under the Code by such Party (whether or not due for payment and whether or not the subject of a dispute) remain, in whole or in part, to be paid by such Party; or
 - (b) the Final Reconciliation Settlement Run has not been carried out in relation to the last Settlement Day, or the corresponding Payment Date is not yet past; or
 - (c) the final determination (pursuant to Section D4.4) has not been carried out in respect of BSCCo Charges for the BSC Year in which the last Settlement Day fell, or the due date for payment of amounts payable pursuant to such determination is not yet past; or
 - (d) such Party continues to be registered under the Code (and/or the MRA) in respect of any Metering Systems or BM Units (except for Base BM Units); or
 - (e) subject to paragraph 5.1.5 there is any outstanding Default by such Party (of which notice has been given to the Party) which is capable of remedy and has not been remedied; or
 - (f) such Party is subject to any Licence condition and/or Exemption condition by virtue of which it is required to be a Party and/or to comply with the Code or which would otherwise be infringed if such Party withdrew from the Code; or
 - (g) where such Party is an Interconnector Administrator or an Interconnector Error Administrator, no replacement Interconnector Administrator or Interconnector Error Administrator (as the case may) has been appointed and has agreed to act in its place.

Insert a new paragraph 5.1.5 as follows:

5.1.5 In respect of a Withdrawing Party who is in Default solely by virtue of Section H 3.1.1(g):

- (i) the Panel may, in its discretion, determine that paragraph 5.1.3(a), shall not apply in respect of any amount payable by way of the Base Monthly Charge accruing after the date of the Withdrawal Notice; and
- (ii) paragraph 5.1.3(e) shall not apply.

Amend paragraph 5.3.3 as follows:

- 5.3.3 Any release and discharge referred to in paragraph 5.3.2 shall not extend to:
- (a) the rights and liabilities (whether actual, contingent, accrued or otherwise) of a Party as at the Discontinuance Date (including, in the case of the expulsion of a Party, any accrued rights of each other Party in respect of the circumstances giving rise to such expulsion);
 - (b) any rights and liabilities (whether actual, contingent, accrued or otherwise) of a Party which may accrue pursuant to any Reconciliation Settlement Run or Extra Settlement Determination relating to any Settlement Day up to and including the last Settlement Day;
 - (c) the obligations of the Discontinuing Party under Section H4.2.

SECTION M: CREDIT COVER AND CREDIT DEFAULT (*version 8.0 including all Approved Modifications awaiting implementation*)

Amend paragraph 2.3.1 as follows:

2.3.1 If a Trading Party wishes at any time to reduce the amount of its Credit Cover:

- (a) the Trading Party shall give notice to that effect to the ECVAA;
- (b) the ECVAA shall determine and notify to the FAA and the Trading Party, on the first Business Day after the expiry of the waiting period, the minimum eligible amount;
- (c) the Trading Party may, not later than the second Business Day following the ECVAA's notification under paragraph (b), by notice to the FAA request, and the FAA on behalf of the BSC Clearer shall consent to:
 - (i) a reduction in the amount of a Letter of Credit provided by the Trading Party, and/or
 - (ii) a withdrawal of cash deposited by the Trading Party

provided that the amount of the Trading Party's Credit Cover following such reduction and/or withdrawal is not less than the minimum eligible amount and that that Trading Party is not in default of any obligation to make a payment to the BSC Clearer and (subject to paragraph 2.3.1(A) below) is not a Defaulting Party (as defined in Section H3).

Insert a new paragraph 2.3.1A as follows:

2.3.1A Where at any time a Trading Party:

- (a) is in Default solely by virtue of Section H 3.1.1(g); and
 - (b) has given a Withdrawal Notice pursuant to Section A5.1 which remains effective; and
 - (c) is not prevented from withdrawing from the Code or ceasing to be a party to the Framework Agreement by virtue of Section A5.1.3,
- then such Trading Party shall not be precluded from being entitled to:
- (1) a reduction in the amount of a Letter of Credit provided by it; and/or
 - (2) a withdrawal of cash deposited by it.

SECTION N: CLEARING, INVOICING & PAYMENT (*version 4.0 including all Approved Modifications awaiting implementation*)

Amend paragraph 2.5.2 as follows:

2.5 Conditions for payment by the BSC Clearer

2.5.2 Subject to paragraph 2.5.4, a ~~A~~-Defaulting Party shall be entitled to payment from the BSC Clearer if, and only if, all amounts, liabilities and other obligations due, owing, incurred or payable by that Defaulting Party to the BSC Clearer, whether those liabilities or obligations are actual or contingent, present or future, joint or several (including, without limitation, all interest (after as well as before judgment) and expenses) have been paid or recovered and until that time the Defaulting Party will not request, demand or claim to be entitled to payment by the BSC Clearer.

2.5.3 The FAA on behalf of the BSC Clearer shall credit to the Reserve Account amounts due and payable to a Defaulting Party and not set off under paragraph 2.6 and while any such amount is credited to the Reserve Account, it shall form part of the relevant Party's Credit Cover and may be applied by the FAA on behalf of the BSC Clearer in accordance with this Section N.

Add new paragraph 2.5.4 as follows:

2.5.4 Where at any time a Defaulting Party:

(i) is in Default solely by virtue of Section H3.1.1(g);

(ii) has given a Withdrawal Notice pursuant pursuant to Section A5.1 that continues to be effective; and

(iii) is not prevented from withdrawing from the Code or from ceasing to be a Party to the Framework Agreement by virtue of Section A5.1.3,

then references to amounts, liabilities and other obligations of such Defaulting Party in paragraph 2.5.2 shall not include amounts, liabilities and obligations of a contingent nature.