

Annex A

The Disclosed Information

Reference	Clause
Clause 3.1	<p>"Actual Operating Costs"</p> <p>means:</p> <p>(a) the Franchisee's total operating expenses (calculated on gross, actual basis (whether or not the Franchisee accounts on the agency basis)) for the period being reviewed as stated in its profit and loss account, including any of the following operating expenses that are payable during that period:</p> <ul style="list-style-type: none">(i) amounts payable to the Secretary of State and the Infrastructure Manager;(ii) taxation;(iii) shareholder distributions including dividends;(iv) interest;(v) capital expenditure (net of grants received);(vi) cash lease payments in relation to on-balance sheet leased assets; and(vii) NOT USED, <p>but excluding any of the following expenses that are payable in that period:</p> <ul style="list-style-type: none">(A) finance/interest costs solely relating to on-balance sheet leased assets;(B) depreciation (including in relation to on-balance sheet leased assets);(C) amortisation;

	<p>(D) bad debt provisions; and</p> <p>(E) NOT USED;</p> <p>(F) during (or in relation to) the ICWC Term, costs incurred in relation to the activities comprised in the Shadow Operator Services (excluding the PMO Services);</p> <p>(b) either:</p> <p>(i) plus any reduction in the total amount owing by the Franchisee to creditors over that period; or</p> <p>(ii) less any increase in the total amount owing by the Franchisee to creditors over that period,</p> <p>where creditors:</p> <p>(A) include any persons owed amounts by the Franchisee in respect of loans or funding agreements, operating expenses, including the types of expenses set out in paragraphs (a)(i) to (a)(v) above inclusive, provisions and deferred income balances; but</p> <p>(B) exclude persons owed amounts by the Franchisee in respect of season ticket liabilities, lease liabilities in relation to on balance sheet leased assets and liabilities in relation to grants received for the purchase of fixed assets;</p> <p>(C) exclude any creditors or other liabilities relating to on-balance sheet leases;</p> <p>(D) during (or in relation to) the ICWC Term, exclude any creditors or other liabilities relating to the activities comprised in the Shadow Operator Services (excluding the PMO Services);</p>
Clause 3.1	<p>"Change Event"</p> <p>means if and whenever any of the following occurs during or in relation to the ICWC Term:</p> <p>(a) an event set out in any Secretary of State Risk Assumptions specified in Schedule 9.4A (Secretary of State Risk Assumptions);</p> <p>(b) a Charge Variation;</p>

	<p>(c) a Change of Law (excluding any Change of Law to the extent that it results in an adjustment to the Franchise Payments pursuant to Schedule 8.3A (Track Access Adjustments and Station Charge Adjustments));</p> <p>(d) a change to the Train Service Requirement previously in force pursuant to the issue of an amended or new Train Service Requirement in accordance with paragraph 16.6 of Schedule 1.1A (Franchise Services and Service Development);</p> <p>(e) the Franchisee is required to take any action pursuant to paragraph 19.1(a) and/or paragraph 19.1(b) of Schedule 1.1 (Franchise Services and Service Development);</p> <p>(f) the Secretary of State effects an amendment to a Discount Fare Scheme, introduces a new Discount Fare Scheme or ceases to approve a Discount Fare Scheme for the purposes of section 28 of the Act;</p> <p>(g) the Secretary of State approves an amendment or proposed amendment to an Inter-Operator Scheme, as referred to in paragraph 4.5 of Schedule 2.5 (Transport, Travel and Other Schemes) to the extent and only to the extent that the Franchisee makes a saving as a consequence of such amendment or proposed amendment;</p> <p>(h) the imposition, subject to the provisions of paragraph 2.6 of Schedule 4 (Accessibility and Inclusivity), of any increased access charges in respect of EA Requirements at Franchisee Access Stations;</p> <p>(i) the Secretary of State exercises his power pursuant to paragraph 5 of Schedule 5.7A (Changes to Fares and Fares Regulation) to alter the obligations of and restrictions on the Franchisee under Schedule 5 (Fares and Smart Ticketing);</p> <p>(j) the Franchisee is obliged to charge Value Added Tax on a Fare or there is an increase or decrease in the rate of Value Added Tax which it must charge on such Fare, in either case due to a change in the Value Added Tax treatment of the provision of Passenger Services;</p> <p>(k) the exercise by the Secretary of State of his rights pursuant to paragraph 1.11 (Charging Review) of Schedule 7.1A (Operational Performance);</p> <p>(l) the exercise by the Secretary of State of his rights pursuant to paragraph 15.1(c) (Environmental Information Data Collection Plan) of Schedule 11.2 (Management Information);</p> <p>(m) NOT USED;</p> <p>(n) NOT USED;</p>
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	<p>(o) a Variation to the terms of the Franchise Agreement pursuant to paragraph 1.1 of Schedule 9.3 (Variations to the Franchise Agreement and Incentivising Beneficial Changes);</p> <p>(p) the Start Date is a date that is later than 02:00 on 15 September 2019 for reasons solely attributable to any act or omission by the Secretary of State including the exercise of his right to amend the Start Date pursuant to clause 5.3 (Amendment of Start Date/Expiry Date) except where:</p> <p style="padding-left: 40px;">(i) the Secretary of State exercises his rights pursuant to clause 4.2 or 4.3 of the Conditions Precedent Agreement to alter such Start Date; or</p> <p style="padding-left: 40px;">(ii) the relevant acts or omissions of the Secretary of State arise as a result of or in connection with any failure by the Franchisee to satisfy any of the conditions precedent set out in the Conditions Precedent Agreement;</p> <p>(q) the Expiry Date is a date that is later than 01:59 on 1 April 2031 in consequence of the Secretary of State exercising his right to amend the Start Date pursuant to clause 5.3 (Amendment of Start Date/Expiry Date);</p> <p>(r) the circumstances set out in paragraph 3.2 of Schedule 2.2 (Security of Access Agreements, Rolling Stock Leases, Station and Depot Leases) occur;</p> <p>(s) NOT USED;</p> <p>(t) NOT USED;</p> <p>(u) NOT USED;</p> <p>(v)</p> <p style="padding-left: 40px;">(i) the Secretary of State issues a TDR Amendment pursuant to paragraph 12.8 of Schedule 1.1 (Franchise Services and Service Development) in the circumstances described in paragraph 12.10(b) (there only being a Change Event if the Franchisee makes a saving as a consequence of a relevant TDR Amendment); or</p> <p style="padding-left: 40px;">(ii) the circumstances contemplated in paragraph 12.11(b) of Schedule 1.1A (Franchise Services and Service Development) occur;</p> <p>(w) the exercise by the Secretary of State of his rights pursuant to paragraph 11.1 (Changes to the Bid Fares Strategy) of Schedule 6.3A (Contractual Incentive Mitigations);</p>
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	<p>(x) the Secretary of State exercises his right to vary the provisions of Schedule 7.3A (Service Quality Regime) pursuant to paragraph 21.2 (Variations to the Service Quality Regime) of Schedule 7.3A (Service Quality Regime);</p> <p>(y) NOT USED;</p> <p>(z) the exercise by the Secretary of State of his rights pursuant to paragraph 3.5 (Change in requirement to debrand) of Schedule 14.2A (Maintenance of Operating Assets and Branding);</p> <p>(za) NOT USED;</p> <p>(aa) any two or more of the foregoing that the Secretary of State groups together in accordance with any procedures issued by him pursuant to paragraph 1.4 of Schedule 9.3A (Variations to the Franchise Agreement and Incentivising Beneficial Changes) occur,</p> <p>but excluding the start of the Integrated Operator Term;</p>
Clause 3.1	<p>"Franchise"</p> <p>means the rights tendered by the Secretary of State in the Invitation to Tender to:</p> <p>(a) operate railway passenger services over the Routes prescribed in paragraph 2.1 of Part 1 (Franchise Services) of Schedule 1.1 (Franchise Services and Service Development);</p> <p>(b) provide the Shadow Operator Services in accordance with Schedule 18 (Shadow Operator);</p>
Clause 3.1	<p>"ICWC Change"</p> <p>means if and whenever any Change Event occurs during the ICWC Term with the exception of:</p> <p>(a) any Shadow Operator Change; and</p> <p>(b) any IOC Confirmed Obligations Change;</p>
Clause 3.1	<p>"IOC Cost Budget"</p> <p>means in respect of the First IOC Year, the periodic cost budget (expressed in nominal prices) as agreed or determined pursuant to the provisions of paragraph 10 of Schedule 18.2 (Accepted Programme Specific Requirements) and in respect of each subsequent Franchisee Year, the periodic cost budget (expressed in nominal prices) as agreed or determined in</p>

	accordance with the IOC Budget Setting Process (in each case as such budget may from time to time be amended by an IOC Change) and as deposited with the Secretary of State in accordance with Schedule 9.2B (IOC Escrow Documents and Shadow Operator Escrow Documents);
Clause 3.1	<p>"PMO Costs"</p> <p>means:</p> <ul style="list-style-type: none"> (a) any costs incurred by the Franchisee in performing the PMO Services (including all staff costs relating to the performance of the PMO Services, whether or not these costs are incurred in relation to the Shadow Operator PMO Personnel); (b) any direct, indirect and central overhead staff costs in respect of the Shadow Operator PMO Personnel; (c) any accommodation-related costs, including utilities costs, business rates and other costs, and IT costs in respect of: <ul style="list-style-type: none"> (i) the provision of the Accepted Programme Specific Requirements and the Accepted Programme; (ii) the Shadow Operator PMO Personnel; and (iii) any other person who is from time to time directly involved in the performance of the PMO Services (to the extent that such costs are incurred in relation to the PMO Services and not in relation to other Shadow Operator Services); (d) all costs associated with taking out and maintaining professional indemnity insurance in accordance with paragraph 13.1 of Schedule 18.1 (Shadow Operations), <p>but shall, subject to paragraph (c)(i) of this definition, exclude any costs relating to the management or delivery of the Shadow Operator Services set out in the Accepted Programme Specific Requirements or Transitional Programme Specific Requirements;</p>
Clause 3.1	<p>"Resourcing Plan"</p> <p>means a resourcing plan to be submitted by the Franchisee to the Secretary of State from time to time in accordance with paragraphs 1.2(b) of Schedule 18.1 (Shadow Operations) and paragraph 4.6 of Schedule 18.4 (Shadow Operator Annual Review), which shall:</p>

	<p>be developed in line and comply with the Resourcing Strategy and contain details of:</p> <ul style="list-style-type: none"> (a) any proposed deployment of any Shadow Operator Employee away from the Shadow Operator Services to any other part of the Franchisee's business (including to deliver any other part of the Franchise Services), including details of: <ul style="list-style-type: none"> (i) any Shadow Operator Employees being redeployed and the percentage of their normal working hours (including on a full-time basis) that each such Shadow Operator Employee will be deployed; and; (ii) the reason for such deployment and any benefits that the Franchisee reasonably expects to be realised from that and any supporting evidence for the same; (b) any proposed deployment of any Franchise Employees that are not Shadow Operator Employees to Shadow Operator Services, including details of: <ul style="list-style-type: none"> (i) the names and roles of such Franchise Employees and the percentage of their normal working hours (including on a full-time basis) that each such Franchise Employee will be deployed; and (ii) the reason for such deployment and any benefits that the Franchisee reasonably expects to be realised and any supporting evidence for the same; (c) any proposed lending, seconding or contracting out of any Shadow Operator Employee to another person or persons (including any Affiliate, whether for a charge or not), including details of: <ul style="list-style-type: none"> (i) the names and roles of such Shadow Operator Employees and the percentage of their normal working hours (including on a full-time basis) that each such Shadow Operator Employee will be lent, seconded or contracted out; and (ii) the reason for such lending, seconding or contracting out and any benefits that the Franchisee reasonably expects to be realised and any supporting evidence for the same; and (d) contain such other information as the Secretary of State may specify from time to time;
Clause 3.1	<p>"Shadow Operator Delay Event"</p> <p>means:</p>

	<p>(a) any failure by HS2 Limited to perform (or procure the performance of) any activity (including producing or delivering any item) on or before a date agreed in advance by the Franchisee and HS2 Limited;</p> <p>(b) any failure by HS2 Limited to respond promptly to any reasonable request by the Franchisee to agree in advance a date for HS2 Limited to perform (or procure the performance of) any activity;</p> <p>(c) any failure by Network Rail to perform (or procure the performance of) any activity (including producing or delivering any item) on or before a date agreed in advance by the Franchisee and Network Rail;</p> <p>(d) any failure by Network Rail to respond promptly to any reasonable request by the Franchisee to agree in advance a date for Network Rail to perform (or procure the performance of) any activity;</p> <p>(e) any failure by the Secretary of State to perform (or procure the performance of) any activity (including producing or delivery any item) on or before a date agreed in advance by the Franchisee and the Secretary of State; or</p> <p>(f) any failure by the Secretary of State to respond promptly to any reasonable request by the Franchisee to agree in advance a date for the Secretary of State to perform (or procure the performance of) any activity,</p> <p>in each case, which causes the Franchisee to be delayed in the performance of, or unable to perform any part of, the Shadow Operator Services;</p>
Clause 3.1	<p>"Shadow Operator Performance Period"</p> <p>means each Franchisee Year, provided that:</p> <p>(a) the first Shadow Operator Performance Period will commence on the Shadow Operator Start Date;</p> <p>(b) the final Shadow Operator Performance Period will end on the High Speed Established Services Date unless otherwise determined by the Secretary of State;</p> <p>(c) where the Integrated Operator Start Date is on a date other than 1 April, the Franchisee Year ending immediately prior to the Integrated Operator Start Date (being the last Franchisee Year in the ICWC Period and the Franchisee Year beginning on the Integrated Operator Start Date (being the first Franchisee Year in the Integrated Operator Period shall, taken together, constitute one (1) Shadow Operator Performance Period; and</p> <p>(d) no Shadow Operator Performance Period will be a period of less than six (6) months or more than eighteen (18) months;</p>

Paragraph 9.3 of Part 2 of Schedule 1.1A	The Train Service Requirement shall be applicable from the Start Date until the High Speed Start Date.
Paragraph 3.4(a)(ii) of Schedule 1.4A	<p>3.4 The Franchisee shall not sell or offer to sell:</p> <p>(a) any Fare in respect of which the:</p> <p>(i) Prices are regulated under Schedule 5.4 (Regulation of Fare Basket Values) and Schedule 5.5 (Regulation of Individual Fares), at prices that are greater than the Prices set for such Fares from time to time in accordance with Schedule 5.4 and Schedule 5.5; and</p> <p>(ii) Child Prices are regulated under Schedule 5.2 (Franchisee's Obligations to Create Fares) at prices that are greater than the Child Prices set for such Fares from time to time in accordance with Schedule 5.2;</p>
Paragraph 3.5(a)(ii) of Schedule 1.4A	<p>3.5 <i>Agents of the Franchisee</i></p> <p>The Franchisee shall procure that all persons selling or offering to sell Fares on its behalf (whether under the terms of the Ticketing and Settlement Agreement, as its agents or otherwise):</p> <p>(a) for Fares in respect of which the:</p> <p>(i) Prices are regulated under Schedule 5.4 (Regulation of Fares Basket Values) and Schedule 5.5 (Regulation of Individual Fares), sell or offer to sell at prices no greater than the Prices set for such Fares from time to time in accordance with Schedule 5.4 and Schedule 5.5; and</p> <p>(ii) Child Prices are regulated under Schedule 5.2 (Franchisee's Obligations to Create Fares), at prices no greater than the Child Prices set for such Fares from time to time in accordance with Schedule 5.2;</p>
Paragraph 8.3 of Schedule 1.4A	<p>8.3 As part of each Customer Report to be provided by the Franchisee pursuant to paragraph 10.1 of Schedule 7.2 (Customer Experience and Engagement), the Franchisee shall publish (in such format as the Secretary of State may reasonably require):</p>

Paragraph 8.3(a) of Schedule 1.4A	(a) the mean average of each of the Cancellations Figures for the Reporting Periods that have elapsed since the last Reporting Period reported on in the previous Customer Report (or, in the case of the first (1 st) Customer Report, since the Start Date);																
Paragraph 9.1 of Schedule 1.4A	As part of each Customer Report to be provided by the Franchisee pursuant to paragraph 10.1 of Schedule 7.2 (Customer Experience and Engagement), the Franchisee shall publish (in such format as the Secretary of State may reasonably require) in relation to the Reporting Periods that have elapsed since the last Reporting Period reported on in the previous Customer Report or, in the case of the first (1 st) Customer Report, since the Start Date):																
Paragraph 3 of Schedule 5.4A	<table> <tr> <td colspan="2">P x 2017 Nominal Ticket Sales</td></tr> <tr> <td colspan="2">where:</td></tr> <tr> <td>P</td><td>is the Price of that Fare at that time; and</td></tr> <tr> <td>2017 Nominal Ticket Sales</td><td>is the number of nominal ticket sales of that Fare for 2017 ascertained as follows:</td></tr> <tr> <td colspan="2">$\frac{A}{B}$</td></tr> <tr> <td colspan="2">where:</td></tr> <tr> <td>A</td><td>is the aggregate Gross Revenue recorded by RSP as attributable to sales of that Fare and any other Fare with which it was aggregated under paragraph 2.1(a) of Schedule 5.3 (Allocation of Fares to Fares Baskets) for the period of twelve (12) months which ended 2017; and</td></tr> <tr> <td>B</td><td>is the Price for that Fare recorded by RSP in 2017.</td></tr> </table>	P x 2017 Nominal Ticket Sales		where:		P	is the Price of that Fare at that time; and	2017 Nominal Ticket Sales	is the number of nominal ticket sales of that Fare for 2017 ascertained as follows:	$\frac{A}{B}$		where:		A	is the aggregate Gross Revenue recorded by RSP as attributable to sales of that Fare and any other Fare with which it was aggregated under paragraph 2.1(a) of Schedule 5.3 (Allocation of Fares to Fares Baskets) for the period of twelve (12) months which ended 2017; and	B	is the Price for that Fare recorded by RSP in 2017.
P x 2017 Nominal Ticket Sales																	
where:																	
P	is the Price of that Fare at that time; and																
2017 Nominal Ticket Sales	is the number of nominal ticket sales of that Fare for 2017 ascertained as follows:																
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where:																	
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B	is the Price for that Fare recorded by RSP in 2017.																
Paragraph 4.1 of Schedule 5.4A	<table> <tr> <td colspan="2">2017 Ticket Revenue x PPAI</td></tr> <tr> <td colspan="2">where:</td></tr> <tr> <td>2017 Ticket Revenue</td><td>is the aggregate Gross Revenue recorded by RSP as attributable to sales of all Fares in that Fares Basket for the period of twelve (12) months which ended 2017;</td></tr> </table>	2017 Ticket Revenue x PPAI		where:		2017 Ticket Revenue	is the aggregate Gross Revenue recorded by RSP as attributable to sales of all Fares in that Fares Basket for the period of twelve (12) months which ended 2017;										
2017 Ticket Revenue x PPAI																	
where:																	
2017 Ticket Revenue	is the aggregate Gross Revenue recorded by RSP as attributable to sales of all Fares in that Fares Basket for the period of twelve (12) months which ended 2017;																

	PPAI	is:	
		where:	
	(a)	in respect of the Fare Year commencing 2017, the Permitted Aggregate Increase for that Fare Year; and	
	(b)	in respect of each Fare Year commencing on or after 2017, the product of the Permitted Aggregate Increase for each Fare Year between that Fare Year and the Fare Year which begins on 2017 (inclusively).	
Paragraph 8.1 of Part 2 of Schedule 6.1A	8.1	<p>The Franchisee shall operate and maintain the:</p> <p>(a) UGMS fitted to 2 Class 390 trains comprised in the Train Fleet as at the Start Date;</p> <p>(b) UOMS fitted to 2 Class 390 trains as at the Start Date; and</p> <p>(c) ride monitoring bump boxes fitted to 4 Class 390 trains as at the Start Date, for so long as the Class 390 trains in question form part of the Train Fleet.</p>	
Paragraph 13.3 of Part 2 of Schedule 6.1A	13.3	<p>The Franchisee shall at all times during the ICWC Term fully and effectively co-operate with the Secretary of State, Network Rail, any Local Authority or any relevant third party in the development and implementation of plans and proposals to:</p> <p>(a) enhance existing stations;</p> <p>(b) open new stations;</p> <p>(c) open new rail routes, or re-open existing rail routes that are not currently used to operate regular passenger services; and</p> <p>(d) regenerate and redevelop the areas at or immediately surrounding stations.</p>	
Paragraph 13.5(a) of Part 2 of Schedule 6.1A	13.5	<p>Without limiting the above, the obligation to co-operate pursuant to paragraph 13.3 shall also include:</p> <p>(a) attending meetings with the Secretary of State, Network Rail, a Local Authority or a relevant third party (as the case may be);</p>	

Paragraph 12.1 of Schedule 6.3A	12.1 During the CIM Period the occurrence of Industrial Action shall, at the sole discretion of the Secretary of State constitute a Qualifying Change only to the extent the Franchisee has obtained any net savings from any reduction in costs incurred by the Franchisee as a result of such Industrial Action having taken into account any loss of revenue.
Paragraph 15.1 of Schedule 6.3A	[NOTE TO BIDDERS – This will be populated in line with the successful bidder's complementary service provisions]
Paragraph 1.1 of Schedule 7.1A	<p>“Annual Cap Performance Level”</p> <p>means in relation to:</p> <ul style="list-style-type: none"> (a) an Annual Cancellations Benchmark for any Franchisee Year, the number set out in Column 2 (Annual Cap Performance Level) of the Annual Cancellations Benchmark Table for that Franchisee Year; (b) an Annual TOC Minute Delay Benchmark for any Franchisee Year, the number set out in Column 2 (Annual Cap Performance Level) of the Annual TOC Minute Delay Benchmark Table for that Franchisee Year; (c) NOT USED; (d) NOT USED; or (e) an Annual T-3 Table, Annual T-15 Table and/or Annual All Cancellations Measure for any Franchisee Year, the number set out in Column 2 (Annual Cap Performance Level) of the Annual T-3 Table, Annual T-15 Table or Annual All Cancellations Table for that Franchisee Year;
Paragraph 1.1 of Schedule 7.1A	<p>"Breach Reporting Stage"</p> <p>means the Reporting Periods falling within the period from the eighth Reporting Period to the twelfth Reporting Period of the first Franchisee Year;</p>

Paragraph 22.7A of
Part 2 of Schedule
7.1A

For any Franchisee Year the T-3 Performance Sum is calculated as follows:

Table UT3-A

ACTUAL_{T-3}	is the Actual T-3 Performance Level for that Franchisee Year;
TARGET_{T-3}	is the Annual Target Performance Level relating to that Annual T-3 Measure for that Franchisee Year;
CAP_{T-3}	is the Annual Cap Performance Level relating to that Annual T-3 Measure for that Franchisee Year; and
FLOOR_{T-3}	is the Annual Floor Performance Level relating to that Annual T-3 Measure for that Franchisee Year.

Table UT3-B

	Column 1	Column 2	Column 2
	Value of ACTUAL_{T-3} is	T-3 Performance Sum payable by the Secretary of State to the Franchisee shall be an amount calculated by the following Table	T-3 Performance Sum payable by the Franchisee to Secretary of State shall be an amount calculated by the following Table
1.	$\geq CAP_{T-3}$	Table UT3-C	

2.	$< CAP_{T-3} \text{ and } > TARGET_{T-3}$	Table UT3-D	
3.	$\leq TARGET_{T-3} \text{ and } > FLOOR_{T-3}$		Table UT3-E
4.	$\leq FLOOR_{T-3}$		Table UT3-F

Table UT3-C

$$(CAP_{T-3} - TARGET_{T-3}) \times PB_{T-3}$$

where:

CAP_{T-3}	has the meaning given to it in paragraph 22.7A (Table UT3-A);	
TARGET_{T-3}	has the meaning given to it in paragraph 22.7A (Table UT3-A); and	
PB_{T-3} (performance bonus payment)	is, in respect of that Franchisee Year, an amount calculated as follows:	
	$PBP_{T-3} \times RPI$	
	where:	
	PBP_{T-3}	the amount specified in row 1 (PBP _{T-3}) of Column 2 of the Annual T-3 Payment Table; and

		RPI	has the meaning given to it in Appendix 1 (Annual Franchise Payments) to Schedule 8.1A (Franchise Payments).
Table UT3-D (ACTUAL_{T-3} – TARGET_{T-3}) x PB_{T-3} where:			
ACTUAL_{T-3}		means the Actual T-3 Performance Level for that Franchisee Year;	
TARGET_{T-3}		has the meaning given to it in paragraph 22.7A (Table UT3-A); and	
PB_{T-3} (performance bonus payment)		is, in respect of that Franchisee Year, an amount calculated as follows:	
		PBP _{T-3} x RPI	
		where:	
		PBP _{T-3}	the amount specified in row 1 (PBP _{T-3}) of Column 2 of the Annual T-3 Payment Table; and
		RPI	has the meaning given to it in Appendix 1 (Annual Franchise Payments) to Schedule 8.1A (Franchise Payments).

	Table UT3-E		
	(TARGET_{T-3} – ACTUAL_{T-3}) x PD_{T-3}		
	where:		
	TARGET_{T-3}	has the meaning given to it in paragraph 22.7A (Table UT3-A);	
	ACTUAL_{T-3}	means the Actual T-3 Performance Level for that Franchisee Year; and	
	PD_{T-3}	is, in respect of that Franchisee Year, an amount calculated as follows:	
	(performance deduction payment)	PDP _{T-3} x RPI	
		where:	
		PDP _{T-3}	the amount specified in row 2 (PDP _{T-3}) of Column 3 of the Annual T-3 Payment Table; and
		RPI	has the meaning given to it in Appendix 1 (Annual Franchise Payments) to Schedule 8.1A (Franchise Payments).

Table UT3-F		
$(\text{TARGET}_{T-3} - \text{FLOOR}_{T-3}) \times \text{PD}_{T-3}$		
where:		
TARGET_{T-3}	has the meaning given to it in paragraph 22.7A (Table UT3-A);	
FLOOR_{T-3}	has the meaning given to it in paragraph 22.7A (Table UT3-A); and	
PD_{T-3}	is, in respect of that Franchisee Year, an amount calculated as follows:	
(performance deduction payment)	$\text{PDP}_{T-3} \times \text{RPI}$	
	where:	
	PDP_{T-3}	the amount specified in row 2 (PDP_{T-3}) of Column 3 of the Annual T-3 Payment Table; and
	RPI	has the meaning given to it in Appendix 1 (Annual Franchise Payments) to Schedule 8.1A (Franchise Payments).

Paragraph 22.7B of
Part 2 of Schedule
7.1A

For any Franchisee Year the T-15 Performance Sum is calculated as follows:

Table UT15-A			
ACTUAL _{T-15}		is the Actual T-15 Performance Level for that Franchisee Year;	
TARGET _{T-15}		is the Annual Target Performance Level relating to that Annual T-15 Measure for that Franchisee Year;	
CAP _{T-15}		is the Annual Cap Performance Level relating to that Annual T-15 Measure for that Franchisee Year; and	
FLOOR _{T-15}		is the Annual Floor Performance Level relating to that Annual T-15 Measure for that Franchisee Year.	
Table UT15-B			
	Column 1	Column 2	Column 2
	Value of ACTUAL _{T-15} is	T-15 Performance Sum payable by the Secretary of State to the Franchisee shall be an amount calculated by the following Table	T-15 Performance Sum payable by the Franchisee to Secretary of State shall be an amount calculated by the following Table
1.	≥ <i>CAP</i> _{T-15}	Table UT15-C	
2.	< <i>CAP</i> _{T-15} and > <i>TARGET</i> _{T-15}	Table UT15-D	
3.	≤ <i>TARGET</i> _{T-15} and > <i>FLOOR</i> _{T-15}		Table UT15-E

4.	$\leq FLOOR_{T-15}$		Table UT15-F
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Table UT15-C		
$(CAP_{T-15} - TARGET_{T-15}) \times PB_{T-15}$		
where:		
CAP_{T-15}	has the meaning given to it in paragraph 22.7B (Table UT15-A);	
$TARGET_{T-15}$	has the meaning given to it in paragraph 22.7B (Table UT15-A); and	
PB_{T-15} (performance bonus payment)	is, in respect of that Franchisee Year, an amount calculated as follows:	
	$PBP_{T-15} \times RPI$	
	where:	
	PBP_{T-15}	the amount specified in row 1 (PBP_{T-15}) of Column 2 of the Annual T-15 Payment Table; and
	RPI	has the meaning given to it in Appendix 1 (Annual Franchise Payments) to Schedule 8.1A (Franchise Payments).

Table UT15-D		
(ACTUAL_{T-15} – TARGET_{T-15}) x PB_{T-15}		
where:		
ACTUAL_{T-15}	means the Actual T-15 Performance Level for that Franchisee Year;	
TARGET_{T-15}	has the meaning given to it in paragraph 22.7B (Table UT15-A); and	
PB_{T-15} (performance bonus payment)	is, in respect of that Franchisee Year, an amount calculated as follows:	
	PBP _{T-15} x RPI	
	where:	
	PBP _{T-15}	the amount specified in row 1 (PBP _{T-15}) of Column 2 of the Annual T-15 Payment Table; and
	RPI	has the meaning given to it in Appendix 1 (Annual Franchise Payments) to Schedule 8.1A (Franchise Payments).

Table UT15-E		
(TARGET_{T-15} – ACTUAL_{T-15}) x PD_{T-15}		
where:		
TARGET_{T-15}	has the meaning given to it in paragraph 22.7B (Table UT15-A);	
ACTUAL_{T-15}	means the Actual T-15 Performance Level for that Franchisee Year; and	

		PD_{T-15} (performance deduction payment)	is, in respect of that Franchisee Year, an amount calculated as follows:	
			PDP _{T-15} x RPI	
			where:	
			PDP _{T-15}	the amount specified in row 2 (PDP _{T-15}) of Column 3 of the Annual T-15 Payment Table; and
			RPI	has the meaning given to it in Appendix 1 (Annual Franchise Payments) to Schedule 8.1A (Franchise Payments).
		Table UT15-F		
		(TARGET_{T-15} – FLOOR_{T-15}) x PD_{T-15}		
		where:		
		TARGET_{T-15}	has the meaning given to it in paragraph 22.7B (Table UT15-A);	
		FLOOR_{T-15}	has the meaning given to it in paragraph 22.7B (Table UT15-A)); and.	
		PD_{T-15} (performance deduction payment)	is, in respect of that Franchisee Year, an amount calculated as follows:	
			PDP _{T-15} x RPI	
			where:	
			PDP _{T-15}	the amount specified in row 2 (PDP _{T-15}) of Column 3 of the Annual T-15 Payment Table; and

			RPI	has the meaning given to it in Appendix 1 (Annual Franchise Payments) to Schedule 8.1A (Franchise Payments).	
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Paragraph 22.7C of
Part 2 of Schedule
7.1A

For any Franchisee Year the All Cancellations Performance Sum is calculated as follows:

Table UAC-A

ACTUAL_{AC}	is the Actual All Cancellations Performance Level for that Franchisee Year;
TARGET_{AC}	is the Annual Target Performance Level relating to that Annual All Cancellations Measure for that Franchisee Year;
CAP_{AC}	is the Annual Cap Performance Level relating to that Annual All Cancellations Measure for that Franchisee Year; and
FLOOR_{AC}	is the Annual Floor Performance Level relating to that Annual All Cancellations Measure for that Franchisee Year.

Table UAC-B

	Column 1	Column 2	Column 2
	Value of ACTUAL_{AC} is	All Cancellations Performance Sum payable by the Secretary of State to the Franchisee shall be an amount calculated by the following Table	All Cancellations Performance Sum payable by the Franchisee to Secretary of State shall be an amount calculated by the following Table
1.	$\leq CAP_{AC}$	Table UAC-C	
2.	$> CAP_{AC} \text{ and } < TARGET_{AC}$	Table UAC-D	
3.	$\geq TARGET_{AC} \text{ and } < FLOOR_{AC}$		Table UAC-E

	4.	$\geq FLOOR_{AC}$		Table UAC-F
	Table UAC-C			
	$(TARGET_{AC} - CAP_{AC}) \times PB_{AC}$			
	where:			
	$TARGET_{AC}$	has the meaning given to it in paragraph 22.7C (Table UAC-A);		
	CAP_{AC}	has the meaning given to it in paragraph 22.7C (Table UAC-A); and		
	PB_{AC}	is, in respect of that Franchisee Year, an amount calculated as follows:		
	(performance bonus payment)	$PBP_{AC} \times RPI$		
		where:		
		PBP_{AC}	the amount specified in row 1 (PBP_{AC}) of Column 2 of the Annual All Cancellations Payment Table; and	
		RPI	has the meaning given to it in Appendix 1 (Annual Franchise Payments) to Schedule 8.1A (Franchise Payments).	

	Table UAC-D	
	(TARGET_{AC} – ACTUAL_{AC}) x PB_{AC}	
	where:	
	TARGET_{AC}	has the meaning given to it in paragraph 22.7C (Table UAC-A);
	ACTUAL_{AC}	means the Actual All Cancellations Performance Level for that Franchisee Year; and
	PB_{AC} (performance bonus payment)	is, in respect of that Franchisee Year, an amount calculated as follows:
		PBP _{AC} x RPI
		where:
		PBP _{AC} the amount specified in row 1 (PBP _{AC}) of Column 2 of the Annual All Cancellations Payment Table; and
		RPI has the meaning given to it in Appendix 1 (Annual Franchise Payments) to Schedule 8.1A (Franchise Payments).
	Table UAC-E	
	(ACTUAL_{AC} – TARGET_{AC}) x PD_{AC}	
	where:	
	ACTUAL_{AC}	means the Actual All Cancellations Performance Level for that Franchisee Year;
	TARGET_{AC}	has the meaning given to it in paragraph 22.7D (Table UAC-A); and

	PD_{AC} (performance deduction payment)	is, in respect of that Franchisee Year, an amount calculated as follows:	
		PDP _{AC} x RPI	
		where:	
		PDP _{AC}	the amount specified in Row 2 (PDP _{AC}) of Column 2 of the Annual All Cancellations Payment Table; and
		RPI	has the meaning given to it in Appendix 1 (Annual Franchise Payments) to Schedule 8.1A (Franchise Payments).
	Table UAC-F		
	(FLOOR_{AC} – TARGET_{AC}) x PD_{AC}		
	where:		
	FLOOR _{AC}	has the meaning given to it in paragraph 22.7D (Table UAC-A);	
	TARGET _{AC}	has the meaning given to it in paragraph 22.7D (Table UAC-A); and	
	PD_{AC} (performance deduction payment)	is, in respect of that Franchisee Year, an amount calculated as follows:	
		PDP _{AC} x RPI	
		where:	
		PDP _{AC}	the amount specified in Row 2 (PDP _{AC}) of Column 2 of the Annual All Cancellations Payment Table; and

		RPI	has the meaning given to it in Appendix 1 (Annual Franchise Payments) to Schedule 8.1A (Franchise Payments).
Paragraph 22.8 of Part 2 of Schedule 7.1A	22.8	For the purpose of the calculations referred to in this paragraph 22, each of the Annual Cap Performance Level, the Annual Target Performance Level and the Annual Floor Performance Level will be specified as an absolute number not as a percentage (i.e. one point five per cent (1.5%) equals 1.5).	
Paragraph 23.1(f) of Part 2 of Schedule 7.1A	in respect of the Annual T-3 Measure for that Franchisee Year:		

	Table X3	
	$\frac{\sum A_{XT3}}{XY}$	
	Where:	
	$\sum A_{XT3}$	<p>is ascertained as follows:</p> <p>(i) for the Annual Cap Performance Level, the sum of the data relevant for each of the Reporting Periods in that Franchisee Year, such data being the data which was used for the purposes of determining the Annual Cap Performance Level in respect of a full Franchisee Year as more particularly set out in the document in the agreed terms marked ABD; or</p> <p>(ii) for the Annual Target Performance Level, the sum of the data relevant for each of the Reporting Periods in that Franchisee Year, such data being the data which was used for the purposes of determining the Annual Target Performance Level in respect of a full Franchisee Year as more particularly set out in the document in the agreed terms marked ABD;</p> <p>(iii) for the Annual Floor Performance Level, the sum of the data relevant for each of the Reporting Periods in that Franchisee Year, such data being the data which was used for the purposes of determining the Annual Floor Performance Level in respect of a full Franchisee Year as more particularly set out in the document in the agreed terms marked ABD; and</p>
	XY	is the number of Reporting Periods in that Franchisee Year.
Paragraph 23.1(g) of Part 2 of Schedule 7.1A	in respect of the Annual T-15 Measure for that Franchisee Year:	
	Table X15	
	$\frac{\sum A_{XT15}}{XY}$	
	Where:	

	<div><div>ΣA_{XT15}</div><div><div>(i)</div><div>for the Annual Cap Performance Level, the sum of the data relevant for each of the Reporting Periods in that Franchisee Year, such data being the data which was used for the purposes of determining the Annual Cap Performance Level in respect of a full Franchisee Year as more particularly set out in the document in the agreed terms marked ABD; or</div></div><div><div>(ii)</div><div>for the Annual Target Performance Level, the sum of the data relevant for each of the Reporting Periods in that Franchisee Year, such data being the data which was used for the purposes of determining the Annual Target Performance Level in respect of a full Franchisee Year as more particularly set out in the document in the agreed terms marked ABD;</div></div><div><div>(iii)</div><div>for the Annual Floor Performance Level, the sum of the data relevant for each of the Reporting Periods in that Franchisee Year, such data being the data which was used for the purposes of determining the Annual Floor Performance Level in respect of a full Franchisee Year as more particularly set out in the document in the agreed terms marked ABD; and</div></div></div>									
	<div><div>XY</div><div>is the number of Reporting Periods in that Franchisee Year.</div></div>									
Paragraph 23.1(h) of Part 2 of Schedule 7.1A	<div>in respect of the Annual All Cancellations Measure for that Franchisee Year:</div> <table><tr><td colspan="2">Table XAC</td></tr><tr><td colspan="2"><div><div>$\frac{\Sigma A_{XAC}}{XY}$</div></div></td></tr><tr><td colspan="2">Where:</td></tr><tr><td><div><div>ΣA_{XAC}</div></div></td><td><div><div>(i)</div><div>for the Annual Cap Performance Level, the sum of the data relevant for each of the Reporting Periods in that Franchisee Year, such data being the data which was used for the purposes of determining the Annual Cap Performance Level in</div></div></td></tr></table>		Table XAC		<div><div>$\frac{\Sigma A_{XAC}}{XY}$</div></div>		Where:		<div><div>ΣA_{XAC}</div></div>	<div><div>(i)</div><div>for the Annual Cap Performance Level, the sum of the data relevant for each of the Reporting Periods in that Franchisee Year, such data being the data which was used for the purposes of determining the Annual Cap Performance Level in</div></div>
Table XAC										
<div><div>$\frac{\Sigma A_{XAC}}{XY}$</div></div>										
Where:										
<div><div>ΣA_{XAC}</div></div>	<div><div>(i)</div><div>for the Annual Cap Performance Level, the sum of the data relevant for each of the Reporting Periods in that Franchisee Year, such data being the data which was used for the purposes of determining the Annual Cap Performance Level in</div></div>									

		<p>respect of a full Franchisee Year as more particularly set out in the document in the agreed terms marked ABD; or</p> <p>(ii) for the Annual Target Performance Level, the sum of the data relevant for each of the Reporting Periods in that Franchisee Year, such data being the data which was used for the purposes of determining the Annual Target Performance Level in respect of a full Franchisee Year as more particularly set out in the document in the agreed terms marked ABD;</p> <p>(iii) for the Annual Floor Performance Level, the sum of the data relevant for each of the Reporting Periods in that Franchisee Year, such data being the data which was used for the purposes of determining the Annual Floor Performance Level in respect of a full Franchisee Year as more particularly set out in the document in the agreed terms marked ABD; and</p>	
	XY	is the number of Reporting Periods in that Franchisee Year.	
Paragraphs 26.1(f) to 26.1(h) inclusive of Part 2 of Schedule 7.1A	26.1	<p>Where in any Franchisee Year a relevant Performance Sum is due from the Franchisee, the Franchisee shall, subject to paragraph 29, incur expenditure equal to the amount of the relevant Performance Sum in order to secure an improvement in the Franchisee's performance against:</p> <p>(f) the Annual T-3 Measure so that such level is better than or equal to the Annual Target Performance Level for that Annual T-3 Measure; and/or</p> <p>(g) the Annual T-15 Measure so that such level is better than or equal to the Annual Target Performance Level for that Annual T-15 Measure; and/or</p> <p>(h) the Annual All Cancellations Measure so that such level is better than or equal to the Annual Target Performance Level for that Annual All Cancellation Measure,</p>	
Part 1 of Appendix 1 to Schedule 7.1A	<p>1. Start of the Franchise</p> <p>The Reporting Period in the cells entitled “Year 1, Period 1” shall be the first Reporting Period of the first Franchisee Year of the ICWC Period.</p>		

		Column 1	Column 2	Column 3	Column 4	Column 5
		Reporting Period, Franchisee Year	Year	Target Performance Level	Breach Performance Level	Default Performance Level
				(% Cancelled)	(% Cancelled)	(% Cancelled)
	Initial Reporting Stage	Period 7, Year 1	2019/20	0.24	N/A	
Period 8, Year 1		2019/20	0.30			
Period 9, Year 1		2019/20	0.31			
Period 10, Year 1		2019/20	0.31			
Period 11, Year 1		2019/20	0.31			
Period 12, Year 1		2019/20	0.30			
Period 13, Year 1		2019/20	0.30			
Breach Reporting Stage						
	Period 1, Year 2	2020/21	0.30			
	Period 2, Year 2	2020/21	0.30			
	Period 3, Year 2	2020/21	0.30			
	Period 4, Year 2	2020/21	0.30			

		Period 5, Year 2	2020/21	0.30		
	Subsequent Reporting Stage					
	Subsequent Reporting Stage	Period 6, Year 2	2020/21	0.30	0.63	0.95
		Period 7, Year 2	2020/21	0.30	0.62	0.95
		Period 8, Year 2	2020/21	0.30	0.62	0.94
		Period 9, Year 2	2020/21	0.30	0.62	0.93
		Period 10, Year 2	2020/21	0.30	0.61	0.92
		Period 11, Year 2	2020/21	0.30	0.61	0.92
		Period 12, Year 2	2020/21	0.30	0.60	0.91
		Period 13, Year 2	2020/21	0.30	0.60	0.90
		Period 1, Year 3	2021/22	0.30	0.60	0.89
		Period 2, Year 3	2021/22	0.30	0.59	0.88
		Period 3, Year 3	2021/22	0.30	0.59	0.87
		Period 4, Year 3	2021/22	0.30	0.58	0.87
		Period 5, Year 3	2021/22	0.30	0.58	0.86
		Period 6, Year 3	2021/22	0.30	0.57	0.85

		Period 7, Year 3	2021/22	0.29	0.57	0.84
		Period 8, Year 3	2021/22	0.29	0.56	0.83
		Period 9, Year 3	2021/22	0.29	0.56	0.82
		Period 10, Year 3	2021/22	0.29	0.55	0.82
		Period 11, Year 3	2021/22	0.29	0.55	0.81
		Period 12, Year 3	2021/22	0.29	0.54	0.80
		Period 13, Year 3	2021/22	0.29	0.54	0.79
		Period 1, Year 4	2022/23	0.29	0.54	0.79
		Period 2, Year 4	2022/23	0.29	0.54	0.79
		Period 3, Year 4	2022/23	0.29	0.54	0.79
		Period 4, Year 4	2022/23	0.29	0.54	0.79
		Period 5, Year 4	2022/23	0.29	0.54	0.79
		Period 6, Year 4	2022/23	0.29	0.54	0.79
		Period 7, Year 4	2022/23	0.28	0.53	0.78
		Period 8, Year 4	2022/23	0.28	0.53	0.78
		Period 9, Year 4	2022/23	0.28	0.53	0.78

	Period 10, Year 4	2022/23	0.28	0.53	0.78
	Period 11, Year 4	2022/23	0.28	0.53	0.78
	Period 12, Year 4	2022/23	0.28	0.53	0.78
	Period 13, Year 4	2022/23	0.28	0.53	0.78
	Period 1, Year 5	2023/24	0.28	0.53	0.78
	Period 2, Year 5	2023/24	0.28	0.53	0.78
	Period 3, Year 5	2023/24	0.28	0.53	0.78
	Period 4, Year 5	2023/24	0.28	0.53	0.78
	Period 5, Year 5	2023/24	0.28	0.53	0.78
	Period 6, Year 5	2023/24	0.28	0.53	0.78
	Period 7, Year 5	2023/24	0.27	0.52	0.77
	Period 8, Year 5	2023/24	0.27	0.52	0.77
	Period 9, Year 5	2023/24	0.27	0.52	0.77
	Period 10, Year 5	2023/24	0.27	0.52	0.77
	Period 11, Year 5	2023/24	0.27	0.52	0.77
	Period 12, Year 5	2023/24	0.27	0.52	0.77

		Period 13, Year 5	2023/24	0.27	0.52	0.77
		Period 1, Year 6	2024/25	0.27	0.52	0.77
		Period 2, Year 6	2024/25	0.27	0.52	0.77
		Period 3, Year 6	2024/25	0.27	0.52	0.77
		Period 4, Year 6	2024/25	0.27	0.52	0.77
		Period 5, Year 6	2024/25	0.27	0.52	0.77
		Period 6, Year 6	2024/25	0.27	0.52	0.77
		Period 7, Year 6	2024/25	0.27	0.52	0.77
		Period 8, Year 6	2024/25	0.27	0.52	0.77
		Period 9, Year 6	2024/25	0.27	0.52	0.77
		Period 10, Year 6	2024/25	0.27	0.52	0.77
		Period 11, Year 6	2024/25	0.27	0.52	0.77
		Period 12, Year 6	2024/25	0.27	0.52	0.77
		Period 13, Year 6	2024/25	0.27	0.52	0.77
		Period 1, Year 7	2025/26	0.27	0.52	0.77
		Period 2, Year 7	2025/26	0.27	0.52	0.77

		Period 3, Year 7	2025/26	0.27	0.52	0.77
		Period 4, Year 7	2025/26	0.27	0.52	0.77
		Period 5, Year 7	2025/26	0.27	0.52	0.77
		Period 6, Year 7	2025/26	0.27	0.52	0.77
		Period 7, Year 7	2025/26	0.27	0.52	0.77
		Period 8, Year 7	2025/26	0.27	0.52	0.77
		Period 9, Year 7	2025/26	0.27	0.52	0.77
		Period 10, Year 7	2025/26	0.27	0.52	0.77
		Period 11, Year 7	2025/26	0.27	0.52	0.77
		Period 12, Year 7	2025/26	0.27	0.52	0.77
		Period 13, Year 7	2025/26	0.27	0.52	0.77
		Reset Period				
		Period 1, Year 8	2026/27	0.27	0.52	0.77
		Period 2, Year 8	2026/27	0.27	0.52	0.77
		Period 3, Year 8	2026/27	0.27	0.52	0.77
		Period 4, Year 8	2026/27	0.27	0.52	0.77

		Period 5, Year 8	2026/27	0.27	0.52	0.77
		Period 6, Year 8	2026/27	0.27	0.52	0.77
		Period 7, Year 8	2026/27	0.27	0.52	0.77
		Period 8, Year 8	2026/27	0.27	0.52	0.77
		Period 9, Year 8	2026/27	0.27	0.52	0.77
		Period 10, Year 8	2026/27	0.27	0.52	0.77
		Period 11, Year 8	2026/27	0.27	0.52	0.77
		Period 12, Year 8	2026/27	0.27	0.52	0.77
		Period 13, Year 8	2026/27	0.27	0.52	0.77
		Period 1, Year 9	2027/28	0.27	0.52	0.77
		Period 2, Year 9	2027/28	0.27	0.52	0.77
		Period 3, Year 9	2027/28	0.27	0.52	0.77
		Period 4, Year 9	2027/28	0.27	0.52	0.77
		Period 5, Year 9	2027/28	0.27	0.52	0.77
		Period 6, Year 9	2027/28	0.27	0.52	0.77
		Period 7, Year 9	2027/28	0.27	0.52	0.77

		Period 8, Year 9	2027/28	0.27	0.52	0.77
		Period 9, Year 9	2027/28	0.27	0.52	0.77
		Period 10, Year 9	2027/28	0.27	0.52	0.77
		Period 11, Year 9	2027/28	0.27	0.52	0.77
		Period 12, Year 9	2027/28	0.27	0.52	0.77
		Period 13, Year 9	2027/28	0.27	0.52	0.77
		Period 1, Year 10	2028/29	0.27	0.52	0.77
		Period 2, Year 10	2028/29	0.27	0.52	0.77
		Period 3, Year 10	2028/29	0.27	0.52	0.77
		Period 4, Year 10	2028/29	0.27	0.52	0.77
		Period 5, Year 10	2028/29	0.27	0.52	0.77
		Period 6, Year 10	2028/29	0.27	0.52	0.77
		Period 7, Year 10	2028/29	0.27	0.52	0.77
		Period 8, Year 10	2028/29	0.27	0.52	0.77
		Period 9, Year 10	2028/29	0.27	0.52	0.77
		Period 10, Year 10	2028/29	0.27	0.52	0.77

		Period 11, Year 10	2028/29	0.27	0.52	0.77
		Period 12, Year 10	2028/29	0.27	0.52	0.77
		Period 13, Year 10	2028/29	0.27	0.52	0.77
		Period 1, Year 11	2029/30	0.27	0.52	0.77
		Period 2, Year 11	2029/30	0.27	0.52	0.77
		Period 3, Year 11	2029/30	0.27	0.52	0.77
		Period 4, Year 11	2029/30	0.27	0.52	0.77
		Period 5, Year 11	2029/30	0.27	0.52	0.77
		Period 6, Year 11	2029/30	0.27	0.52	0.77
		Period 7, Year 11	2029/30	0.27	0.52	0.77
		Period 8, Year 11	2029/30	0.27	0.52	0.77
		Period 9, Year 11	2029/30	0.27	0.52	0.77
		Period 10, Year 11	2029/30	0.27	0.52	0.77

		Period 11, Year 11	2029/30	0.27	0.52	0.77
		Period 12, Year 11	2029/30	0.27	0.52	0.77
		Period 13, Year 11	2029/30	0.27	0.52	0.77
		Period 1, Year 12	2030/31	0.27	0.52	0.77
		Period 2, Year 12	2030/31	0.27	0.52	0.77
		Period 3, Year 12	2030/31	0.27	0.52	0.77
		Period 4, Year 12	2030/31	0.27	0.52	0.77
		Period 5, Year 12	2030/31	0.27	0.52	0.77
		Period 6, Year 12	2030/31	0.27	0.52	0.77
		Period 7, Year 12	2030/31	0.27	0.52	0.77
		Period 8, Year 12	2030/31	0.27	0.52	0.77
		Period 9, Year 12	2030/31	0.27	0.52	0.77
		Period 10, Year 12	2030/31	0.27	0.52	0.77

		Period 11, Year 12	2030/31	0.27	0.52	0.77
		Period 12, Year 12	2030/31	0.27	0.52	0.77
		Period 13, Year 12	2030/31	0.27	0.52	0.77

Part 2(A) of
Appendix 1 to
Schedule 7.1A

Year (e.g. 2026/2027)		Column 1	Column 2	Column 3	Column 4
		Franchisee Year (e.g. Year 1)	Annual Cap Performance Level (% Cancelled)	Annual Target Performance Level (% Cancelled)	Annual Floor Performance Level (% Cancelled)
2019	2020	Year 1	0.05	0.30	0.55
2020	2021	Year 2	0.05	0.30	0.55
2021	2022	Year 3	0.04	0.29	0.54
2022	2023	Year 4	0.03	0.28	0.53
2023	2024	Year 5	0.02	0.27	0.52
2024	2025	Year 6	0.02	0.27	0.52
2025	2026	Year 7	0.02	0.27	0.52

	2026	2027	Year 8	0.02	0.27	0.52																						
	Reset Period																											
	2027	2028	Year 9	0.02	0.27	0.52																						
	2028	2029	Year 10	0.02	0.27	0.52																						
	2029	2030	Year 11	0.02	0.27	0.52																						
	2030	2031	Year 12	0.02	0.27	0.52																						
Part 1 of Appendix 2 to Schedule 7.1A	<div>1. Start of the Franchise</div> <div>The Reporting Period in the cells entitled “Year 1, Period 1” shall be the first Reporting Period of the first Franchisee Year of the ICWC Period.</div> <table><tr><td rowspan="3">Initial Reporting Period</td><td>Column 1</td><td>Column 2</td><td>Column 3</td><td>Column 4</td><td>Column 5</td></tr><tr><td>Reporting Period, Franchisee Year</td><td>Year</td><td>Target Performance Level</td><td>Breach Performance Level</td><td>Default Performance Level</td></tr><tr><td></td><td></td><td>(relevant Minutes Delay/1000 Actual Train Miles)</td><td>(relevant Minutes Delay/1000 Actual Train Miles)</td><td>(relevant Minutes Delay/1000 Actual Train Miles)</td></tr><tr><td>Initial Reporting Period</td><td>Period 7, Year 1</td><td>2019/20</td><td>3.60</td><td colspan="2">N/A</td></tr></table>						Initial Reporting Period	Column 1	Column 2	Column 3	Column 4	Column 5	Reporting Period, Franchisee Year	Year	Target Performance Level	Breach Performance Level	Default Performance Level			(relevant Minutes Delay/1000 Actual Train Miles)	(relevant Minutes Delay/1000 Actual Train Miles)	(relevant Minutes Delay/1000 Actual Train Miles)	Initial Reporting Period	Period 7, Year 1	2019/20	3.60	N/A	
Initial Reporting Period	Column 1	Column 2	Column 3	Column 4	Column 5																							
	Reporting Period, Franchisee Year	Year	Target Performance Level	Breach Performance Level	Default Performance Level																							
			(relevant Minutes Delay/1000 Actual Train Miles)	(relevant Minutes Delay/1000 Actual Train Miles)	(relevant Minutes Delay/1000 Actual Train Miles)																							
Initial Reporting Period	Period 7, Year 1	2019/20	3.60	N/A																								

		Period 8, Year 1	2019/20	3.72		
		Period 9, Year 1	2019/20	3.77		
		Period 10, Year 1	2019/20	3.77		
		Period 11, Year 1	2019/20	3.73		
		Period 12, Year 1	2019/20	3.72		
		Period 13, Year 1	2019/20	3.70		
	Breach Reporting Stage					
		Period 1, Year 2	2020/21	3.70	6.66	9.62
		Period 2, Year 2	2020/21	3.70	6.62	9.55
		Period 3, Year 2	2020/21	3.70	6.58	9.47
		Period 4, Year 2	2020/21	3.70	6.55	9.39
		Period 5, Year 2	2020/21	3.70	6.51	9.32
	Subsequent Reporting Stage					
	Subsequent Reporting Stage	Period 6, Year 2	2020/21	3.70	6.47	9.24
		Period 7, Year 2	2020/21	3.70	6.43	9.16
		Period 8, Year 2	2020/21	3.70	6.39	9.08

		Period 9, Year 2	2020/21	3.70	6.35	9.01
		Period 10, Year 2	2020/21	3.70	6.32	8.93
		Period 11, Year 2	2020/21	3.70	6.28	8.85
		Period 12, Year 2	2020/21	3.70	6.24	8.78
		Period 13, Year 2	2020/21	3.70	6.20	8.70
		Period 1, Year 3	2021/22	3.70	6.16	8.62
		Period 2, Year 3	2021/22	3.69	6.12	8.54
		Period 3, Year 3	2021/22	3.69	6.07	8.46
		Period 4, Year 3	2021/22	3.68	6.03	8.38
		Period 5, Year 3	2021/22	3.68	5.99	8.30
		Period 6, Year 3	2021/22	3.68	5.95	8.22
		Period 7, Year 3	2021/22	3.67	5.90	8.13
		Period 8, Year 3	2021/22	3.67	5.86	8.05
		Period 9, Year 3	2021/22	3.67	5.82	7.97
		Period 10, Year 3	2021/22	3.66	5.78	7.89
		Period 11, Year 3	2021/22	3.66	5.73	7.81

	Period 12, Year 3	2021/22	3.65	5.69	7.73
	Period 13, Year 3	2021/22	3.65	5.65	7.65
	Period 1, Year 4	2022/23	3.65	5.65	7.65
	Period 2, Year 4	2022/23	3.64	5.64	7.64
	Period 3, Year 4	2022/23	3.64	5.64	7.64
	Period 4, Year 4	2022/23	3.63	5.63	7.63
	Period 5, Year 4	2022/23	3.63	5.63	7.63
	Period 6, Year 4	2022/23	3.63	5.63	7.63
	Period 7, Year 4	2022/23	3.62	5.62	7.62
	Period 8, Year 4	2022/23	3.62	5.62	7.62
	Period 9, Year 4	2022/23	3.62	5.62	7.62
	Period 10, Year 4	2022/23	3.61	5.61	7.61
	Period 11, Year 4	2022/23	3.61	5.61	7.61
	Period 12, Year 4	2022/23	3.60	5.60	7.60
	Period 13, Year 4	2022/23	3.60	5.60	7.60
	Period 1, Year 5	2023/24	3.60	5.60	7.60

		Period 2, Year 5	2023/24	3.59	5.59	7.59
		Period 3, Year 5	2023/24	3.59	5.59	7.59
		Period 4, Year 5	2023/24	3.58	5.58	7.58
		Period 5, Year 5	2023/24	3.58	5.58	7.58
		Period 6, Year 5	2023/24	3.58	5.58	7.58
		Period 7, Year 5	2023/24	3.57	5.57	7.57
		Period 8, Year 5	2023/24	3.57	5.57	7.57
		Period 9, Year 5	2023/24	3.57	5.57	7.57
		Period 10, Year 5	2023/24	3.56	5.56	7.56
		Period 11, Year 5	2023/24	3.56	5.56	7.56
		Period 12, Year 5	2023/24	3.55	5.55	7.55
		Period 13, Year 5	2023/24	3.55	5.55	7.55
		Period 1, Year 6	2024/25	3.55	5.55	7.55
		Period 2, Year 6	2024/25	3.54	5.54	7.54
		Period 3, Year 6	2024/25	3.54	5.54	7.54
		Period 4, Year 6	2024/25	3.53	5.53	7.53

	Period 5, Year 6	2024/25	3.53	5.53	7.53
	Period 6, Year 6	2024/25	3.53	5.53	7.53
	Period 7, Year 6	2024/25	3.52	5.52	7.52
	Period 8, Year 6	2024/25	3.52	5.52	7.52
	Period 9, Year 6	2024/25	3.52	5.52	7.52
	Period 10, Year 6	2024/25	3.51	5.51	7.51
	Period 11, Year 6	2024/25	3.51	5.51	7.51
	Period 12, Year 6	2024/25	3.50	5.50	7.50
	Period 13, Year 6	2024/25	3.50	5.50	7.50
	Period 1, Year 7	2025/26	3.50	5.50	7.50
	Period 2, Year 7	2025/26	3.50	5.50	7.50
	Period 3, Year 7	2025/26	3.50	5.50	7.50
	Period 4, Year 7	2025/26	3.50	5.50	7.50
	Period 5, Year 7	2025/26	3.50	5.50	7.50
	Period 6, Year 7	2025/26	3.50	5.50	7.50
	Period 7, Year 7	2025/26	3.50	5.50	7.50

		Period 8, Year 7	2025/26	3.50	5.50	7.50
		Period 9, Year 7	2025/26	3.50	5.50	7.50
		Period 10, Year 7	2025/26	3.50	5.50	7.50
		Period 11, Year 7	2025/26	3.50	5.50	7.50
		Period 12, Year 7	2025/26	3.50	5.50	7.50
		Period 13, Year 7	2025/26	3.50	5.50	7.50
		Reset Period				
		Period 1, Year 8	2026/27	3.50	5.50	7.50
		Period 2, Year 8	2026/27	3.50	5.50	7.50
		Period 3, Year 8	2026/27	3.50	5.50	7.50
		Period 4, Year 8	2026/27	3.50	5.50	7.50
		Period 5, Year 8	2026/27	3.50	5.50	7.50
		Period 6, Year 8	2026/27	3.50	5.50	7.50
		Period 7, Year 8	2026/27	3.50	5.50	7.50
		Period 8, Year 8	2026/27	3.50	5.50	7.50
		Period 9, Year 8	2026/27	3.50	5.50	7.50

	Period 10, Year 8	2026/27	3.50	5.50	7.50
	Period 11, Year 8	2026/27	3.50	5.50	7.50
	Period 12, Year 8	2026/27	3.50	5.50	7.50
	Period 13, Year 8	2026/27	3.50	5.50	7.50
	Period 1, Year 9	2027/28	3.50	5.50	7.50
	Period 2, Year 9	2027/28	3.50	5.50	7.50
	Period 3, Year 9	2027/28	3.50	5.50	7.50
	Period 4, Year 9	2027/28	3.50	5.50	7.50
	Period 5, Year 9	2027/28	3.50	5.50	7.50
	Period 6, Year 9	2027/28	3.50	5.50	7.50
	Period 7, Year 9	2027/28	3.50	5.50	7.50
	Period 8, Year 9	2027/28	3.50	5.50	7.50
	Period 9, Year 9	2027/28	3.50	5.50	7.50
	Period 10, Year 9	2027/28	3.50	5.50	7.50
	Period 11, Year 9	2027/28	3.50	5.50	7.50
	Period 12, Year 9	2027/28	3.50	5.50	7.50

		Period 13, Year 9	2027/28	3.50	5.50	7.50
		Period 1, Year 10	2028/29	3.50	5.50	7.50
		Period 2, Year 10	2028/29	3.50	5.50	7.50
		Period 3, Year 10	2028/29	3.50	5.50	7.50
		Period 4, Year 10	2028/29	3.50	5.50	7.50
		Period 5, Year 10	2028/29	3.50	5.50	7.50
		Period 6, Year 10	2028/29	3.50	5.50	7.50
		Period 7, Year 10	2028/29	3.50	5.50	7.50
		Period 8, Year 10	2028/29	3.50	5.50	7.50
		Period 9, Year 10	2028/29	3.50	5.50	7.50
		Period 10, Year 10	2028/29	3.50	5.50	7.50
		Period 11, Year 10	2028/29	3.50	5.50	7.50
		Period 12, Year 10	2028/29	3.50	5.50	7.50
		Period 13, Year 10	2028/29	3.50	5.50	7.50

	Period 1, Year 11	2029/30	3.50	5.50	7.50
	Period 2, Year 11	2029/30	3.50	5.50	7.50
	Period 3, Year 11	2029/30	3.50	5.50	7.50
	Period 4, Year 11	2029/30	3.50	5.50	7.50
	Period 5, Year 11	2029/30	3.50	5.50	7.50
	Period 6, Year 11	2029/30	3.50	5.50	7.50
	Period 7, Year 11	2029/30	3.50	5.50	7.50
	Period 8, Year 11	2029/30	3.50	5.50	7.50
	Period 9, Year 11	2029/30	3.50	5.50	7.50
	Period 10, Year 11	2029/30	3.50	5.50	7.50
	Period 11, Year 11	2029/30	3.50	5.50	7.50
	Period 12, Year 11	2029/30	3.50	5.50	7.50
	Period 13, Year 11	2029/30	3.50	5.50	7.50
	Period 1, Year 12	2030/31	3.50	5.50	7.50

		Period 2, Year 12	2030/31	3.50	5.50	7.50
		Period 3, Year 12	2030/31	3.50	5.50	7.50
		Period 4, Year 12	2030/31	3.50	5.50	7.50
		Period 5, Year 12	2030/31	3.50	5.50	7.50
		Period 6, Year 12	2030/31	3.50	5.50	7.50
		Period 7, Year 12	2030/31	3.50	5.50	7.50
		Period 8, Year 12	2030/31	3.50	5.50	7.50
		Period 9, Year 12	2030/31	3.50	5.50	7.50
		Period 10, Year 12	2030/31	3.50	5.50	7.50
		Period 11, Year 12	2030/31	3.50	5.50	7.50
		Period 12, Year 12	2030/31	3.50	5.50	7.50
		Period 13, Year 12	2030/31	3.50	5.50	7.50
Part 2(A) of Appendix 2 to Schedule 7.1A						

Year		Column 1	Column 2	Column 3	Column 4
(e.g. 2026/2027)		Franchisee Year (e.g. Year 1)	Annual Cap Performance Level (relevant Minutes Delay per 1000 Actual Train Miles)	Annual Target Performance Level (relevant Minutes Delay per 1000 Actual Train Miles)	Annual Floor Performance Level (relevant Minutes Delay per 1000 Actual Train Miles)
2019	2020	Year 1	1.70	3.70	5.70
2020	2021	Year 2	1.70	3.70	5.70
2021	2022	Year 3	1.65	3.65	5.65
2022	2023	Year 4	1.60	3.60	5.60
2023	2024	Year 5	1.55	3.55	5.55
2024	2025	Year 6	1.50	3.50	5.50
2025	2026	Year 7	1.50	3.50	5.50
2026	2027	Year 8	1.50	3.50	5.50
Reset Period					
2027	2028	Year 9	1.50	3.50	5.50

	2028	2029	Year 10	1.50	3.50	5.50	Part 1(A) of Appendix 6 to Schedule 7.1A
	2029	2030	Year 11	1.50	3.50	5.50	
	2030	2031	Year 12	1.50	3.50	5.50	
	Column 1	Column 2	Column 3	Column 4			
Year	Franchisee Year	Annual Cap Performance Level (% T-3)	Annual Target Performance Level (% T-3)	Annual Floor Performance Level (% T-3)			
2019/20	Year 1	77.00	72.00	67.00			
2020/21	Year 2	77.00	72.00	67.00			
2021/22	Year 3	77.50	72.50	67.50			
2022/23	Year 4	78.00	73.00	68.00			
2023/24	Year 5	78.50	73.50	68.50			
2024/25	Year 6	79.00	74.00	69.00			
2025/26	Year 7	79.00	74.00	69.00			

	2026/27	Year 8	79.00	74.00	69.00
	Reset Period				
	2027/28	Year 9	79.00	74.00	69.00
	2028/29	Year 10	79.00	74.00	69.00
	2029/30	Year 11	79.00	74.00	69.00
	2030/31	Year 12	79.00	74.00	69.00
	Part 1(A) of Appendix 7 to Schedule 7.1A		Column 1	Column 2	Column 3
Year		Franchisee Year	Annual Cap Performance Level (% T-15)	Annual Target Performance Level (% T-15)	Annual Floor Performance Level (% T-15)
2019/20		Year 1	95.50	94.00	92.50
2020/21		Year 2	95.50	94.00	92.50

	2021/22	Year 3	96.00	94.50	93.00			
	2022/23	Year 4	96.50	95.00	93.50			
	2023/24	Year 5	97.00	95.50	94.00			
	2024/25	Year 6	97.50	96.00	94.50			
	2025/26	Year 7	97.50	96.00	94.50			
	2026/27	Year 8	97.50	96.00	94.50			
	Reset Period							
	2027/28	Year 9	97.50	96.00	94.50			
	2028/29	Year 10	97.50	96.00	94.50			
	2029/30	Year 11	97.50	96.00	94.50			
	2030/31	Year 12	97.50	96.00	94.50			
	Part 1(A) Appendix 8 Schedule 7.1A	of to						
				Column 1	Column 2		Column 3	Column 4

	Year	Franchisee Year	Annual Cap Performance Level (% All Cancelled)	Annual Target Performance Level (% All Cancelled)	Annual Floor Performance Level (% All Cancelled)
	2019/20	Year 1	0.50	1.50	2.50
	2020/21	Year 2	0.50	1.50	2.50
	2021/22	Year 3	0.48	1.48	2.48
	2022/23	Year 4	0.45	1.45	2.45
	2023/24	Year 5	0.43	1.43	2.43
	2024/25	Year 6	0.40	1.40	2.40
	2025/26	Year 7	0.40	1.40	2.40
	2026/27	Year 8	0.40	1.40	2.40
	Reset Period				
	2027/28	Year 9	0.40	1.40	2.40
	2028/29	Year 10	0.40	1.40	2.40
	2029/30	Year 11	0.40	1.40	2.40

	2030/31	Year 12	0.40	1.40	2.40	
Paragraph 12.1 of Schedule 7.2A	<div>12.1 As part of each Customer Report to be provided by the Franchisee pursuant to paragraph 10.1 of this Schedule 7.2, the Franchisee shall publish (in such format as the Secretary of State may reasonably require) details of the Franchisee's:</div> <div><div>(a) level of adherence to scheduled ticket office opening hours at Stations (so that the Customer Report shows, as a percentage, the proportion of scheduled ticket office opening hours not delivered aggregated across all ticket offices at all Stations); and</div><div>(b) performance by reference to such benchmarks as may be agreed between the Franchisee and the ORR as part of the Franchisee's Disabled People's Protection Policy in respect of the Passenger Assistance service operated by the Franchisee,</div></div> <div>in each case in relation to the Reporting Periods that have elapsed since the last Reporting Period reported on in the previous Customer Report or, in the case of the first Customer Report, since the Start Date, along with (from the fourth (4th) Customer Report onwards) a comparison with the relevant statistics or results (as applicable) provided for the same Reporting Periods in the previous Franchisee Year.</div>					
Paragraph 11.1 of Schedule 7.3A	<div>Table 3</div> <div>SQP = TSQP + SSQP + SQA_{LD} + CSQP</div> <div>where:</div> <div><div>RPI</div><div>is the quotient of the Retail Prices Index for the January which immediately precedes the commencement of the relevant Franchisee Year divided by the Retail Prices Index for January 2019 provided that, for the first Franchisee Year, RPI shall be one;</div></div>					

	SQP		is the Service Quality Payment payable by the Franchisee to the Secretary of State for that Franchisee Year;		
	TSQP		$= \sum SAP_T$		
			where:		
			SAP _T	is the amount which is payable by the Franchisee in respect of a Service Quality Area relating to SQR Trains (save that the maximum amount which the Franchisee shall be liable to pay in respect of any such Service Quality Area in any Franchisee Year shall not exceed £500,000 x RPI) and which is calculated as follows:	
				$(TBM - SQAT_{yr}) \times \text{£PR}$	
				where:	
				TBM	is the SQR Train Benchmark for each Service Quality Area;
				SQAT _{yr}	is the value for SQA _{yr} ascertained as specified in paragraph 10.2 but only in so far as such value relates to the Train Service Quality Inspections carried out in that Franchisee Year; and
			£PR is:		
			(i) in respect of the First Franchisee Year, £100,000; and		
(ii) in respect of any subsequent Franchisee Year £100,000 x RPI,					
		provided that in the event that a Franchisee Year has fewer than 13 Reporting Periods or this Schedule 7.3 applies to fewer than 13 Reporting Periods in a Franchisee Year, the			

			value of £PR shall be reduced pro rata based on a normal Franchisee Year of thirteen (13) Reporting Periods.	
	SSQP	$= \sum SAP_s$		
		where:		
		SAP _s	is the amount payable by the Franchisee in respect of a Service Quality Area relating to SQR Stations (save that the maximum amount which the Franchisee shall be liable to pay in respect of such Service Quality Area shall not exceed £375,000 x RPI) and which is calculated as follows:	
			$(SBM - SQAS_{yr}) \times \text{£PR}$	
			where:	
			SBM	is the SQR Station Benchmark for each Service Quality Area;
			SQAS _{yr}	is the value for SQA _{yr} ascertained as specified in paragraph 10.2 but only in so far as such value relates to the Station Service Quality Inspections carried out in that Franchisee Year; and
			<p>£PR is:</p> <p>(i) in respect of the first Franchisee Year, £75,000 ; and</p> <p>(ii) in respect of any subsequent Franchisee Year £75,000 x RPI,</p> <p>provided that in the event that a Franchisee Year has fewer than 13 Reporting Periods or this Schedule 7.3 applies to fewer than 13 Reporting Periods in a Franchisee Year, the</p>	

			value of £PR shall be reduced pro rata based on a normal Franchisee Year of thirteen (13) Reporting Periods.	
	SQA_{LD}	is the amount determined pursuant to paragraph 18 and payable by the Franchisee in that Franchisee Year; and		
	CSQP	$= \sum SAP_{CS}$		
		where:		
		SAP _{CS}	is the amount payable by the Franchisee in respect of a Service Quality Area relating to SQR Customer Service (save that the maximum amount which the Franchisee shall be liable to pay in respect of such Service Quality Area shall not exceed £750,000 x RPI) and which is calculated as follows:	
			$(CBM - SQAC_{yr}) \times \text{£PR}$	
			where:	
			CBM	is the SQR Customer Services Benchmark for each Service Quality Area;
			SQAC _{yr}	is the value for SQA _{yr} ascertained as specified in paragraph 10.2 but only in so far as such value relates to the Customer Service Quality Inspections carried out in that Franchisee Year; and
			£PR is: (i) in respect of the first Franchisee Year, £150,000; and (ii) in respect of any subsequent Franchisee Year £150,000 x RPI,	

			provided that in the event that a Franchisee Year has fewer than 13 Reporting Periods or this Schedule 7.3 applies to fewer than 13 Reporting Periods in a Franchisee Year, the value of £PR shall be reduced pro rata based on a normal Franchisee Year of thirteen (13) Reporting Periods.			
Appendix 1 to Schedule 8.4A						
	Column 1		Column 2	Column 3	Column 4	Column 5
	Year		Franchisee Year	DfT _{GDP} R	DfT _{GDP} 1RW	DfT _{GDP} 2RW
	From	To			(90% of DfT _{GDP} R)	(90% of DfT _{GDP} R)
	2019	2020	Year 1 (part)	685,635	617,072	617,072
	2020	2021	Year 2	1,254,941	1,129,447	1,129,447
	2021	2022	Year 3	1,288,744	1,159,869	1,159,869
	2022	2023	Year 4	1,306,778	1,176,100	1,176,100
	2023	2024	Year 5	1,324,190	1,191,771	1,191,771
	2024	2025	Year 6	1,368,502	1,231,652	1,231,652
2025	2026	Year 7	1,381,086	1,242,977	1,242,977	
Reset Period ¹						

¹ **Note to Bidders:** For the Reset Period, DfT_{GDP}R (and so columns 4 and 5) shall be as determined in accordance with the provisions of paragraph 5 of Appendix 2 to of Schedule 8.7A (Resetting).

	2026	2027	Year 8 (Reset Period)					
	2027	2028	Year 9 (Reset Period)					
	2028	2029	Year 10 (Reset Period)					
	2029	2030	Year 11 (Reset Period)					
	2030	2031	Year 12 (Reset Period)					
Appendix 2 to Schedule 8.4A								
	Column 1		Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
	Year		Franchisee Year	GDP Index value	C	GDP^c_T	GDP Nil Band Lower	GDP Nil Band Upper
	From	To					GDP^c_T - 0.02	GDP^c_T + 0.02
	2016	2017	Year -2	1.0000	0.8200	1.0000	0.9800	1.0200
	2017	2018	Year -1	1.0145	0.8200	1.0119	0.9919	1.0319
	2018	2019	Year 0	1.0287	0.8200	1.0235	1.0035	1.0435
	2019	2020	Year 1	1.0419	0.8200	1.0342	1.0142	1.0542
2020	2021	Year 2	1.0558	0.8200	1.0455	1.0255	1.0655	

	2021	2022	Year 3	1.0719	0.8200	1.0586	1.0386	1.0786
	2022	2023	Year 4	1.0884	0.8200	1.0720	1.0520	1.0920
	2023	2024	Year 5	1.1056	0.8200	1.0858	1.0658	1.1058
	2024	2025	Year 6	1.1244	0.8200	1.1009	1.0809	1.1209
	2025	2026	Year 7	1.1452	0.8200	1.1176	1.0976	1.1376
	Reset Period ²							
	2026	2027	Year 8 (Reset Period)		0.8200			
	2027	2028	Year 9 (Reset Period)		0.8200			
	2028	2029	Year 10 (Reset Period)		0.8200			
	2029	2030	Year 11 (Reset Period)		0.8200			
	2030	2031	Year 12 (Reset Period)		0.8200			
Paragraph 2 of Schedule 8.6A	“FRM Revenue”							

² **Note to Bidders:** For the Reset Period, GDP Index Value and GDP_{CT} (and so columns 6 and 7) shall be as determined in accordance with the provisions of paragraph 6 of Appendix 2 of Schedule 8.7A (Resetting).

	<p>means the gross revenue (without any deduction for operating costs or charges except for commission charged to revenue in the normal course of business) of the Franchisee, as stated in the FRM Revenue Report submitted to the Secretary of State in accordance with paragraph 9.1 of this Schedule 8.6A or the ICWC Section of the Management Accounts submitted to the Secretary of State in accordance with Schedule 11.2 (Management Information), relating to:</p> <ul style="list-style-type: none"> (a) the sale of tickets of any type for the carriage of passengers by railway or otherwise arising out of the Franchisee permitting any person to be carried on the Passenger Services (including revenue allocated to the Franchisee through the Ticketing and Settlement Agreement and pursuant to any multi modal fares scheme, local authority concessionary travel scheme, inter operator scheme, discount fares scheme, the Pay As You Go Agreement, the CPAY Agreement or otherwise); (b) any compensation for loss of revenue payable by Network Rail to the Franchisee under Schedule 4 (Engineering Access Statement, Timetable Planning Rules and Restrictions of Use) to the Track Access Agreement; (c) any compensation for loss of revenue payable to the Franchisee by Network Rail pursuant to paragraph 9 (Network Rail Performance Sum) and/or paragraph 18 (Compensation for Sustained Poor Performance) of Schedule 8A (Performance Regime) to the Track Access Agreement as the case may be, and payments from the Franchisee to Network Rail pursuant to paragraph 9 (Network Rail Performance Sum) of Schedule 8A (Performance Regime) to the Track Access Agreement; (d) the revenue element of any payments to the Franchisee by Network Rail under Condition G (Network Change) of the Network Code relating to the sale of tickets of any type for the carriage of passengers by railway (including revenue allocated to the Franchisee through the Ticketing and Settlement Agreement or otherwise); (e) the sale of any Discount Card; (f) NOT USED; (g) the imposition of any penalty upon any person making a journey on the Passenger Services without a ticket which is valid for such journey, <p>but shall not include any Franchise Payment. Where during the ICWC Period the Franchisee obtains gross revenue from sources not referred to in this definition of FRM Revenue and such revenue was derived from business activities in relation to the Franchise Services which were not provided by the Train Operator which provided the Passenger Services immediately prior to the Start Date, the Secretary of State determine (acting reasonably) that such revenue will be included within the definition of FRM Revenue if it would have been included in limbs (a) to (g) of this definition of FRM Revenue had</p>
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	such business activities been provided by the Train Operator which provided the Passenger Services immediately prior to the Start Date;				
Paragraph 11.1 of Schedule 8.6A	If in relation to any Franchisee Year the Franchisee has paid Net Revenue Share or the Secretary of State has paid Net Revenue Support and in respect of the same Franchisee Year, payments are also made by the Franchisee or the Secretary of State pursuant to Schedule 8.4A (GDP Adjustment Payments), then the provision of this paragraph 11 shall apply.				
Paragraph 5.2 of Appendix 2 to Schedule 8.7A	Column 1		Column 2	Column 3	Column 4
	Year		Franchisee Year	DfT_{GDP}R_{old}	GDP^c_{Told}
	From	To			
	2026	2027	Year 8 (Reset Period)	1,405,990	1.1356
	2027	2028	Year 9 (Reset Period)	1,468,059	1.1548
	2028	2029	Year 10 (Reset Period)	1,472,973	1.1752
	2029	2030	Year 11 (Reset Period)	1,531,570	1.1961
	2030	2031	Year 12 (Reset Period)	1,558,153	1.2183
Schedule 9.4A	Note to Bidders: drafting for Schedule 9.4A will be issued by the Department shortly.				

Paragraph 16.4 of Schedule 11.2A	The Franchisee shall publish (in such format as the Secretary of State may reasonably require) details of its performance against the Environmental Impact Targets in widely accessible forms including, as a minimum, publishing them on its website and in each Customer Report.			
Paragraph 2 of Appendix 1 to Schedule 11.2A	Table 2			
	Traction Carbon Emissions	Non-Traction Energy Use	Waste	Mains Water
	A reduction of 29% in kg CO2E per vehicle km against the 0.56g/CO2E per vehicle km over the Franchise Term, such reduction to be achieved in accordance with the Sustainable Development Strategy referred to in paragraph 10.2 (Sustainable Development Strategy) of Schedule 13.1 (Rail Industry Initiatives and Co-operation), which will contain a target for each Franchisee Year for this purpose.	<div>1. By the ICWC Expiry Date, an overall reduction in kilowatt hours (kWh) of an amount expressed as a percentage equal to (A) + (B) + (C) (calculated in accordance with paragraph 2 below), against the 2016/17 baseline figure of 20,688,817 kWh (the “Overall kWh Reduction”).</div> <div>2. For the purposes of paragraph 1 of Table 2, the references to (A), (B) and (C) shall have the meanings given to them below:</div> <div><div>(A) means an amount equal to the product of:</div><div><div>(i) the total number of Franchisee Years comprised in the</div></div></div>	From the end of the second (2nd) Franchisee Year, the Franchisee must send zero waste to landfill and must recycle or prepare for re-use, ninety per cent (90%) of waste (by weight) per Franchisee Year.	By the end of the second (2nd) Franchisee Year, the Franchisee must install automatic meter readings (AMR) for all water meters, where practicable. The Franchisee shall determine a baseline of water consumption by the end of the third (3rd) Franchisee Year, such baseline to be agreed with the Secretary of State. The Franchisee shall develop a target to reduce water consumption against the agreed baseline referred to above by the end of the fourth (4th) Franchisee Year, such target to be agreed with the Secretary of State.

		<p>Franchise Term which are of thirteen (13) Reporting Periods in duration; and</p> <p>(ii) two point five per cent (2.5%);</p> <p>(B) means, if the first Franchisee Year is of less than thirteen (13) Reporting Periods in duration, an amount expressed as a percentage in relation to that Franchisee Year which is derived by the application of the following formula:</p> <p>2.5 x (FY/13)</p> <p>where:</p> <p>FY means the number of Reporting Periods in the first Franchisee Year during the Franchise Term; and</p> <p>(C) means, if the Final Franchisee Year is of less than thirteen (13) Reporting Periods in duration, an amount expressed as a</p>		
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		<p>percentage in relation to that Franchisee Year which is derived by the application of the following formula:</p> <p>2.5 x (FY/13)</p> <p>where:</p> <p>FY means the number of Reporting Periods in the Final Franchisee Year during the Franchise Term.</p> <p>3. By 1 April 2023, a reduction in kWh of an amount equal to not less than fifty per cent (50%) of the Overall kWh Reduction.</p> <p>4. By 1 October 2024, a reduction in kWh of an amount equal to not less than seventy five per cent (75%) of the Overall kWh Reduction.</p>		
Paragraph 1.2 of Schedule 11.3A	1.2	The Parties shall undertake an appraisal of the Franchisee's behaviours as measured by the ICWC Criteria by the date of the ICWC Annual Review Meeting, unless otherwise agreed by the Parties in writing.		

Paragraph 2.1 of Schedule 11.3A	2.1	The Secretary of State shall notify the Franchisee of the date, time and location for the ICWC Annual Review Meeting by no later than thirty (30) days after the end of the relevant ICWC Measurement Period, provided always that the ICWC Annual Review Meeting shall take place no later than the eighteenth (18th) day of the fourth (4th) Reporting Period following the end of the relevant ICWC Measurement Period.
Paragraph 3.4 of Schedule 11.3A	3.4	<p>As soon as reasonably practicable after the end of each ICWC Measurement Period, and in any event no later than thirty (30) days after the end of each ICWC Measurement Period, the Franchisee shall deliver to the Secretary of State:</p> <ul style="list-style-type: none"> (a) a duly completed copy of the ICWC Annual Review Checklist in respect of the relevant ICWC Measurement Period; and (b) written commentary on any matter which the Secretary of State has confirmed as relevant to the ICWC Annual Review in accordance with paragraph 3.2.
Paragraph 3.5 of Schedule 11.3A	3.5	<p>The ICWC Annual Review Checklist delivered by the Franchisee in accordance with paragraph 3.4 of this Schedule 11.3 (ICWC Annual Review) may include written commentary from the Franchisee on the following matters in respect of the relevant ICWC Measurement Period:</p> <ul style="list-style-type: none"> (a) each of the matters listed in the ICWC Annual Review Checklist; and (b) any other such matter notified by the Secretary of State to the Franchisee in accordance with paragraph 3.1 of this Schedule 11.3 (ICWC Annual Review).
Paragraph 3.6 of Schedule 11.3A	3.6	At any time following delivery by the Franchisee of the ICWC Annual Review Checklist and other information in accordance with paragraph 3.5 of this Schedule 11.3 (ICWC Annual Review) and prior to the date that is sixty (60) days prior to the ICWC Annual Review Meeting, the Secretary of State may notify the Franchisee, in writing of such further detail or evidence as the Secretary of State reasonably requires the Franchisee to provide in relation to its behaviours as measured by the ICWC Criteria during the ICWC Measurement Period and the Franchisee shall comply with such request within a reasonable amount of time and in any event no later than fifteen (15) days following receipt of such request.

Paragraph 4.3 of Schedule 11.3A	4.3	At each ICWC Annual Review Meeting the Parties shall discuss the Franchisee's behaviours as measured by the ICWC Criteria by reference to the ICWC Annual Review Checklist, together with any supporting commentary, documents or evidence submitted by the Franchisee to the Secretary of State in accordance with paragraph 3.4 of this Schedule 11.3 (ICWC Annual Review).
Paragraph 5.3 of Schedule 11.3A	5.3	<p>Scores in the ICWC Annual Review Scorecard shall be awarded by the Secretary of State having regard to the ICWC Scoring Standards. One single, integer, overall score shall be awarded in relation to each ICWC Criterion based on the Secretary of State's assessment of the Franchisee's behaviours as measured by the ICWC Criterion against the ICWC Scoring Standards and taking into account:</p> <ul style="list-style-type: none"> (a) the Annual Review Checklist provided to the Secretary of State by the Franchisee in accordance with paragraphs 3.4 and 3.8 of this Schedule 11.3 (ICWC Annual Review); (b) any commentary provided to the Franchisee by the Secretary of State in accordance with paragraph 3.7 of this Schedule 11.3 (ICWC Annual Review); and (c) any discussions between the Franchisee and the Secretary of State at the ICWC Annual Review Meeting.
Paragraph 4.5(a)(vii) of Schedule 12A	(vii)	that the Shadow Operator Services have been terminated pursuant to the provisions of paragraph 5.2(a) of Schedule 19.1 (Readiness Review) or paragraph 5.4(a) or 5.5(a) of Schedule 10.2A (Events of Default and Termination Events) and in such circumstances (a " Shadow Operator Only Call Event ") the provisions of paragraph (e) shall apply (to limit the demand in those circumstances to a maximum of ten per cent (10%) of the bond value).
Paragraph 2(d) of Appendix 1 to Schedule 12A	(d)	<p>the occurrence of an Event of Default under the Franchise Agreement in respect of:</p> <ul style="list-style-type: none"> (i) paragraph 1.12(a) of Schedule 10.2A or Schedule 10.2B (as the case may be) (Events of Default and Termination Events) of the Franchise Agreement in relation to the Performance Bond; or (ii) paragraph 1.12(b) of Schedule 10.2A or Schedule 10.2B (as the case may be) (Events of Default and Termination Events) of the Franchise Agreement,

	whether or not the Franchise Agreement is, or is to be, terminated as a result thereof;			
Paragraph 2(h) of Appendix 1 to Schedule 12A	(h)	the termination of the Shadow Operator Services pursuant to the provisions of paragraph 5.2(a) of Schedule 19.1 (Readiness Review) or paragraphs 5.4(a) or 5.5(a) of Schedule 10.2A or Schedule 10.2B (as the case may be) (Events of Default and Termination Events) (such a Call Event being a “ Shadow Operator Only Call Event ”).		
Last bullet point of the Schedule to the Performance Bond in Appendix 1 to Schedule 12A	•	[A Shadow Operator Only Call Event has occurred as the Shadow Operator Services have been terminated pursuant to the provisions of paragraph 5.2(a) of Schedule 19.1 (Readiness Review) or paragraphs 5.4(a) or 5.5(a) of Schedule 10.2A or Schedule 10.2B (as the case may be) (Events of Default and Termination Events) of the Franchise Agreement.]		
Paragraph 4.3 of Schedule 6.1B	4.3	The Franchisee shall, where instructed to do so by the Secretary of State during the Franchise Term, fully and effectively co-operate with the Secretary of State, Network Rail, HS2 Limited any Local Authority or any relevant third party in the development and implementation of plans and proposals to:		
Paragraph 4.5(a) of Schedule 6.1B	4.5	Without limiting the above, the obligation to co-operate pursuant to paragraph 4.3 shall also include: (a) attending meetings with the Secretary of State, Network Rail, HS2 Limited, a Local Authority or a relevant third party (as the case may be);		
Paragraph 1.1 of Schedule 8.1B	1.1	<div>The Franchise Payment (£FP) for each Reporting Period in the Integrated Operator Period, shall be an amount equal to: <div>£FP = PFP + IOC_{BF} + IOC_{PF} + ShOpR + ShOpF</div> where: <table><tr><td>PFP</td><td>means the amount of Periodic Franchise Payment as calculated pursuant to the provisions of Appendix 1 (Calculation of Periodic Franchise Payments (PFP)) of this Schedule 8.1B (Franchise Payments) to be made on that</td></tr></table></div>	PFP	means the amount of Periodic Franchise Payment as calculated pursuant to the provisions of Appendix 1 (Calculation of Periodic Franchise Payments (PFP)) of this Schedule 8.1B (Franchise Payments) to be made on that
PFP	means the amount of Periodic Franchise Payment as calculated pursuant to the provisions of Appendix 1 (Calculation of Periodic Franchise Payments (PFP)) of this Schedule 8.1B (Franchise Payments) to be made on that			

		Reporting Period's Payment Date. PFP may be a positive or negative number. PFP may be payable by the Secretary of State or the Franchisee;
	IOCBF	means the amount of any IOC Base Fee calculated pursuant to the provisions of Appendix 2 (IOC Fee) of this Schedule 8.1B (Franchise Payments);
	IOCPF	means (where relevant) the amount of any IOC Performance Fee calculated pursuant to the provisions of Appendix 2 (IOC Fee) of this Schedule 8.1B (Franchise Payments);
	ShOpR	means (where relevant) the amount of any Shadow Operator Cost Reimbursement calculated pursuant to the provisions of Appendix 1 (Shadow Operator Cost Reimbursement) of Schedule 18.5 (Shadow Operator Payments); and
	ShOpF	means (where relevant) the amount of any Shadow Operator Performance Fee calculated pursuant to the provisions of Appendix 2 (Shadow Operator Performance Fee) to Schedule 18.5 (Shadow Operator Payments).
Paragraph 1.4 of Schedule 8.1B	Subject to the provisions of paragraph 1.5, if the Parties have not agreed the amount of the Franchise Payment (£FP) for each Reporting Period within fifteen (15) Weekdays after the end of that Reporting Period, the Secretary of State may (but shall not be obliged to) reasonably determined it on the basis of the information then available to him.	
Paragraph 3.3 of Schedule 8.1B	3.3	In the event that the IOC Cost Budget, IOC Record of Assumptions and/or the Forecast IOC Revenue are not agreed by one (1) Reporting Period before the start of the IOC Year to which it relates then the Secretary of State shall determine, to the extent not agreed, the relevant IOC Cost Budget, IOC Record of Assumptions and Forecast IOC Revenue.
Paragraph 3.4(b) of Schedule 8.1B	3.4	Each IOC Cost Budget, associated IOC Record of Assumptions and Forecast IOC Revenue shall:

	(b) make no assumptions or include any costs, revenue or adjustments which would not fall within the definition of Actual IOC Costs or which (unless otherwise expressly agreed in writing with or as required by the Secretary of State) would not be included by an Efficient Operator;
Paragraph 2.3 of Schedule 9.1B	2.3 The Parties shall act in good faith, reasonably and in a timely matter in considering any proposed Change notified under paragraph 2.1 and shall seek to agree whether or not to proceed with the proposed Change (with or without modification) together with any consequential amendments to the terms of this Agreement and/or the any of the Escrow Documents. In the event that the Secretary of State and the Franchisee are unable to agree on whether to implement a proposed Change (with or without modification) or the financial and/or operational impact of the Change (if any) the Secretary of State shall reasonably determine it and the proposed effective date of the Change.
Paragraph 1.10(a) of Schedule 10.2B	The occurrence of the following: (a) the Franchisee contravening to an extent which is reasonably considered by the Secretary of State to be material any one or more of its obligations under the Franchise Agreement (other than such non-performance or non-compliance as may constitute an Event of Default under the provisions of this Schedule 10.2 (other than this paragraph 1.10) and/or Schedule 10.12 (other than paragraph 1.10 in Schedule 10.2A));
Paragraph 1.2 of Schedule 11.3B	1.2 The Parties shall undertake an appraisal of the Franchisee's performance by the date of the IOC Annual Review Meeting, unless otherwise agreed by the Parties in writing.
Paragraph 2.1 of Schedule 11.3B	2.1 The Secretary of State shall notify the Franchisee of the date, time and location for the IOC Annual Review Meeting by no later than thirty (30) days after the end of the relevant IOC Performance Period, provided always that the IOC Annual Review Meeting shall take place no later than the eighteenth (18th) day of the fourth (4th) Reporting Period following the end of the relevant IOC Performance Period.
Paragraph 3.4 of Schedule 11.3B	3.4 As soon as reasonably practicable after the end of each IOC Performance Period, and in any event no later than thirty (30) days after the end of each IOC Performance Period, the Franchisee shall deliver to the Secretary of State: (a) a duly completed copy of the IOC Annual Review Checklist in respect of the relevant IOC Performance Period; and (b) written commentary on any matter which the Secretary of State has confirmed as relevant to the IOC Annual Review in accordance with paragraph 3.2 of this Schedule 11.3.

Paragraph 3.5(c) of Schedule 11.3B	<p>3.5 The IOC Annual Review Checklist delivered by the Franchisee in accordance with paragraph 3.4 of this Schedule 11.3 may include written commentary from the Franchisee in respect of the relevant IOC Performance Period covering:</p> <p>(a) each of the matters listed in the IOC Annual Review Checklist; and</p> <p>(b) any other such matter notified by the Secretary of State to the Franchisee in accordance with paragraph 3.1 of this Schedule 11.3.</p> <p>(c) At any time following delivery by the Franchisee of the IOC Annual Review Checklist and other information in accordance with paragraph 3.4 of this Schedule 11.3 and prior to the date that is sixty (60) days prior to the IOC Annual Review Meeting, the Secretary of State may notify the Franchisee, in writing of such further detail or evidence as the Secretary of State reasonably requires the Franchisee to provide in relation to its performance during the IOC Performance Period and the Franchisee shall comply with such request within a reasonable amount of time and in any event no later than fifteen (15) days following receipt of such request.</p>
Paragraph 3.6 of Schedule 11.3B	<p>3.6 The Secretary of State shall provide the Franchisee with:</p> <p>(a) written commentary on the completed IOC Annual Review Checklist; and</p> <p>(b) any information additional to that contained in the IOC Annual Review Checklist which the Secretary of State has used or intends to use to assess the Franchisee's performance,</p> <p>in each case, no later than thirty (30) days prior to the IOC Annual Review Meeting.</p>
Paragraph 3.7 of Schedule 11.3B	<p>3.7 As soon as reasonably practicable, and in any event no later than ten (10) days after the Secretary of State has delivered written commentary in accordance with paragraph 3.6 of this Schedule 11.3, the Franchisee shall provide the Secretary of State with a written response to the Secretary of State's written commentary in such format as is notified by the Secretary of State to the Franchisee from time to time.</p>
Paragraph 4.3 of Schedule 11.3B	<p>4.3 At each IOC Annual Review Meeting the Parties shall discuss the Franchisee's performance by reference to the IOC Annual Review Checklist, together with any supporting commentary, documents or evidence submitted by the Franchisee to the Secretary of State in accordance with paragraph 3.4 of this Schedule 11.3.</p>
Paragraph 5.3 of Schedule 11.3B	<p>5.3 Scores in the IOC Annual Review Scorecard shall be awarded by the Secretary of State having regard to the IOC Scoring Standards. One single, integer, overall score shall be awarded in relation to each IOC Criterion based on the Secretary of State's assessment of the Franchisee's performance in respect of that IOC Criterion against the IOC Scoring Standards and taking into account:</p>

	<p>(a) the Annual Review Checklist provided to the Secretary of State by the Franchisee in accordance with paragraphs 3.4 and 3.7 of this Schedule 11.3;</p> <p>(b) any commentary provided to the Franchisee by the Secretary of State in accordance with paragraph 3.8 of this Schedule 11.3; and</p> <p>(c) any discussions between the Franchisee and the Secretary of State at the IOC Annual Review Meeting.</p>
Paragraph 3.2 of Schedule 12B	3.2 “Lock-up Period” means any period from the time when any of the ratios referred to in paragraph 2.1 falls below the ratio of 1.070:1 until the time at which the Secretary of State is satisfied that the relevant ratio is again above the ratio of 1.070:1 .
Paragraph 4.5(a)(vii) of Schedule 12B	(vii) that the Shadow Operator Services have been terminated pursuant to the provisions of paragraph 5.2(a) of Schedule 19.1 (Readiness Review) or paragraph 5.4(a) of Schedule 10.2B (Events of Default and Termination Events) and in such circumstances (a “Shadow Operator Only Call Event”), the provisions of paragraph (e) shall apply (to limit the demand in those circumstances to a maximum of ten per cent (10%) of the bond value).
Paragraph 2(h) of Appendix 1 to Schedule 12B	(h) the termination of the Shadow Operator Services pursuant to the provisions of paragraph 5.2(a) of Schedule 19.1 (Readiness Review) or paragraphs 5.4(a) or 5.5(a) of Schedule 10.2A or Schedule 10.2B (as the case may be) (Events of Default and Termination Events) (such a Call Event being a “Shadow Operator Only Call Event”).
Last bullet point of the Schedule to the Performance Bond in Appendix 1 to Schedule 12B	<ul style="list-style-type: none"> • [A Shadow Operator Only Call Event has occurred as the Shadow Operator Services have been terminated pursuant to the provisions of paragraph 5.2(a) of Schedule 19.1 (Readiness Review) or paragraphs 5.4(a) or 5.5(a) of Schedule 10.2A or Schedule 10.2B (as the case may be) (Events of Default and Termination Events) of the Franchise Agreement.]