CONTENTS

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SECTION C: BSCCO AND ITS SUBSIDIARIES 1
1. GENERAL 1
1.1 Introduction 1
1.2 Role and powers, functions and responsibilities of BSCCo 1
1.3 Objectives 3
2. CONSTITUTION OF BSCCO AND SHARE CAPITAL OF BSCCO 3
2.1 Constitution of BSCCo 3
2.2 Share capital of BSCCo 3
3. POWERS AND FUNCTIONS OF BSCCO 4
3.1 General 4
3.2 Panel Secretary 8
3.3 Enforcement of Code 11
3.4 Restrictions on powers of BSCCo 12
3.5 BSCCo resources 14
3.6 Provision of information to the Authority, etc 14
3.7 Matters relating to the ESO Licence 15
3.8 Reviews of the Code 16
3.9 Not used 17
3.10 Summary of Code 17
4. GOVERNANCE OF BSCCO 18
4.1 Appointment of Board of Directors and Chair 18
4.2 Directors 19
4.3 Not used. 20
4.4 Expenses and remuneration 20
4.5 Indemnity 20
4.6 Chief Executive 20
4.7 Proceedings of the Board 20
4.8 General Meetings 20
4.9 Non-Binding Resolutions 21
4.10 Binding Resolutions 21
5. RELATIONSHIP BETWEEN PARTIES AND BSCCO 23
5.1 Liability of BSCCo 23
5.2 Party particularly prejudiced by BSCCo breach 24
5.3 Capacity of BSCCo 25
6. BUSINESS STRATEGY AND ANNUAL BUDGET 25
6.1 Introduction 25
6.2 Scope of Business Strategy and Annual Budget 26
6.3 Business Strategy 26
6.4 Annual Budget 27
6.5 Budget overspend 28
6.6 MHHS Implementation Management First Year Budget 29
6.7 Market Facilitator Budget 30
7. BSC COMPANIES 31
7.1 General 31
7.2 BSC Clearer 32
7.3 Duties of BSCCo 32
7.4 Constitution, etc 32

7.5 Directors and secretary 33
7.6 BSCCo services 33
8. NOT USED 33
9. PROVISION OF PROFILE ADMINISTRATION SERVICES BY BSCCO 34
9.1 Provision of Profile Administration Services in certain circumstances 34
9.2 BSCCo's capacity and obligations 34
9.3 Contracts for Profile Administration Services 35
10. PERMISSIBLE ACTIVITIES UNDERTAKEN BY PERMITTED AFFILIATES 36
10.1 General 36
10.2 Ring-Fencing of Permitted Affiliates 37
11. PROVISION OF SUPPORT TO EMR SETTLEMENT SERVICES PROVIDERS 38
11.1 Provision of Support to EMR Settlement Services Providers 38
11.2 Agreement between BSCCo and EMR Settlement Services Providers 38
12. MARKET-WIDE HALF HOURLY SETTLEMENT IMPLEMENTATION 39
12.1 Introduction 39
12.2 Interpretation 39
12.3 MHHS Governance Framework 41
12.4 BSCCo as MHHS Implementation Manager: General 41
12.5 BSCCo as MHHS Implementation Manager: MHHS SRO 43
12.6 BSCCo as MHHS Implementation Manager: MHHS PMO 44
12.7 BSCCo as MHHS Implementation Manager: MHHS DA 45
12.8 BSCCo MHHS Implementation Manager: MHHS SI 46
12.9 BSCCo as MHHS Implementation Manager: MHHS PPC 47
12.9A MHHS Implementation Manager: Development of Data Integration Platform 47
12.10 MHHS Independent Assurance Provider 48
12.11 MHHS Participants BSCCo 49
12.12 MHHS Participants: General 50
12.13 MHHS Participants: DCC 52
12.14 MHHS Participants: MHHS Affected Code Bodies 52
12.15 MHHS Participants: Party Agent 53
12.16 MHHS Participants: Suppliers 53
12.17 MHHS Performance Assurance 53
12.18 Tendering for the MHHS Implementation Manager Role 54
12.19 MHHS Implementation: Additional Budget Requirements 54
12.19A MHHS Implementation: Data Protection General 55
12.19B MHHS Implementation: Data Controller Obligations 56
12.19C MHHS Implementation: Data Processor Obligations 56
12.20 MHHS Implementation: Sunset Provision 58
13. Capacity Market Advisory Group Administration 59
14. Energy Price Guarantee Scheme 59
15. Energy Bill Discount Scheme 61
16. Electricity Support Payment Scheme 63
17. Market Facilitator Arrangements 65
18. Smart Secure Electricity Systems (SSES) Arrangements 67
ANNEX C-1: PERMISSIBLE ACTIVITIES 70
1 Activities performed pursuant to the Energy Act 2013 70
2. Uniform Network Code Gas Performance Assurance Framework Administrator (PAFA) role 71
3. Retail Energy Code (REC) Administrative Services (RECAS) Role 74
4. Other Permitted Activities 76
ANNEX C-2: VOTING PROCEDURES FOR BINDING RESOLUTIONS, NON-BINDING RESOLUTIONS AND APPOINTMENT RESOLUTIONS 82
1 GENERAL 82
2. VOTE ALLOCATION MECHANISM 84
3. QUORUM AND CONDUCT OF MEETING 85

4. VOTING 87
ANNEX C-3: BSCCO GOVERNANCE 87
1. BSCCo 87
1.1 Introduction 87
1.2 Shareholding 1
1.3 New Shareholders 1
1.4 Transfers, revocations and returns of Shares 2
1.5 Further undertakings of Shareholders 3
1.6 No obligation to finance 4
1.7 Winding-up of BSCCo 4
1.8 Legal Requirements relating to Shareholders 6
1.9 Taxation and other payments 7
1.10 Conflict with Articles 7
1.11 Further Assurance 8
1.12 Expenses 8
AMENDMENT RECORD – SECTION C 16

SECTION C: BSCCO AND ITS SUBSIDIARIES

1. GENERAL

1.1 Introduction

1.1.1 This Section C sets out:

(a) provisions as to the constitution of BSCCo and the share capital of the BSCCo ;

(b) the powers, functions and responsibilities of BSCCo;

(c) provisions as to the management of BSCCo;

(d) provisions as to the relationship between BSCCo and Parties;

(e) arrangements for establishing a Business Strategy and Annual Budget for BSCCo; and

(f) provisions relating to Subsidiaries of BSCCo.

1.1.2 In this Section C references to a Party do not include BSCCo or the BSC Clearer.

1.2 Role and powers, functions and responsibilities of BSCCo

1.2.1 The principal role of BSCCo (but subject as provided in this paragraph 1.2) is to perform the functions and responsibilities set out in, or assigned to it under, the Code and/or the Code Manager Licence ~~provide and procure facilities, resources and services (including providing or procuring resources required by the Panel and Panel Committees, and procuring services under BSC Service Descriptions)~~(including implementing the Modification Procedures, prioritising Modification Proposals, determining whether to approve Self-Governance Modifications, making recommendations to the Authority in relation to Authority-Consent Modification Proposals, making decisions on other matters required under the Code, preparing Delivery Plans which set out how each Strategic Direction Statement will be delivered and administering the Code governance arrangements) in each case as required for the proper, effective and efficient implementation of the Code.

1.2.1A ~~Without prejudice to paragraph 1.2.1, a BSC Company (directly or through any agent) may discharge the functions and responsibilities of the WHD Operator as set out in the Warm Home Discount (Reconciliation) Regulations 2011 subject to the following:~~

~~(a) the appointed BSC Company may discharge the functions and responsibilities of the WHD Operator in accordance with any of the provisions, powers and mechanisms set out in the Code and the Code shall be construed accordingly;~~

~~(b) each Party and the Panel shall not (whether by action, omission or withholding of consent) prevent or restrict such BSC Company from discharging the functions and responsibilities of the WHD Operator and shall (where applicable) co-operate with all requests for information and payment made by such BSC Company in discharging those functions and responsibilities;~~

~~(c) each Party (to the fullest extent permitted by law) waives any claim in damages or any other claim of a financial nature (other than for death or personal injury as a result of negligence or for an equitable remedy) against any BSC Company and releases each BSC Company from any such liability in respect of any breach by such BSC Company in connection with its discharge of the functions and responsibilities of the WHD Operator;~~

(d) Parties shall have no liability or obligation to provide financial support to the appointed BSC Company in respect of its discharge of the functions and responsibilities of the WHD Operator;

(e) the appointed BSC Company shall account for all costs, expenses, liabilities and resources (incurred or used) and for payments (received and made) in the discharge of the WHD Operator's functions and responsibilities separately from BSC Costs and Trading Charges respectively;

(f) the appointed BSC Company shall provide all information requested by the Authority or Secretary of State in relation to its discharge of the WHD Operator's functions and responsibilities;

(g) the appointed BSC Company shall provide the Panel with reports from time to time in relation to its discharge of the WHD Operator's functions and responsibilities, provided that such BSC Company shall not be required to disclose to the Panel any information that the Secretary of State or the Authority expressly request such BSC Company to keep confidential;

(h) in discharging the WHD Operator's functions and responsibilities, the appointed BSC Company has the objective of the efficient and economic discharge of the functions and responsibilities under the Warm Home Discount (Reconciliation) Regulations 2011 and paragraph 1.3.1 shall accordingly not apply to this paragraph 1.2.1A;

(i) paragraphs 3.4.5(b), 5.1, 5.2 and 7 shall not apply to this paragraph 1.2.1A;

(j) notwithstanding Section F2, this paragraph 1.2.1A and paragraphs 3.1.2A and 3.1.2B of Section B may not be amended without the prior written consent of the Secretary of State or the Authority; and

(k) for the purposes of the Code, this paragraph 1.2.1A shall cease to have effect upon the termination of the appointment of a BSC Company as the WHD Operator, save for paragraphs (c), (d), (e), (f), (g) and (i) which shall continue to apply to the extent and for such period as is necessary. Not Used

1.2.1B Without prejudice to paragraphs 1.2.1 and 1.2.2 and 1.2.1A, and subject to the provisions of paragraphs 3.4, 3.5 and 10, the activities set out in Annex C-1 (the "**Permissible Activities**") may be undertaken by an Affiliate (or Affiliates) of BSCCo established to undertake those Permissible Activities ("**Permitted Affiliate**").

1.2.1C Without prejudice to paragraph 1.2.1, BSCCo may perform the functions, role and responsibilities of the EPG Scheme Administrator in accordance with paragraph 14.

1.2.1D Without prejudice to paragraph 1.2.1, BSCCo may perform its functions and responsibilities in respect of the EBR Scheme in accordance with paragraph 15.

1.2.1E Without prejudice to paragraph 1.2.1, BSCCo may perform the functions, role and responsibilities of the Market Facilitator in accordance with paragraph 17.

1.2.1F Without prejudice to paragraph 1.2.1, BSCCo may perform the functions, role and responsibilities in respect of the SSES Arrangements in accordance with paragraph 18.

1.2.2 Subject to the further provisions of this Section C, BSCCo shall have the powers, functions and responsibilities set out in or assigned to it pursuant to the Code and/or pursuant to the

Code Manager Licence], and shall not undertake any business or activity other than as provided for in the Code or Code Manager Licence except where permitted by the Authority in accordance with the Code Manager Licence].

1.2.3 Without prejudice to the generality of paragraph 1.2.2, BSCCo shall have the powers, functions and responsibilities set out in paragraph 3.

1.2.4 Subject to the further provisions of this Section C, BSCCo may do anything necessary for or reasonably incidental to the discharge of the functions and responsibilities assigned to it in the Code and/or pursuant to the Code Manager Licence or by the Panel pursuant to the Code.

1.2.5 The powers of BSCCo shall be subject to the restrictions and limits set out in or imposed pursuant to the Code and/or the Code Manager Licence.

1.2.6 Subject always to Section H1.5.1, BSCCo shall, in the exercise of its powers, functions and responsibilities, have regard to and, to the extent they are relevant, act consistently with the Code Administration Code of Practice Principles.

1.3 Code Manager Objectives

1.3.1 BSCCo shall exercise its powers and discharge its functions and responsibilities with a view to achieving the objectives set out in Section B1.2.1 (construed as though references to the Panel were to BSCCo).BSCCo shall carry on its Code Manager Business in athe manner that is most likely to facilitate achievement of the Code Manager Objectives.

1.3.2 As provided in paragraph 5.1, BSCCo is not intended toshall make a profit or loss in any BSC Year. operate on a not-for-profit basis.

2. CONSTITUTION OF BSCCO AND SHARE CAPITAL OF BSCCO

2.1 Constitution of BSCCo

2.1.1 Subject to paragraph 2.1.2, the Articles of Association of BSCCo shall be in the form designated pursuant to the Implementation Scheme.

2.1.2 The form of the Articles of Association of BSCCo (as amended by paragraphs 2.1.4 and 2.1.5) shall be treated as incorporated in and forming part of the Code for the purposes of enabling such form to be modified, and such form shall accordingly be capable of being modified, by way of Code Modification made pursuant to a Modification Proposal and otherwise in accordance with Section F; and the Articles of Association of BSCCo shall be amended so as to be in any such modified form.

2.2 Share capital of BSCCo

2.2.1 The ownership of the share capital in BSCCo shall be regulated in accordance with Annex C-3.

3. POWERS AND FUNCTIONS OF BSCCO

3.1 General Code Manager Powers and Functions

3.1.1 BSCCo shall have the powers, functions and responsibilities provided in the Code and any Code Subsidiary Document. Without prejudice to paragraph 1.2.2, the powers, functions and responsibilities of BSCCo shall include the following: ~~BSCCo shall have the following powers, functions and responsibilities:~~

(a) preparing, publishing and implementing a Delivery Plan setting out and explaining BSCCo's plans to ensure the Code is maintained and developed (including identifying, assessing, proposing and implementing Modifications) in line with the direction set by the Strategic Direction Statement;

(b) monitoring whether any Party is, or with the lapse of time or giving of notice would be, in Default (in accordance with Section H3), and to give to any Party any notice the giving of which will result in that Party being in Default

(c) deciding (subject to a reference to or approval of the Authority, as provided in the Code) on the expulsion or suspension of the rights of any Party pursuant to and in accordance with Section H3.2;

(d) implementing or supervising the implementation of the procedures for modification of the Code in Section F;

(e) engaging with the Stakeholder Advisory Forum during the progress of a Modification Proposal through the Modification Procedures, having regard to the Stakeholder Advisory Forum's assessment and views and explaining where BSCCo's assessment and views differs from those of the Stakeholder Advisory Forum;

(f) establishing arrangements for the resolution of Trading Disputes in accordance with Section W;

(g) determining values for parameters (to be applied in the Code) as may be required of BSCCo in accordance with any provision of the Code;

(h) adopting and from time to time revising Code Subsidiary Documents in accordance with Section F3;

(i) taking steps to ensure that the Code is given effect in accordance with its terms, and (but only where expressly so provided in the Code) taking steps to ensure compliance by Parties with the provisions of the Code;

(j) providing or arranging for the provision of reports and other information to the Authority in accordance with the further provisions of the Code;

(k) setting the terms of reference for the BSC Auditor under Section H5 and considering the BSC Audit Report;

(l) if requested by the Authority, conveying any direction or request of the Authority to any Party, the BSC Auditor or any BSC Agent;

(m) preparing, considering, recommending changes (if necessary) and approving documents relating to performance assurance in accordance with Section Z and hearing and determining any Risk Management Determination Appeals;

(n) approving or rejecting applications for transfer of a Party's Accession Agreement and BSC Party ID in accordance with Section A, and entering on behalf of all Parties into Accession Agreements with new Parties in accordance with Section A2.2, and entering on behalf of all Parties into Novation Agreements with Novation Applicants and Transferring Parties in accordance with Section A2.7;

(o) implementing or supervising the implementation of the procedures for BSC Sandbox Applications and monitoring BSC Derogations in accordance with Section H10;

(p) providing to the Smart Energy Code Panel such information, support and assistance as it may reasonably request for the purposes of exercising its function of making a determination under either Section L3.29 or Section L.3.30 of the Smart Energy Code, and providing to the Authority such information, support and assistance as it may reasonably request for the purposes of exercising its function of deciding any appeal brought under Section L3.33 of the Smart Energy Code.

(q) ~~to~~ entering into, ~~manage~~ managing and ~~enforce~~ enforcing contracts with service providers (as BSC Agents) for the supply of the services required by BSC Service Descriptions, and negotiate and agree amendments to such contracts, as further provided in Section E and, where relevant, paragraph 10.1.5;

~~(b) to advise the Panel and keep it advised as to and in respect of the matters which it is necessary or appropriate that the Panel should consider in order to discharge the Panel's functions and responsibilities in accordance with the Code;~~

(~~c~~r) ~~to provide~~ providing or ~~arrange~~ arranging the provision of such facilities, resources and other support as may be required by the Stakeholder Advisory Forum, ~~Panel to enable the Panel or any Panel~~Code Committees or Workgroup to discharge ~~its~~ their functions and responsibilities under the Code;

(~~d~~s) ~~to provide~~ providing secretarial and administrative services in connection with meetings of ~~the Panel and Panel~~the Stakeholder Advisory Forum, Code Committees and Workgroups, including the convening and holding of such meetings, and taking and circulation of minutes;

(~~e~~t) ~~to provide~~ providing and ~~make~~ making available to Parties such facilities, services and information in connection with the implementation of the Code as the Code may provide ~~or the Panel may require~~;

~~(f) to provide or arrange the provision of facilities, resources and other support in connection with the procedures for modification of the Code in accordance with Section F;~~

(~~g~~u) ~~to~~ enter into ~~contracts (in terms complying with any applicable provisions of Section B) of employment or other~~ engagement with persons from time to time to be appointed as ~~Panel~~ Stakeholder Advisory Forum Chair or ~~Panel~~ Stakeholder Advisory Forum Members under Section B~~2.5~~5.6;

(~~h~~v) ~~to indemnify~~ indemnifying against liability and, if relevant, ~~to reimburse~~ reimbursing the expenses of, ~~Panel~~ SAF Members, members of ~~Panel~~ Code Committees, members of Workgroups and others as provided in the Code or as otherwise required in BSCCo's discretion in connection with any BSC Agent Contract;

~~(i) to enter on behalf of all Parties into Accession Agreements with new Parties in accordance with Section A2.2, and to enter on behalf of all Parties into Novation Agreements with Novation Applicants and Transferring Parties in accordance with Section A2.7;~~

~~(j) not used;~~

(~~k~~w) ~~to act~~acting as shareholder of the BSC Clearer in accordance with paragraph 7;

(~~l~~x) ~~to receive~~receiving, collecting and holding such data and information, and ~~to prepare~~ preparing and maintaining such books and records, as may be required under the Code or reasonably necessary to enable BSCCo to comply with its functions and responsibilities under the Code; and to provide data and information held by it ~~to the Panel upon request and to other persons~~ in accordance with any express provision of the Code;

(~~m~~y) without prejudice to the generality of paragraph (~~l~~x), where it is not the function of a BSC Agent to do so, ~~to~~ maintaining records of the extent to which Parties have satisfied requirements of the kind referred to in Section A4.5.3, and ~~to provide~~ providing details thereof to BSC Agents and other persons as required for the purposes of the Code;

~~(n) to monitor whether any Party is, or with the lapse of time or giving of notice would be, in Default (in accordance with Section H3), and to give to any Party any notice the giving of which will result in that Party being in Default (but not for the avoidance of doubt to give any notice consequent upon a Party's being in Default unless expressly authorised to do so by the Panel or by a provision of the Code);~~

(~~o~~z) ~~to~~ acting as the Performance Assurance Administrator;

(~~p~~aa) ~~to prepare~~ preparing ~~and/or (as the Panel may require) assist the Panel to prepare~~ the Annual BSC Report for each BSC Year in accordance with paragraph 4.11~~Section B6.1~~;

~~(q) to make recommendations to the Panel as to possible Modification Proposals in the circumstances mentioned in paragraph 3.8.8 and Section F2.1.1(d)(ii) and (iii);~~

(~~r~~bb) ~~to the extent provided in and in accordance with the policy from time to time established by the Panel, to~~ acting as a point of contact for persons from other countries interested in, and ~~to~~ explaining to such persons, the arrangements for and developments in wholesale trading of electricity in Great Britain and/or Offshore, and ~~to participate~~ participating in institutional comparative discussions of such arrangements and developments in other countries;

(~~s~~cc) ~~to provide~~ providing Profile Administration Services ~~(with the consent of the Panel)~~ and ~~to~~ entering into, managing~~e~~ and (subject to the Code) enforcing~~e~~ contracts with service providers for the supply of Profile Administration Services in accordance with paragraph 9;

~~(t) in conjunction with the other code administrators identified in the Code Administration Code of Practice, to maintain, publish, review and where appropriate (but subject always to the approval of the Authority) amend the Code Administration Code of Practice;~~

(~~u~~dd) ~~to delegate~~ delegating responsibility for performance of the powers, functions and responsibilities specified in this paragraph 3.1.1 and otherwise provided for in the Code, to the BSC Services Manager (save in respect of paragraph (w~~k~~) and its obligations and responsibilities under Section E4~~,~~);

~~(v) to provide the MHSS Implementation Manager services in accordance with paragraph 12;~~

~~(w) to provide Capacity Market Advisory Group administration and management services in accordance with paragraph 13;~~

~~(x) to perform its functions and responsibilities as EPG Scheme Administrator in accordance with paragraph 14;~~

~~(y) to perform its functions and responsibilities in respect of the EBR Scheme in accordance with paragraph 15;~~

(~~z~~ee) to perform the functions and responsibilities of the DIP Manager in accordance with the DIP Rules; and

~~(aa) to provide Market Facilitator Implementation Services and perform its functions and responsibilities as the Market Facilitator (including providing the Market Facilitator Operational Services) both in accordance with paragraph 17.; and~~

(~~abe~~eff) ~~to~~ performing its functions and responsibilities in respect of the SSES Arrangements in accordance with paragraph 18.

~~3.1.1A BSCCo shall obtain the Panel's consent prior to raising any potential amendments to the Code Administration Code of Practice.~~

3.1.2 To the extent to which the terms of reference (pursuant to ~~Section B5.3.2~~Annex C-4) of a ~~Panel~~ Code Committee or Workgroup authorise the ~~Panel~~ Code Committee itself to request from BSCCo facilities, resources or other support (falling within paragraph 3.1.1(~~e~~r)), BSCCo shall provide or arrange the provision of such facilities, resources or other support as may be so requested.

3.1.3 The facilities, resources and other support which BSCCo may be required to provide to or arrange for the ~~Panel~~ Stakeholder Advisory Forum or a ~~Panel~~ Code Committee or Workgroup include:

(a) facilities for holding meetings;

(b) the provision of advice and expertise in connection with any matter which (pursuant to the Code) is to be considered by the Stakeholder Advisory Forum ~~Panel~~ or ~~Panel~~ Code Committee or Workgroup;

(c) the preparation of draft and final working papers, reports and other documents; and

(d) where BSCCo so decides ~~or the Panel specifically so requests~~, the services of external firms of advisers and consultants or the attendance at meetings of experts (and paying the fees and expenses of such advisers, consultants and experts).

~~3.1.4 BSCCo shall have the powers, functions and responsibilities assigned to it in the Implementation Scheme (including without limitation those provided in connection with the Pooling and Settlement Agreement).~~

3.1A Particular Powers of BSCCo

3.1A.1 Without prejudice to paragraph 3.1.1, BSCCo shall have the power:

(a) to decide any matter which, under any provision of the Code, is or may be referred to BSCCo for decision;

(b) to establish Code Committees in accordance with paragraph 3.1B, and (subject to paragraph 3.1B) to delegate any of BSCCo's powers, functions and responsibilities to any such Code Committee.

3.1B Code Committees

3.1B.1 The provisions relating to the governance of Code Committees, including matters of membership, quorum, decision-making and conduct of meetings, are set out in Annex C-4.

3.1B.2 Subject to paragraph 3.1B.5, BSCCo may establish committees for the purposes of doing or assisting BSCCo in doing anything to be done by BSCCo pursuant to the Code.

3.1B.3 A Code Committee may be established on a standing basis or for a fixed period or a finite purpose or otherwise as expressly provided by the Code.

3.1B.4 Subject to paragraph 3.1B.7, BSCCo may delegate to any Code Committee any of the powers, responsibilities and functions of BSCCo.

3.1B.5 A Code Committee shall not further delegate to any person any of its powers, responsibilities and functions unless the Code or BSCCo expressly permits such delegation, and then only to the extent so permitted.

3.1B.6 BSCCo shall establish a Trading Disputes Committee in accordance with Section W; and the provisions of Section W as to the Trading Disputes Committee shall prevail over, so far as in conflict or inconsistent with, those of this paragraph 3.1B.

3.1B.7 BSCCo may not establish Code Committees for the purpose of the discharge of the functions of BSCCo under Section F in relation to Code Modifications (but without prejudice to the provisions of that Section as to Workgroups), and the provisions of this paragraph 3.1B shall not apply in relation to those functions.

3.1B.8 BSCCo shall establish a Code Committee to act as the Balancing Mechanism Reporting Service Change Board (the "**BCB**") in respect of which the provisions of this paragraph 3.1B shall apply except that, in relation to the BCB's functions and duties in relation to BSC Data, the provisions of Section H11 shall apply.

3.1B.9 BSCCo shall establish a Code Committee to act as the Performance Assurance Board and the provisions of Section Z shall apply.

3.1B.10 Subject to paragraph 3.1B.11 BSCCo may decide that any Code Committee (other than one whose establishment is expressly provided for in the Code) shall cease to be established.

3.1B.11 Before deciding whether a Code Committee shall cease to be established pursuant to paragraph 3.1B.10 above, BSCCo shall consult with:

(a) Parties;

(b) members of the Code Committee being disbanded;

(c) members of any other Code Committee(s), who in BSCCo's reasonable opinion, would be impacted by such disbandment;

(d) the SAF; and

(e) the Authority,

save in respect of any Code Committee(s) established for a fixed-term or a finite purpose, where such fixed-term or purpose has been completed.

3.1B.12 BSCCo shall be responsible for:

(a) providing secretarial support to Code Committees; and

(b) ensuring:

(i) an impartial facilitation of Code Committee meetings; and

(ii) appropriate stakeholder engagement.

3.1C Permitted Business

3.1C.1 BSCCo may carry out business or activities other than Code Manager Business, only where, and to the extent that, the Authority has permitted it to do so in accordance with the Code Manager Licence. Any such business or activity shall constitute Permitted Business.

3.1C.2 The powers, functions and responsibilities specified in paragraph 3.1C.3 do not constitute Code Manager Business. BSCCo shall perform those powers, functions and responsibilities in accordance with the applicable provisions of the Code where, and for so long as, the Authority has permitted the relevant business or activity in accordance with the Code Manager Licence.

3.1C.3 The powers, functions and responsibilities referred to in paragraph 3.1C.2 are as follows:

(a) providing the MHHS Implementation Manager services in accordance with paragraph 12;

(b) providing Capacity Market Advisory Group administration and management services in accordance with paragraph 13;

(c) performing the functions, role and responsibilities of the EPG Scheme Administrator in accordance with paragraph 14;

(d) performing the Scheme Functions in respect of the Relevant Schemes in accordance with paragraph 15;

(~~ce~~) providing the EII Support Payment Administrator and the EII Levy Administrator services in accordance with paragraph 16; and

(~~fd~~) providing Market Facilitator Implementation Services and performing its functions and responsibilities as the Market Facilitator (including providing the Market Facilitator Operational Services) both in accordance with paragraph 17.

3.1C.4 Where Permitted Business is the subject of powers, functions or responsibilities imposed on BSCCo by the Code:

(a) BSCCo shall comply with the provisions of the Code that expressly apply to that Permitted Business only where, and for so long as, the Authority has permitted BSCCo to carry out that Permitted Business in accordance with the Code Manager Licence; and

(b) any provision of the Code that imposes an obligation on a BSC Party solely in connection with that Permitted Business shall apply to that BSC Party only where, and for so long as, the Authority has permitted BSCCo to carry out that Permitted Business in accordance with the Code Manager Licence, except to the extent that the Authority otherwise directs.

3.1C.5 For the avoidance of doubt, the inclusion of such powers, functions or responsibilities relating to Permitted Business in the Code does not cause that Permitted Business to constitute Code Manager Business.

3.1D Disapplication of SAF Consultation

3.1D.1 Subject to paragraphs 3.1D.3 and 3.1D.4, BSCCo may disapply a requirement to undertake a SAF Consultation in relation to a decision, or a specified category of decision, with unanimous agreement from the SAF to the disapplication. The SAF must agree both to the disapplication of the requirement to undertake a SAF Consultation and, to any limitations, conditions or duration of that disapplication. In reaching a decision, BSCCo and the SAF must have regard to the nature, significance and potential impact of the decision or specified category of decision, the level of judgement needed to make the decision, and whether input from the SAF would be likely to materially increase the quality of the decision or decision making process.

3.1D.2 In paragraph 3.1D.1, decision includes any determination, validation, approval and appointment.

3.1D.3 Nothing in paragraph 3.1D.1 shall permit BSCCo to disapply a requirement to undertake a SAF Consultation where such consultation is expressly required by another provision in the Code or the Code Manager Licence and that requirement is not itself capable of disapplication.

3.1D.4 Paragraph 3.1D.1 does not apply in connection to any decision or specified category of decision made pursuant to the process for the maintenance and modification of the code, as set out in Section F.

3.1D.5 Any decision to disapply under paragraph 3.1D.1 shall cease to have effect on the earliest of:

(a) the date specified by any limitations, conditions or duration of that disapplication;

(b) the date falling 12 months after the date on which the disapplication came into effect; and

(c) the date on which BSCCo receives written notice that one or more SAF members withdraw their agreement to the disapplication.

A decision to disapply that ceases to have effect pursuant to (a) or (b) may be renewed where, before the date on which that disapplication ceases to have effect, BSCCo has obtained a further unanimous agreement from the SAF to renew that disapplication.

3.2 ~~Panel~~ SAF Secretary

3.2.1 BSCCo shall at all times provide a person ~~approved by the Panel~~ to be the ~~Panel~~ SAF Secretary (and shall whenever required to fill a vacancy nominate a person to that position).

3.3 Enforcement of Code

3.3.1 If:

(a) a Party is or may be in breach of any provision of the Code, and

(b) ~~the Panel~~BSCCo is of the opinion that the breach or continuance of the breach has or will have a material adverse effect on the operation of the Code consistent with the Code Manager ~~o~~Objectives ~~in Section B1.2.1~~, as a result of which it is appropriate that proceedings should be commenced for the enforcement of such provision against such Party then ~~the Panel may instruct~~ BSCCo ~~to~~ may take proceedings against such Party having first undertaken a SAF Consultation.

3.3.2 Where ~~the Panel has instructed~~ BSCCo has decided to take proceedings against a Party in breach pursuant to paragraph 3.3.1:

(a) BSCCo shall commence and with reasonable diligence continue such proceedings, for such remedy or remedies as ~~the Panel~~it shall have decided~~;~~, ~~subject to paragraph (b);~~

~~(b) BSCCo shall act in such proceedings (including without limitation any discontinuance or settlement thereof) in accordance with such terms of reference and reporting requirements, and subject to such supervision or instruction, as may be stipulated or provided by the Panel (or where the Panel has established any Panel Committee for that purpose, by that committee in accordance with its terms of reference);~~

(~~c~~b) each Party (other than the Party in breach) hereby appoints BSCCo as agent in its name and on its behalf to commence and take such proceedings, and agrees that BSCCo ~~and/or the Panel and/or any Panel Committee (in accordance with arrangements made for the purposes of paragraph (b))~~ shall exclusively have the conduct of the proceedings;

(~~d~~c) all costs and expenses incurred by BSCCo in the proceedings (including any amounts awarded to the Party in breach) shall be BSC Costs;

(~~e~~d) where any amount is recovered from the Party in breach pursuant to such proceedings, such amount shall be paid to Parties in their Annual Funding Shares (as at the time of the breach) or such other proportions and otherwise on such basis as ~~the Panel~~BSCCo shall consider fair and reasonable in all the circumstances;

(~~f~~e) subject to paragraph 3.3.4, a Party shall not commence proceedings directly against the Party in breach without the prior approval of ~~the Panel~~BSCCo.

3.3.3 Except pursuant to paragraph 3.3.2, and subject as set out below, BSCCo shall not commence any proceedings against a Party in respect of breach of any provision of the Code.

3.3.4 Paragraph 3.3.2(~~f~~e) shall not prevent a Party from taking any proceedings for interim relief or other steps against a Party which is or may be in breach of the Code where the first Party

reasonably believes that such proceedings or steps need to be taken as a matter of urgency in order to protect its interests.

3.3.5 Except as provided in paragraph 3.3.2, nothing in this paragraph 3.3 shall prevent a Party from itself taking any steps to enforce against any other Party any provision of the Code.

3.3.6 Where:

(a) a Party is or may be in breach of the Code, and

(b) it appears to BSCCo that any proceedings for interim relief or other step should be taken, as a matter of urgency, in relation to that Party, in order to protect the interests of BSCCo and/or other Parties (or classes of Parties) ~~pending such instructions from the Panel~~

BSCCo may take or arrange for the taking of such interim proceedings or step, after consulting where time permits with the ~~Panel~~ SAF Chair.

3.3.7 In any case where paragraph 3.3.2 does not apply, BSCCo may, after having undertaken a SAF Consultation, ~~with the approval of the Panel~~ agree with any Parties to take proceedings on behalf of and at the cost of those Parties against a Party in breach of the Code.

3.3.8 This paragraph 3.3 does not apply in relation to any breach by a Party of any payment obligation under Section D or N.

3.4 Restrictions on powers of BSCCo

3.4.1 Subject to any contrary provision of the Code or the Code Manager Licence, ~~any instructions (pursuant to any provision of the Code expressly providing for such instructions to be given to BSCCo) of the Panel,~~ and the Code Manager ~~o~~Objectives ~~referred to in paragraph 1.3.1~~, BSCCo shall have discretion as to the means by which it discharges, and the manner in which it is managerially organised so as to discharge, its functions and responsibilities under the Code.

3.4.2 In the discharge of its functions and responsibilities and the exercise of its powers, BSCCo will comply with applicable law.

3.4.3 BSCCo shall:

(a) comply with any restrictions in the Code Manager Licence relating to indebtedness and transfer of funds;

(b) not, without the prior approval of the ~~Panel~~Authority~~:~~

~~(a) enter into any borrowings in a cumulative aggregate principal amount exceeding £10,000,000;~~

~~(b)~~ make loans or grant any credit to any person, other than to a Subsidiary of BSCCo or in the ordinary course of business or as required or expressly permitted by the Code.~~;~~

3.4.4 BSCCo shall not,

~~(c) mortgage, charge, assign by way of security, pledge or otherwise encumber any property of BSCCo or enter into any transaction which has a financial effect similar to a secured borrowing, other than:~~

~~(i) by way of lien or set-off arising by operation of law and in the ordinary course of trading; or~~

~~(ii) by way of reservation of title by the supplier of any property (other than real property) to BSCCo in the normal course of such supplier's business;~~

~~(d)~~ except pursuant to any provision of the Code:

(~~i~~a) dispose (by way of licence, charge, sale or otherwise, other than by way of licence to a BSC Agent in connection with a BSC Agent Contract) of any Intellectual Property Rights or other rights held by BSCCo in or in respect of any BSC Systems~~;~~; ~~or~~

(~~ii~~b) (where any BSC Agent Contract prohibits such disposal without BSCCo's authority or consent) authorise or consent to any such disposal by a BSC Agent of any such rights held by that BSC Agent; or~~;~~

(~~e~~c) commence any proceedings against any person, or grant a waiver of any claim against any person, or settle any dispute, proceedings or claim brought by or against BSCCo or any other BSC Company, where the amount of such dispute or claim or subject to such proceedings exceeds (or in BSCCo's reasonable opinion is likely to exceed) such threshold amount as the ~~Panel~~ BSCCo may from time to time specify for the purposes of this paragraph (~~e~~c) having first undertaken a SAF Consultation on the level of such threshold; provided that (without prejudice to the further provisions of the Code) this paragraph (c~~e~~) does not apply in relation to claims, disputes and proceedings against or with Parties or BSC Agents or Market Index Data Providers.

without having undertaken a SAF Consultation.

~~3.4.4 For the purposes of paragraph 3.4.3, "**borrowing**" means any obligation (whether present or future, actual or contingent, as principal or surety) for the payment or repayment of money (whether in respect of interest, principal or otherwise) of BSCCo and any Subsidiary of BSCCo (other than the BSC Clearer) incurred in respect of:~~

~~(a) moneys borrowed or raised;~~

~~(b) any bond, note, loan stock, debenture or similar instrument;~~

~~(c) any acceptance credit, bill discounting, note purchase, factoring or documentary credit facility;~~

~~(d) any hire purchase agreement, conditional sale agreement or lease, where that agreement has been entered into primarily as a method of raising finance or financing the acquisition of an asset;~~

~~(e) any guarantee, bond, stand by letter of credit or other similar instrument issued in connection with the performance of contracts;~~

~~(f) any interest rate or currency swap agreement or any other hedging or derivatives instrument or agreement; or~~

~~(g) any guarantee, indemnity or similar insurance against financial loss given in respect of the obligation of any person.~~

3.4.5 BSCCo shall not and shall not offer or agree to:

(a) issue, or grant any option, warrant or other instrument, security or right to subscribe for, or which is convertible into or exchangeable for, any shares of BSCCo;

~~(b) subscribe for, acquire or hold any share or other security in any company other than:~~

~~(i) shares in the BSC Clearer; or~~

~~(ii) any shares acquired pursuant to the Implementation Scheme;~~

(~~e~~b) dispose of any legal or beneficial interest in any shares in the BSC Clearer or any other Subsidiary of BSCCo.

3.4.6 Except where expressly required or permitted to be so done or incurred by virtue of the Code Manager Licence, provided for in the Code (which, for the avoidance of doubt, shall include any apportionment provided for in paragraph 6.1.3) or any applicable law or legislative provision~~provided for in the Code~~, BSCCo shall ensure that there is no cross-subsidy between its Code Manager Business and any Permitted Business, and shall not give any cross-subsidy to, or receive any cross-subsidy from, a Permitted Affiliate.

3.5 ~~BSCCo resources~~Not used

~~3.5.1 If at any time the resources (which in this paragraph 3.5 does not mean financial resources) of BSCCo are inadequate to enable it to perform any particular requirement of the Code (including a requirement specified by the Panel or a Panel Committee or Workgroup pursuant to paragraph 3.1.1), BSCCo shall promptly so notify the Panel and discuss the matter with the Panel, and following such discussion shall take such steps and procure such resources as are necessary to enable BSCCo to meet such requirement (as it may have been modified following such discussion) as soon as is reasonably practicable.~~

3.6 Provision of information to the Authority, etc

3.6.1 If at any time or from time to time requested by the Authority, BSCCo shall:

(a) collect and provide to the Authority all such relevant information as the Authority may specify when and in the form requested;

(b) where necessary in order to comply with such a request, subject to paragraph 3.6.3, procure the relevant information from the BSC Agent or Market Index Data Provider which holds such information;

(c) undertake and provide to the Authority such analysis of relevant information (but not in whole or in part of information other than relevant information) as the Authority may so request~~.~~; and

(d) undertake and provide to the Authority reasoned comments on the accuracy and text of any relevant information relating to BSCCo's activities undertaken under or pursuant to the Code Manager Licence which the Authority proposes to publish when and in the form requested by the Authority.

3.6.2 A request by the Authority for the purposes of paragraph 3.6.1 may be made on a particular occasion or on a standing basis.

3.6.3 BSCCo shall not be in breach of this paragraph 3.6 by reason of any failure of any BSC Agent or Market Index Data Provider to provide any information which BSCCo has requested from it, provided that BSCCo is reasonably diligent in pursuing such request.

3.6.4 For the purposes of this paragraph 3.6, "**relevant information**" means:

(a) ~~is~~ information which is or is to be provided to BSCCo or ~~the Panel~~a Code Committee or to any BSC Agent by or on behalf of any Party pursuant to the Code, or is derived from any such information pursuant to the Code or is otherwise produced or created pursuant to the Code~~.~~; and

(b) any other information that the Authority may reasonably require, or that the Authority considers may be necessary, to enable it to perform any function given or transferred to it by or under any Legal Requirement.

3.6.5 Where BSCCo receives a request from the Authority for the purposes of paragraph 3.6.1, BSCCo will so notify all Parties, unless

(a) the Authority has requested BSCCo to notify only the Party to whom such information relates, in which case BSCCo will so notify that Party~~.~~;

(b) the Authority has directed BSCCo that no notification should be given, in which case BSCCo shall comply with that direction.

3.6.6 BSCCo shall not be required to comply with paragraph 3.6.1 if BSCCo could not be compelled to produce or give such information in evidence in civil proceedings before a court.

3.7 ~~Matters relating to the ESO Licence~~Further provisions relating to data

~~3.7.1 If the Authority issues a direction pursuant to the ESO Licence to the NETSO to secure compliance with any relevant provision of the Code:~~

~~(a) BSCCo shall provide all such assistance and take all such steps as the NETSO may reasonably require to comply or secure compliance with the relevant provision;~~

~~(b) without limitation of paragraph (a), BSCCo hereby appoints and authorises the NETSO to make any request of or issue any instruction to any BSC Agent or Market Index Data Provider on behalf of and in the name of BSCCo;~~

~~(c) the NETSO is hereby authorised by all Parties to provide to the Authority or (where the relevant provision of the Code so requires) place on the BSC Website or otherwise publish the information in question;~~

~~(d) the reasonable costs of the NETSO properly incurred in complying with such direction shall be paid by BSCCo to the NETSO.~~

~~3.7.2 For the purposes of paragraph 3.7.1 the relevant provisions of the Code are the provisions of paragraph 3.6.1 (subject to paragraph 3.6.3) and any provision of the Code which provides for any information to be placed on the BSC Website or otherwise published.~~

3.7.1 Subject to any applicable restriction on disclosure under the Code, BSCCo (and, unless otherwise provided in its terms of reference, any Code Committee) may use and disclose such data as it sees fit, whether provided by or on behalf of Parties or otherwise obtained under the Code, for the purposes of discharging its functions and duties under the Code in accordance with the Code Manager Objectives, but only for those purposes, and subject to paragraph 3.7.2.

3.7.2 Where BSCCo or a Code Committee is intending (pursuant to paragraph 3.7.1) to disclose data obtained under the Code, the provisions of Section H11 shall apply and accordingly:

(a) BSCCo shall perform the steps set out in Section H11; and:

(b) the provisions of Section H11 shall apply mutatis mutandis (as if references to the BCB were references to BSCCo).

3.7.3 The provisions of paragraphs 3.7.2 and 3.7.5 shall not apply to the disclosure of data:

(a) to the Authority;

(b) to the SAF, any Code Committee or any BSC Agent (in each case only to the extent necessary that the disclosure is reasonably necessary for the performance of that Code Committee's or BSC Agent's functions pursuant to the Code); or

(c) where the data is in the public domain; or

(d where BSCCo is required or permitted to disclose such data in compliance with any Legal Requirement; or

(e) where the disclosure of such data is expressly required under the Code.

3.7.4 Without prejudice to paragraph 3.7.2,~~I~~ in relation to any matter falling within the remit of the Performance Assurance Board or the Trading Disputes Committee, ~~no~~ data relating to the affairs of a Party and/or a Qualified Person which might reasonably be considered to be commercially sensitive shall be disclosed only where:

(a) the disclosure is expressly provided for by the Code; or

(b) the disclosure is necessary to perform the functions and duties of the SAF, the Performance Assurance Board or the Trading Disputes Committee respectively in accordance with the Code; or

(c) the disclosure has been agreed by that Party or Qualified Person; or

(d) the disclosure has been assessed and disclosed in accordance with the procedures and criteria set out in Section H11 with such mitigation options having been implemented as may be appropriate having regard to the sensitivity of the data.

3.7.5 Where Trading Data which, for the purposes of Section V may be provided only to a "Relevant Party" (as defined in Section V), is released pursuant to paragraph 3.7.1 to any other person, it may be released only in a form in which it cannot reasonably be identified as relating to that Relevant Party.

3.8 Reviews of the Code

3.8.1 BSCCo shall carry out:

(a) periodic reviews of the Code and its implementation and of operations under the Code, and

(b) upon the request of the Authority, a review of any particular aspect (as specified by the Authority) of the Code or its implementation or of operations under the Code

in order to evaluate whether the Code (or such aspect of the Code) continues to facilitate achievement of the Applicable BSC Objectives and to do so in the most effective way.

3.8.2 Reviews under paragraph 3.8.1(a) shall take place at least once every 2 years and not more often than once every year.

3.8.3 BSCCo shall notify all Parties and the Authority of the start of each review under paragraph 3.8.1, and shall endeavour to complete each review within a period of 3 months, or such other period as the Authority may specify in a case under paragraph 3.8.1(b).

3.8.4 In order to assist BSCCo to carry out any review under paragraph 3.8.1, the NETSO shall, at BSCCo's request, provide to BSCCo an assessment of the effect of the Code (or any aspect of the Code specified by BSCCo) on ~~the matters referred to in Condition E1.13(a) and (b) of the ESO Licence.~~the exercise of the its functions in relation to the electricity transmission system under or pursuant to the Energy Act 2023.

3.8.5 For the purposes of paragraph 3.8.4:

(a) the ~~analysis~~ assessment provided by the NETSO shall be prepared with the exercise of reasonable skill and care, and shall include sufficient detail and reasoning to enable a proper understanding of the relevant issues, and the NETSO shall provide any further explanation thereof reasonably requested by BSCCo;

(b) such analysis shall be provided within such period as BSCCo may reasonably request;

(c) the NETSO shall not be required to provide any information of a confidential nature which it is not otherwise obliged to make available to Parties.

3.8.6 Upon completion of each review under paragraph 3.8.1, BSCCo shall:

(a) prepare a report in respect of the review and its conclusions (including any analysis by the NETSO under paragraph 3.8.4);

(b) provide a copy of such report to the Authority; and

(c) subject to paragraph 3.8.7, provide a copy of such report to each Party and place a copy of the report on the BSC Website.

3.8.7 In a case under paragraph 3.8.1(b), if the Authority so requests or approves, the version of the report which is provided to Parties and placed on the BSC Website shall be amended so as to exclude such material, relating to particular Parties or persons, as the Authority shall so request or approve.

3.8.8 In addition to the foregoing, BSCCo shall keep under review whether any possible modification of the Code from time to time would better ~~facilitate the objective in Condition E1.13 (d) of the ESO Licence~~promote efficiency in the implementation and administration of the Balancing and Settlement Arrangements (as that term is defined in the Code Manager Licence)~~, and shall recommend to the Panel any particular such modification which in BSCCo's opinion would do so~~.

3.9 Not used

3.10 Summary of Code

3.10.1 BSCCo shall prepare and from time to time update a useful summary of the Code, and separately of the Code Subsidiary Documents, and shall provide a copy of each summary to ~~the Panel and~~ the Authority and (upon payment of an amount not exceeding the reasonable costs of making such a copy) to any person who requests such a copy.

3.10.2 The summary of the Code shall include (as a separate document) a summary and explanation of the basis of calculation of System Buy Price and System Sell Price pursuant to Section T.

3.10.3 No person shall be entitled to rely on such summaries for any purpose.

4. GOVERNANCE OF BSCCO

4.1 Appointment of Board of Directors and Chair

4.1.1 The size and composition of the Board shall be determined by the Board's Nomination Committee but shall reflect the requirements set out in paragraph 4.1.3.

4.1.2 The Board shall establish a Nomination Committee which shall be responsible for:

(a) evaluating the balance of skills, experience, independence and knowledge on the Board; and

(b) leading the process for Board appointments including:

(i) preparing a description of the role and capabilities required for a particular appointment; and

(ii) making appointment recommendations to the Board.

4.1.3 The Board shall provide written terms of reference for the Nomination Committee which shall, inter alia, specify that:

(a) the Nomination Committee shall, in recommending appointments to the Board, have appropriate regard to reflecting different classes of, or categories of, industry participants on the Board;

(b) subject to paragraph 4.1.3(e), a majority of the Directors (excluding the BSCCo Chair~~)~~ and Directors appointed under paragraph 4.1.3(d)) ~~but including the Panel Chair~~ shall have relevant electricity industry experience;

(c) at least two Directors shall be, in the Nomination Committee's reasonable opinion (having regard, among other things, to any present or future business interests disclosed by those individuals), suitably independent from the electricity industry;

(d) not more than two Directors may be employees of BSCCo, and if any employees are appointed as Directors one of those must be the Chief Executive, provided that in the event that a person ceases to be an employee of BSCCo that person shall immediately cease to be a Director; ~~and~~

(e) unless the Authority consents otherwise, and subject to any express provisions of the Code Manager Licence, a majority of the Directors, excluding the BSCCo Chair, shall be sufficiently independent directors (as that term is defined in the Code Manager Licence); and ~~the Panel Chair from time to time shall be appointed as a Director provided that, if that Panel Chair is subsequently removed as a Director pursuant to paragraph 4.1.9 or paragraph 4.10.1, another Panel Member recommended by the Panel shall be appointed as a Director during the remainder of the term of that Panel Chair.~~

(f) the BSCCo Chair shall meet the requirements of a sufficiently independent director as defined in the Code Manager Licence.

~~4.1.3A Paragraph 4.1.3(d) shall not apply in respect of the BSCCo Chair to the extent and for such period as the person appointed to that role is an employee of BSCCo.~~

4.1.4 The Board shall publish the terms of reference on the BSC Website.

~~4.1.5 Not used.~~

~~4.1.6 Not used.~~

~~4.1.7 Not used.~~

4.1.~~8~~5 The Board may, based on the recommendation of the Nomination Committee:

(a) appoint a Director as chair of its meetings (the "BSCCo Chair"); and

(b) subject to paragraph 4.2.1(a), determine the period for which the BSCCo Chair is to hold office.

4.1.~~9~~6 BSCCo shall, when Directors have been appointed or re-appointed (in that capacity) since the ~~last~~ previous Annual BSC Meeting ~~following the Relevant Implementation Date of Modification Proposal P324~~, prepare and circulate to all Parties not later than 28 days prior to an Annual BSC Meeting the text of a resolution for Voting Parties to approve that appointment or re-appointment ("**Appointment Resolution**") at the next Annual BSC Meeting in accordance with the relevant provisions of Annex C-2. If an Appointment Resolution is rejected by Voting Parties at a vote then the relevant person shall cease to be a Director either:

(a) five (5) Working Days after results are published under paragraph 4.2.2(b) of Annex C-2; or

(b) if an audit has been commissioned under paragraph 4.3 of Annex C-2, promptly after that audit's confirmation, if it occurs, of the published results.

4.2 Directors

4.2.1 A person appointed as Director under paragraph 4.1:

(a) shall hold office for a term not exceeding three years, but shall be eligible for re-appointment on expiry of such term;

(b) may resign or be removed from office in accordance with the provisions of the Articles of Association of BSCCo; and

~~(c) not used;~~

~~(d) shall, if also a Panel Member, cease to hold office if they also cease to hold office as a Panel Member pursuant to Section B2.7.4(d); and~~

(~~e~~c) shall cease to hold office if removed in accordance with the provisions of paragraphs 4.1.~~9~~6 or 4.10.1.

4.3 Not used.

4.4 Expenses and remuneration

4.4.1 Each Director shall be entitled to be reimbursed by BSCCo for the reasonable costs and expenses (including travel and accommodation costs) properly incurred by such Director in attending meetings of or otherwise in the conduct of the business of the Board.

4.4.2 In addition to reimbursement under paragraph 4.4.1, any Director, other than a Director appointed under paragraph 4.1.3(d) (without prejudice to the remuneration and benefits payable to such Director under a contract of employment with BSCCo), shall be entitled to be paid by BSCCo such remuneration and benefits for the role of Director as may~~, subject to Section B2.11.8,~~ be determined by Board.

4.4.3 Not used.

4.4.4 The secretary of BSCCo shall not be entitled to remuneration in that capacity, but without prejudice to the terms on which they are employed by BSCCo.

4.4.5 The remuneration and benefits payable to a Director for the role of Director pursuant to paragraph 4.4.2 shall be disclosed in the Annual BSC Report.

4.5 Indemnity

4.5.1 The Directors of BSCCo shall be indemnified by BSCCo as and to the extent provided in the Articles of Association of BSCCo.

4.6 Chief Executive

4.6.1 ~~After consultation with the Panel, t~~The Board may appoint, and may from time to time remove, reappoint or replace, a person to be the Chief Executive of BSCCo.

4.6.2 Subject to paragraph 4.6.1, the person appointed as Chief Executive shall be employed or otherwise engaged by BSCCo on such terms as the Board shall decide.

4.6.3 The Chief Executive may be a Director, but if they are not a Director they shall be entitled to receive notices of and to attend and speak (but not to vote) at all meetings of the Board, and (if requested by the Chair of the Board) shall be required to attend such meetings, provided that the Board may require them to be absent from any part of a meeting at which any matter concerned with their employment or engagement by BSCCo is to be considered.

4.6.4 The Board shall delegate to the Chief Executive authority to conduct the day to day business of BSCCo.

4.7 Proceedings of the Board

4.7.1 Subject to the provisions of the Code, proceedings of the Board shall be conducted and governed in accordance with the requirements contained in the Articles of Association of BSCCo.

4.8 General Meetings

4.8.1 The Directors of BSCCo may call a General Meeting.

4.8.2 Voting Parties may require the Directors of BSCCo to call a General Meeting.

4.8.3 The Directors of BSCCo shall be required to call a General Meeting in accordance with Annex C-2 once BSCCo has received a request for a Resolution to be voted on from Voting Parties with a combined Actual Voting Share (as published on the BSC Website on the day such request is received) of at least five (5) per cent (%).

4.8.4 A request from a Voting Party:

(a) must state the nature of the business to be dealt with at the General Meeting;

(b) must include the Voting Party's rationale and any supporting documentation; and

(~~c~~b) may include the text of a Resolution that is intended to be moved at the General Meeting.

4.8.5 A request:

(a) may be in hard copy form or in electronic form; and

(b) must be authenticated by the Authorised Signatory of the Voting Party or Voting Parties making it.

4.8.6 A vote on a Resolution at any General Meeting or the Annual BSC Meeting shall be conducted in accordance with the provisions of Annex C-2.

4.9 Non-Binding Resolutions

4.9.1 In respect of any General Meeting or the Annual BSC Meeting, one or more Voting Parties may, subject to paragraph 4.8, propose a vote on a non-binding resolution in relation to any matter related to the activities of the Board ("**Non-Binding Resolution**").

4.10 Binding Resolutions

4.10.1 In respect of any General Meeting or the Annual BSC Meeting, one or more Voting Parties may, subject to paragraph 4.8, propose a vote on a binding resolution to remove one or more Directors from the Board ("**Binding Resolution**"). If the Binding Resolution is approved by Voting Parties at a vote then the relevant person shall immediately cease to be a Director. either:

(a) five (5) Working Days after results are published under paragraph 4.2.2(b) of Annex C-2; or

(b) if an audit has been commissioned under paragraph 4.3 of Annex C-2, promptly after that audit's confirmation, if it occurs, of the published results.

4.11 Annual BSC Report

4.11.1 BSCCo shall prepare and provide to all Parties and the Authority a report summarising the implementation of the Code and the activities of BSCCo in the preceding BSC Year (the "**report**" year).

4.11.2 The Annual BSC Report shall include:

(a) a review of the operation of Settlement and the implementation of the Code generally;

(b) a review of the implementation of the Modification Procedures and the Modification Proposals which have been subject to those procedures;

(c) a report on the performance by each BSC Agent of its functions under the Code and pursuant to its BSC Agent Contract;

(d) a review against the Work Plan for that BSC Year of the activities undertaken by BSCCo, and a review against the Annual Budget for that BSC Year of the expenditure of BSCCo;

(e) a report in relation to Trading Disputes as provided in Section W5.2;

(f) a report on the performance by each Market Index Data Provider of its functions under the Code and pursuant to its Market Index Data Provider Contract;

in and in respect of the report BSC Year.

4.11.3 The report shall be accompanied by:

(a) the Annual Report and Accounts of BSCCo for the report BSC Year, which may, at BSCCo's discretion, incorporate the Annual BSC Report referred to in paragraphs 4.11.1 and 4.11.2, in which case the Annual Report and Accounts shall be deemed to satisfy the requirements of those paragraphs and no separate Annual BSC Report need be produced;

(b) the most recent BSC Audit Report and report of the BM Auditor; and

(c) the Work Plan and Annual Budget adopted by BSCCo pursuant to Section C6 for the current BSC Year.

4.12 Annual BSC Meeting

4.12.1 An Annual BSC Meeting shall be held once in each BSC Year, following the publication of the Annual BSC Report.

4.12.2 Each of the following shall be entitled to attend and speak at the Annual BSC Meeting:

(a) the Authority's appointed representative pursuant to Section B;

(b) any other representative of the Authority;

(c) any representative of the Secretary of State;

(d) one or more representative of each Party;

(~~ce~~) any SAF Member or their alternate and any SAF Pool Member.

4.12.3 BSCCo shall convene the Annual BSC Meeting by giving not less than twenty eight days' notice, specifying the date, time and place of the meeting, to each Party, each SAF Member, and each other person referred to in paragraph 4.12.2.

4.12.4 Each ~~each~~ Director of BSCCo shall attend the Annual BSC Meeting unless prevented from doing so by exceptional circumstances. The BSCCo Chair (or in their absence a deputy nominated by the BSCCo Board) shall chair the meeting except that any part of any Annual BSC Meeting dealing with Resolutions shall be subject to paragraph 3.2.1 of Annex C-2.

4.12.5 The purpose of the Annual BSC Meeting shall be for:

(a) an explanation and discussion of the accounts and reports provided pursuant to paragraph 4.11 for the previous BSC Year, and the Business Strategy and Annual

Budget provided pursuant to paragraph 4.11 for the current BSC Year, and a response to any questions which Parties may have in relation to them (including any questions submitted in advance pursuant to paragraph 14.12.7);

(b) Voting Parties to vote on the appointment of certain Directors in accordance with paragraph 4.1.6; and

(c) Voting Parties to vote on any Resolutions raised pursuant to paragraph 4.9.1 or paragraph 4.10.1.

4.12.6 Subject to paragraph 4.12.5, the Annual BSC Meeting shall not be a general meeting of BSCCo or a meeting of the Directors of BSCCo; and the Annual BSC Meeting shall have no power to take any decision; and no vote on any matter shall be taken at such meeting; and nothing said by any Director of BSCCo at such meeting shall amount to a decision of the Board of Directors of BSCCo or have any other binding effect.

4.12.7 Where a Party wishes the Directors of BSCCo to address a particular question at the Annual BSC Meeting (other than a matter raised pursuant to paragraphs 4.12.5(b) or 4.12.5(c), and having regard to the purpose of the meeting as set out in paragraph 4.12.5), such Party may submit such question to BSCCo in writing in advance of such meeting and BSCCo shall copy such question to all Parties.

5. RELATIONSHIP BETWEEN PARTIES AND BSCCO

5.1 Liability of BSCCo

5.1.1 It is acknowledged that, by virtue of the arrangements for funding BSCCo set out in Section D:

(a) BSCCo ~~is not intended to make profits or losses in any BSC Year;~~shall operate on a not-for-profit basis and

(b) if any Party or Parties were to make any claim against any BSC Company the financial consequences of such claim would be borne by the Trading Parties themselves.

5.1.2 Accordingly, subject to the further provisions of this paragraph 5.1 and paragraph 5.2, the Parties agree that they do not intend that any Party or Parties should be able to make any claim in damages or any other claim of a financial nature against any BSC Company; and each Party (to the fullest extent permitted by law) waives any such claims against any BSC Company and releases each BSC Company from any such liability in respect of any breach by such BSC Company of any provision of the Code or in tort (including negligence) or otherwise.

5.1.2A Without prejudice to any provisions in the Code which limit or exclude BSCCo's liability in relation to Permitted Business, the waiver and release in paragraph 5.1.2 shall apply to any claim brought by a Party in its capacity as a Party under or in connection with the Code, including where the claim arises from or in connection with BSCCo's performance of Permitted Business.

5.1.3 The obligations of each Trading Party in respect of the funding of BSCCo pursuant to Section D shall not be prejudiced, qualified or affected in any way by any breach by any BSC Company of any provision of the Code, or any other act or omission of any BSC Company.

5.1.4 Nothing in paragraph 5.1.2 shall exclude or limit the liability of a BSC Company for death or personal injury resulting from the negligence of such BSC Company or the ability of any Party to seek any equitable remedy against a BSC Company.

5.1.5 Paragraph 5.1.2 is without prejudice to:

(a) the obligations of BSC Clearer to Trading Parties pursuant to Section N;

(b) any provision of the Code which may provide for an indemnity by BSCCo in favour of any Party or other person, or which provides for BSCCo to make a payment to any Party;

and nothing in paragraph 5.1.2 shall prevent any Party from or restrict it in enforcing any obligation by way of debt owed by BSCCo or the BSC Clearer pursuant to any provision of the Code.

5.1.6 No Party shall take any step in relation to a BSC Company which (if Section H3 were expressed to apply in respect of such BSC Company) would or might result in such BSC Company being in Default pursuant to Section H3.1.1(g); provided that this shall not prevent a Party from notifying any BSC Company that such Party requires payment of any amount which is due for payment by such BSC Company to such Party.

5.1.7 Each Party acknowledges and agrees that the provisions of this paragraph 5.1 have been the subject of discussion and are fair and reasonable having regard to the circumstances at the Code Effective Date.

5.2 Party particularly prejudiced by BSCCo breach

5.2.1 Subject to the further provisions of this paragraph 5.2, where:

(a) BSCCo is in breach of a provision of the Code, other than any provision specified in paragraph 5.2.2; and

(b) a Party (the "**claimant Party**") was unfairly and particularly prejudiced by the breach, and in particular the circumstances in which such breach occurred, and in which loss was suffered by the claimant Party as a result of such breach, were not such as to result in some loss being suffered by all Parties or by all Trading Parties

then paragraph 5.1 and Section H6.2.2(a) shall not exclude or limit the liability of BSCCo in damages to the claimant Party in respect of such breach (an "**actionable breach**"), but without prejudice to Section H6.2.2(b).

5.2.2 Paragraph 5.2.1 shall not apply in respect of a breach by BSCCo:

(a) of any of its obligations as, or provision of the Code relating to, the Performance Assurance Administrator; or

(b) of any provision of Section M; or

(c) not used

(d) of any provision of Section F.

5.2.3 A Party may not bring a claim or commence any proceedings against BSCCo in respect of an actionable breach more than 6 months after the date on which the breach occurred or commenced or (if later) more than 3 months after the Party became or could reasonably be expected to have become aware of the breach.

5.2.4 A Party may not make a claim against BSCCo in respect of an actionable breach if the amount of the Party's loss resulting from such breach is less than £50,000.

5.2.5 The aggregate cumulative amount payable by BSCCo to all Parties in respect of actionable breaches under this paragraph 5.2 for which payments (of damages or otherwise) fall to be made by BSCCo in any BSC Year shall not exceed £3,000,000.

5.2.6 If the aggregate amount so payable by BSCCo in a BSC Year would otherwise exceed the amount specified in paragraph 5.2.5:

(a) the amounts for which BSCCo is liable to each relevant Party shall be reduced pro rata (and if unpaid, BSCCo shall pay such reduced amounts);

(b) where BSCCo has already paid any such amount to a Party, BSCCo shall require and each relevant Party shall make and pay such adjustment amounts as ~~the Panel~~BSCCo shall approve for the purposes of giving effect to paragraph (a), having first undertaken a SAF Consultation.

5.3 Capacity of BSCCo

5.3.1 Subject to paragraph 5.3.2, BSCCo shall act as principal and not as agent of Parties in the exercise and discharge of its powers, functions and responsibilities.

5.3.2 Where the Code so provides, BSCCo shall, or (if the Code so provides) may, act as agent for and on behalf of, or as trustee for, Parties or particular Parties.

5.3.3 Except as provided by the Code, BSCCo shall not, and is not authorised to, enter into any commitment or incur any liability as agent for or in the name of any Party (but without prejudice to Parties' funding obligations under Section D).

6. ~~BUSINESS STRATEGY~~WORK PLAN AND ANNUAL BUDGET

6.1 Introduction

6.1.1 For each BSC Year (the "**Plan Year**") BSCCo shall have:

(a) a ~~Business Strategy~~Work Plan, setting out ~~the principal activities~~all the activities and projects which BSCCo expects to be carrying out in the Plan Year and each of the two following BSC Years, on the basis of the Code Manager functions and responsibilities which are or have been assigned to BSCCo under or pursuant to the Code ~~but excluding the activities of Permitted Affiliates, except as contemplated in paragraph 1.3.1 of Annex C-1~~; and

(b) an Annual Budget, setting out the expenditure which BSCCo considers reasonably necessary in order to carry out such activities and projects in the Plan Year (which may include a reasonable contingency amount) ("**Recoverable Costs**"),

each established and from time to time amended in accordance with this paragraph 6.

6.1.2 Where BSCCo is permitted by the Authority under the Code Manager Licence to carry out Permitted Business, and the Authority has consented to the costs of such Permitted Business being recoverable as BSC Costs (or the BSC specifies that such costs are recoverable as BSC Costs), BSCCo shall include such activities and costs in the Work Plan and Annual Budget in accordance with paragraph 6, and such costs shall be BSC Costs.

6.1.3 In respect of any BSC Costs which relate to both Code Manager Business and Permitted Business, BSCCo shall include, in the Annual Budget and Work Plan, the basis on which such costs are apportioned between the Code Manager Business and the Permitted Business.

6.1.~~2~~4 The ~~Panel~~ Stakeholder Advisory Forum, Citizens Advice, Citizens Advice Scotland, Consumer Scotland and all Parties shall be invited to comment prior to finalisation of the ~~Business Strategy~~Work Plan and Annual Budget for each BSC Year in accordance with paragraph 6.3.

6.1.~~3~~5 BSCCo shall provide a copy of each ~~Business Strategy~~Work Plan and Annual Budget, and each revision thereof, to the Authority, the ~~Panel~~Stakeholder Advisory Forum, each Party, Citizens Advice, Citizens Advice Scotland and Consumer Scotland and, with regard to the Market Facilitator Budget, to any interested stakeholder, promptly after adopting or making any revision to such ~~Business Strategy~~Work Plan or Annual Budget.

6.2 Scope of ~~Business Strategy and~~ Work Plan and Annual Budget

6.2.1 BSCCo will discuss with the ~~Panel~~ Stakeholder Advisory Forum the scope and format from time to time of the ~~Business Strategy~~Work Plan and Annual Budget.

6.2.2 BSCCo may publish the Work Plan, Annual Budget and the Delivery Plan as a single combined document.

6.2.3 In respect of each Plan Year, the Annual Budget must include:

(a) BSCCo's most recent estimate of the total Underspend from the immediately preceding Plan Year (if any);

(b) a figure for:

(i) the total Recoverable Costs; and

(ii) taking into account the estimated determination in paragraph 6.2.3(c)(ii), the total amount estimated to be recovered from Parties in the forthcoming Plan Year;

(c) where applicable, a detailed breakdown of how much of the Underspend is estimated to have been taken into account in determining amounts payable by or to Parties:

(i) in the year in which the Underspend arose; and

(ii) in the Plan Year,

(in each case in determined as estimates based on the invoicing and reconciliation methodologies set out in Section D).

6.2.4 For the purposes of 6.2.3, **Underspend** means the difference between actual costs and forecast costs in the Annual Budget and Work Plan, where forecast costs exceed actual costs.

6.3 Consulting on the Draft ~~Business Strategy~~Work Plan and Draft Annual Budget

6.3.1 For each BSC Year, BSCCo shall:

~~(a) not used;~~

(~~b~~a) ~~not later than 1 January in the preceding BSC Year,~~ prepare an initial draft ~~Business Strategy~~Work Plan and draft Annual Budget, provide a copy to the ~~Panel~~ Stakeholder Advisory Forum, the Authority, ~~and to~~ all Parties Citizens Advice, Citizens Advice Scotland and Consumer Scotland, and invite comments ~~from persons eligible to propose Code Modifications~~ thereon allowing a period of at least 21 days (or such shorter period as the Authority consents to) within which comments may be received;

(~~c~~b) ~~not later than 20 February in the preceding BSC Year~~as soon as reasonably practicable following the closure of such consultation, publish on the BSC Website:

~~a summary of~~ (i) the comments received on the initial drafts (unless the respondent requested that their response should not be published); and

(ii) a fair and accurate summary of the comments received including those from the Stakeholder Advisory Forum, Citizens Advice, Citizens Advice Scotland and Consumer Scotland;

(~~d~~c) not later than ~~15~~ 31 March in the preceding BSC Year~~,~~:

(i) after considering all comments received ~~by BSCCo~~, make such further revisions to the draft ~~Business~~ Work Plan ~~Strategy~~ and draft Annual Budget as BSCCo may consider appropriate having regard to the functions and responsibilities of BSCCo and the Code Manager ~~objectives~~ Objectives ~~in Section B1.2.1,~~ and finalise and adopt the ~~Business Strategy~~Work Plan and Annual Budget~~.~~; and

(ii) publish on the BSC Website an explanation of how BSCCo has taken account of comments received in the course of the consultation in revising the Work Plan and Annual Budget and a comprehensive explanation of why any revisions to the Work Plan and Annual Budget have, or have not, been made.

6.3.2 Where BSCCo considers that there are options or alternatives as to any activity which BSCCo may carry out in the Plan Year, which or the costs of which are materially different from each other, the initial draft ~~Business Strategy~~Work Plan provided under paragraph 6.3.1(~~b~~a) shall set out such options or alternatives.

~~6.3.3 With the consent of the Panel, BSCCo may vary the times by which the steps in paragraph 6.3.1 are to be taken.~~

6.3.4~~3~~ After adopting the ~~Business Strategy~~Work Plan, BSCCo shall keep the Work Plan ~~Business Strategy~~ (so far as it relates to the Plan Year) under review and, subject to paragraph 6.5, shall make any revision to the Work Plan ~~Business Strategy~~ which appears requisite after seeking such further comments from the ~~Panel~~ Stakeholder Advisory Forum, Citizens Advice, Citizens Advice Scotland and Consumer Scotland and all Parties as the Board considers necessary.

6.4 ~~Annual Budget~~Delivery Plan

6.4.1 At the same time as preparing each draft of the ~~Business Strategy~~Work Plan and Annual Budget under paragraph 6.3, BSCCo shall prepare or revise, and submit to the persons to whom each draft ~~Business Strategy~~Work Plan and Annual Budget is submitted, a draft ~~Annual Budget~~Delivery Plan for the Plan Year and the provisions of paragraph 6.3 relating

to consultation, consideration of representations and finalisation shall apply to the Delivery Plan as they apply to the Work Plan and Annual Budget.

6.4.2 The draft Delivery Plan referred to in paragraph 6.4.1 shall be prepared and progress reported on in accordance with the requirements of the Code Manager Licence.

6.4.3 Each Party acknowledges that BSCCo may be directed by the Authority, pursuant to the Code Manager Licence, to issue or revise the draft or final Delivery Plan in a form or manner specified by the Authority. The provisions of this paragraph 6.4 shall be subject to any such direction and BSCCo shall not be in breach of this paragraph 6.4 by reason only of complying with such direction.

~~6.4.2 Following finalisation of the Business Strategy, BSCCo shall finalise and adopt the Annual Budget.~~

~~6.4.3 Following any revision of the Business Strategy, BSCCo shall review and if appropriate revise the Annual Budget.~~

~~6.4.4 The Annual Budget for each BSC Year and any revision (including under paragraph 6.5 and paragraph 6.7.7 in accordance with the Market Facilitator Governance Framework Document) of such Annual Budget shall be approved by the Board and the Panel and Parties shall be notified of such approval.~~

6.5 Budget overspends and underspends

6.5.1 If ~~the aggregate amount of BSCCo's expenditure~~ in any BSC Year BSCCo anticipates that the aggregate amount of its expenditure may materially ~~exceeds~~differ~~, or BSCCo anticipates that it may exceed,~~from the amount contained in the Annual Budget and Work Plan, BSCCo shall promptly:

(a) notify ~~the Panel and~~ all Parties, giving details of the giving details of changes required to the Annual Budget and Work Plan to correct or eliminate the anticipated overspend or underspend ~~excess expenditure and an explanation of the reasons therefor~~; and

(b) ~~submit to the Panel and all Parties a draft revision of the Annual Budget, together with its proposal for modifying the Business Strategy if BSCCo considers it appropriate to modify the Business Strategy so as to reduce or limit its expenditure in the relevant BSC Year.~~prepare a revised Annual Budget and/or proposed revised Work Plan together with a summary of the proposed amendments and the reasons for those proposed amendments and:

(i) provide such documents to the Stakeholder Advisory Forum, Parties, Citizens Advice, Citizens Advice Scotland and Consumer Scotland, and invite comments from them allowing a **consultation period** of at least 21 days (or such shorter period as the Authority consents to) within which comments may be received;

(ii) provide copies of such documents to the Authority

6.5.2 As soon as reasonably practicable following the closure of the consultation period, BSCCo shall:~~After seeking such further comments from the Panel and Parties as the Board considers necessary, but taking account of any consequent revision of the Business Strategy BSCCo shall revise the Annual Budget.~~

(a) publish on the BSC Website:

(i) the comments received on the consultation (unless the respondent requested that their response should not be published); and

(ii) a fair and accurate summary of the comments received including those from the Stakeholder Advisory Forum, Citizens Advice, Citizens Advice Scotland and Consumer Scotland;

(b) after considering all comments received, make such further revisions to the Annual Budget and Work Plan as BSCCo may consider appropriate having regard to the functions and responsibilities of BSCCo and finalise and adopt the revised Annual Budget and revised Work Plan; and

(c) publish on the BSC Website:

(i) the revised Annual Budget and/or revised Work Plan; and

(ii) an explanation of how BSCCo has taken account of comments received in the course of the consultation in revising the Annual Budget and Work Plan and a comprehensive explanation of why any revisions to the Annual Budget and Work Plan have, or have not, been made.

6.6 ~~MHHS Implementation Management First Year Budget~~Budget Appeals

~~6.6.1 Each Party acknowledges that the commencement of the MHHS Implementation is unlikely to coincide with the adoption of the Annual Budget pursuant to paragraph 6.4 and consequently, in order to recover the costs incurred as MHHS Implementation Manager, it may be necessary for BSCCo to develop and adopt an amendment to the Annual Budget for the BSC Year in which the MHHS Implementation commences, in which case BSCCo shall:~~

~~(a) notify the Panel and all Parties, giving details of the MHHS Implementation additional expenditure; and~~

~~(b) submit to the Panel and all Parties a draft revision of the Annual Budget.~~

~~6.6.2 After seeking such further comments from the Panel and Parties as the Board considers necessary, BSCCo shall revise the Annual Budget.~~6.6.1 Any Party, Citizens Advice, Citizens Advice Scotland and Consumer Scotland may raise an appeal to the Authority against:

(a) the Annual Budget adopted pursuant to paragraph 6.3.1(c); or

(b) a revised Annual Budget adopted pursuant to paragraph 6.5.2,

by giving notice to the Authority within fourteen (14) days of the publication of the relevant Annual Budget or revised Annual Budget. Before issuing a notice of appeal under this paragraph 6.6.1, the Party and BSCCo shall make reasonable efforts to resolve the matter.

6.6.2 Any appeal brought under paragraph 6.6.1 shall be specific to one or more individual cost items and shall specify the cost item or cost items to which the appeal relates where, for the purposes of this paragraph 6.6, **cost item** shall have the meaning given to that term in the Code Manager Licence.

6.6.3 The Authority may dismiss an appeal where it considers that the appeal is trivial or vexatious, or that it does not make a prima facie case that one or more of the grounds in paragraph 6.6.4 is met or that the appeal has no reasonable prospect of success.

6.6.4 The grounds for appeal are that:

(a) the relevant cost item was not presented in the Annual Budget, revised Annual Budget or Work Plan in accordance with the requirements of this paragraph 6 and the Code Manager Licence;

(b) the relevant cost item was not properly consulted on in accordance with this paragraph 6 and the Code Manager Licence, or BSCCo failed to have reasonable regard to consultation responses submitted in relation to it;

(c) the relevant cost item is not, or not all of it is, a Recoverable Cost;

(d) the relevant cost item is an inappropriate provision for the activity or project in question; or

(e) the relevant cost item will, or is likely to, prejudice unfairly the interests of one or more Parties, or cause them to be in breach of the Code, a Licence or any Legal Requirement.

6.6.5 Unless the Authority directs otherwise, BSCCo shall incur no further costs in respect of any cost item which is the subject of an appeal under this paragraph 6.6, except to the extent necessary in order to comply with any legally binding obligation.

6.6.6 Following its assessment of an appeal, the Authority may direct BSCCo to:

(a) make no change to the cost item;

(b) make a revision to the Annual Budget and the Work Plan;

(c) revise the Annual Budget to change the relevant cost item to a figure which the Authority reasonably considers to be a more appropriate forecast of the likely cost to be incurred, whether higher or lower than the original figure; or

(d) revise the Annual Budget to remove the relevant cost item entirely and make such consequential revisions to the Annual Budget and the Work Plan as are appropriate.

6.6.7 BSCCo shall give effect to any direction of the Authority under paragraph 6.6.6 and shall make such revisions to the Annual Budget and the Work Plan, and publish such revised documents, as are necessary to implement that direction.

6.6.8 The consultation requirements in paragraph 6.5 shall not apply where BSCCo revises the Annual Budget and/or the Work Plan in order to comply with a direction of the Authority under paragraph 6.6.6.

6.7 Market Facilitator Budget

6.7.1 The Annual Budget shall include (under a separate heading to the remaining Annual Budget) the Market Facilitator Budget. The provisions in paragraph 6.~~4~~ 3 shall apply respectively, with the additional obligation on BSCCo to make the draft Market Facilitator Budget accessible to any interested stakeholder ~~and paragraph 6.4.4 shall be read accordingly~~.

6.7.2 Any interested stakeholder may appeal any part of the Market Facilitator Budget which refers to specific Market Facilitator Operational Services to the Authority within such time period set out in the Market Facilitator Governance Framework Document starting from the date

interested stakeholders have been notified of the Annual Budget following Board approval pursuant to paragraph 6.~~4.4~~3.1(c). For the avoidance of doubt, any appeal brought under this paragraph 6.7 shall be specific to one or more individual cost items, not to the budget as a whole.

6.7.3 The Authority may dismiss an appeal where it considers that the appeal is trivial or vexatious or considers that it does not make a prima facie case that it meets one of the appeal grounds set out in the Market Facilitator Governance Framework Document or that it has no reasonable prospect of success.

6.7.4 The Authority may allow an appeal where the Authority is satisfied that the cost item referring to a specific Market Facilitator Operational Service meets one or more of the appeal grounds set out in the Market Facilitator Governance Framework Document.

6.7.5 Where several appeals refer to the same part of a Market Facilitator Operational Service, the Authority may decide in its sole discretion to amalgamate those appeals into one appeal. The provisions in this Clause 6.7 shall apply to the amalgamated appeals as if they were one appeal.

6.7.6 Where the Authority allows an appeal of the budget pursuant to paragraph 6.7.5, the Authority may take any of the appeal actions set out in the Market Facilitator Governance Framework Document.

6.7.7 Pending resolution of any appeal, the Market Facilitator shall be entitled to incur costs in respect of the cost item that is subject to the appeal having regard for any implications this may have on the wider compliance with the Market Facilitator Delivery Schedule and the Market Facilitator Arrangements.

7. BSC COMPANIES

7.1 General

7.1.1 ~~BSCCo may discharge any of its powers, functions and responsibilities under the Code through (and by delegation to) a Subsidiary in which BSCCo is permitted to hold shares in accordance with paragraph 3.4.5(b)(ii) (and in particular may hold any BSC Agent Contract through such a Subsidiary); but only to the extent to which the powers, functions or responsibilities relate to activities which were carried out, or which are equivalent to or developed from activities which were carried out, by the relevant company before it became a Subsidiary pursuant to the Implementation Scheme on the Code Effective Date~~Not used.

7.1.2 No Subsidiary of BSCCo shall, and BSCCo shall procure that any Subsidiary shall not:

(a) have or exercise any powers or functions beyond the powers and functions of BSCCo; or

(b) otherwise do anything which pursuant to the Code may not be done by BSCCo, or may not be done without the consent or approval of the ~~Panel~~Authority.

7.1.3 ~~For the purposes of paragraph 3.4.3(a) the reference to borrowings~~The restrictions in the Code Manager Licence relating to indebtedness ~~in that paragraph shall be to the borrowings~~shall, except to the extent approved otherwise by the Authority, apply to ~~of~~ BSCCo and all of its Subsidiaries in aggregate.

7.1.4 Reference in this paragraph 7.1 to Subsidiaries of BSCCo do not include the BSC Clearer.

7.1.5 ~~Without prejudice to the generality of paragraph 7.1.1, a~~A Subsidiary in which BSCCo is permitted to hold shares in accordance with paragraph 3.4.5(b)(ii) may discharge any of its powers, functions and responsibilities under the Code through (and by delegation to) the BSC Services Manager.

7.2 BSC Clearer

7.2.1 The BSC Clearer shall fulfil the role provided in Section N, and shall have the duties, powers and functions set out in that Section.

7.2.2 The BSC Clearer shall not undertake any business or activity, and shall not take any step or incur any commitment or liability, other than pursuant to and in accordance with Section N and this paragraph 7.

7.3 Duties of BSCCo

7.3.1 BSCCo shall at all times be the registered holder of all of the issued share capital of each of its Subsidiaries.

7.3.2 Neither BSCCo nor any of its Subsidiaries shall authorise or agree to, or permit or take any step for or with a view to, any of the following:

(a) any change in the authorised share capital of any Subsidiary;

(b) the issue of any share capital, or issue or grant of any option, warrant or other instrument, security or right to subscribe for or which is convertible into shares of any Subsidiary;

(c) any transfer of any shares of any Subsidiary;

(d) the creation of any pledge, mortgage, charge or other encumbrance over any shares of any Subsidiary.

7.3.3 BSCCo shall act, and exercise its rights, as shareholder of each Subsidiary so as and only so as to secure that the provisions of the Code are given effect in relation to such Subsidiary.

7.4 Constitution, etc

7.4.1 Subject to paragraph 7.4.2, the Memorandum and Articles of Association of the BSC Clearer shall be in the form designated pursuant to the Implementation Scheme.

7.4.2 The form of the Memorandum and Articles of Association of the BSC Clearer shall be treated as incorporated in and forming part of the Code for the purposes of enabling such form to be modified, and such form shall accordingly be capable of being modified, by way of Code Modification made pursuant to a Modification Proposal and otherwise in accordance with Section F; and the Memorandum and Articles of Association of the BSC Clearer shall be amended so as to be in any such modified form.

7.4.3 The Memorandum and Articles of Association of each other Subsidiary of BSCCo shall be in the same form as nearly as practicable as those of BSCCo (but with any differences consequent on its being such a Subsidiary).

7.4.4 The registered office, accounting reference date and statutory auditors of each Subsidiary of BSCCo shall be the same as those of BSCCo.

7.5 Directors and secretary

7.5.1 Subject to paragraph 7.5.1A, the board of directors of each Subsidiary of BSCCo shall at all times comprise the persons who are for the time being Directors of BSCCo, and the company secretary of such Subsidiary shall be the person who is for the time being company secretary of BSCCo.

7.5.1A Where any Subsidiary of BSCCo is a Dormant Subsidiary then it shall not be necessary for all of the persons who are for the time being Directors of BSCCo to also be Directors of each Dormant Subsidiary, provided that the chair of BSCCo shall at all times be a Director of each Subsidiary.

7.5.2 Subject to paragraph 7.5.1A, any person who is appointed or re-appointed as, or who resigns or is removed as, Director or company secretary of BSCCo shall be appointed or re-appointed, or shall resign or be removed, as a director or (as the case may be) the company secretary of each Subsidiary of BSCCo; and a director or the company secretary of such a Subsidiary shall not resign as such unless they resign at the same time as a Director or (as the case may be) the company secretary of BSCCo.

7.5.3 Subject to paragraph 4.6.1, the person who is for the time being Chief Executive of BSCCo shall act as chief executive of each Subsidiary of BSCCo, under such terms of reference as the board of directors of such Subsidiary may determine.

7.5.4 Each director of a Subsidiary shall be entitled to be reimbursed by BSCCo for the reasonable costs and expenses (including travel and accommodation costs) properly incurred by such director in attending meetings or otherwise in the conduct of the business of the board of directors of the Subsidiary and not otherwise reimbursed under paragraph 4.4.1.

7.5.5 No director of a Subsidiary shall be entitled (in that capacity) to be paid any remuneration or benefits other than their costs and expenses in accordance with paragraph 7.5.4.

7.6 BSCCo services

7.6.1 BSCCo shall provide to each of its Subsidiaries such administrative, support and other services, and may make such other arrangements with such Subsidiaries, as may be required to enable the Subsidiary to perform its functions.

7.6.2 The arrangements made by BSCCo under paragraph 7.6.1 shall include arrangements which ensure that each Subsidiary has funds sufficient to meet its costs, expenses and other outgoings.

7.6.3 In the case of the BSC Clearer, the services to be provided by BSCCo under paragraph 7.6.1 include, without limitation, to the extent to which (under the Code and the relevant BSC Service Description) the FAA is to provide services to or for the benefit of the BSC Clearer, entering into and managing the relevant BSC Agent Contract with the FAA.

7.6.4 The BSC Clearer and BSCCo will make such further arrangements (including the conferring of appropriate authorities on BSCCo) as are requisite in connection with the provision of services by BSCCo under paragraph 7.6.1.

8. NOT USED

9. PROVISION OF PROFILE ADMINISTRATION SERVICES BY BSCCO

9.1 Provision of Profile Administration Services in certain circumstances

9.1.1 Subject to the further provisions of this paragraph 9, BSCCo shall ~~where the Panel's prior consent has been obtained~~having first undertaken a SAF Referral, provide (directly and/or via a service provider) the services set out in Section S4.2 (the "**Profile Administration Services**").

9.1.2 Where the BSCCo is not providing ~~Panel's prior consent to BSCCo providing~~ the Profile Administration Services ~~has not been obtained~~, a Profile Administrator shall be appointed in accordance with Section E.

9.1.3 BSCCo shall ~~obtain~~ undertake a further ~~Panel consent~~SAF Referral ~~to continue to provide the Profile Administration Services~~ if a material change occurs in BSCCo's provision of the Profile Administration Services and in any event not less than once every five years.

9.1.4 A "**material change**" for the purposes of this paragraph 9 means a change to BSCCo's systems, processes or resources which is of such a type or magnitude as to raise the reasonable expectation of an impact on BSCCo's ability to efficiently meet its obligations to deliver the Profile Administration Services.

9.2 BSCCo's capacity and obligations

9.2.1 Where the Profile Administration Services are provided by BSCCo, they are provided in its capacity as BSCCo and not as a BSC Agent.

9.2.2 For the duration of any period where BSCCo provides the Profile Administration Services, Section E shall not apply in respect of the provision of those services.

9.2.3 Subject to paragraphs 9.2.1 and 9.2.2, BSCCo shall provide the Profile Administration Services in accordance with the Code.

9.2.4 Where the Profile Administration Services are provided by BSCCo, all obligations and requirements on Parties and other persons in the Code with respect to Profile Administration Services and/or the Profile Administrator shall continue unaltered (mutatis mutandis) notwithstanding that the Profile Administration Services shall be provided by BSCCo.

9.2.5 For the duration of any period where BSCCo provides the Profile Administration Services, the following provisions of Section S4 shall be deemed to have been amended as follows:

(a) Section S4.2.1(f) shall not apply;

(b) Section S4.2.2 shall read:

BSCCo shall prepare a set of Regression Coefficients, Group Average Annual Consumption values and Profile Coefficients for each BSC Year on or before 30th November before the beginning of the relevant BSC Year, using data collected from the load research programme carried out by it or its appointee, augmented with data provided by Suppliers which is consistent with the overall sample design;

(c) Section S4.2.3 shall read:

BSCCo shall prepare:

(a) on a quarterly basis, a breakdown by GSP Group of each Profile Class sample, together with a statement of the daily average number

of customers for which monitoring equipment has been successfully installed and commissioned for each Profile Class in respect of the previous quarter (a quarter being a period of three months commencing on 1st January, 1st April, 1st July and 1st October in any year); and

(b) an annual report and data analysis plan (in such form as may be specified by ~~the Panel~~BSCCo) setting out what load research data it proposes to use, together with a load research plan (in such form as ~~the Panel~~BSCCo shall specify) setting out the proposed sample design and sample sizes in respect of the following BSC Year.

(d) for the purposes of Sections S4.2.4, S4.2.5, S4.2.6, S4.2.7 and S4.2.8 "*Profile Administrator*" shall be read as "*BSCCo*".

9.3 Contracts for Profile Administration Services

9.3.1 Where BSCCo provides the Profile Administration Services, in whole or in part, via a service provider(s), BSCCo shall enter into each contract for the provision of Profile Administration Services in accordance with this paragraph 9.3 (a "**Profile Administration Services Contract**") and for these purposes:

(a) a service provider providing Profile Administration Services shall not be considered to be a 'BSC Agent' under the Code; and

(b) notwithstanding paragraphs 9.2.2 and 9.3.1(a), the provisions of Section E2.4 and Section E3 shall apply to each Profile Administration Services Contract as if references to a BSC Agent included the service provider and references to a BSC Agent Contract included all Profile Administration Services Contracts subject to the provisions of Section E3.2 applying to a service provider of Profile Administration Services in its capacity as such and not in any other capacity which it may have under the Code.

9.3.2 Each Profile Administration Services Contract shall contain terms which provide that the service provider shall make provision for the BSC Auditor to access those things required by Section H5.5.2.

9.3.3 It is recognised that where paragraph 9.3.1 applies, a service provider of Profile Administration Services may be a Party. Where a service provider of Profile Administration Services is a Party:

(a) such Party shall have no rights, benefits, obligations or liability in its capacity as a service provider to or against any other Party under the Code, but without prejudice to its rights and obligations:

(i) as service provider under its Profile Administration Services Contract; and

(ii) in any other capacity under the Code;

(b) references to a Party or Parties in the Code shall be construed as excluding any service provider of Profile Administration Services (which is a Party) in its capacity as a service provider (but as including such person in any other capacity it may have under the Code); and

(c) the provision, disclosure and use of any data relating to a Party which is used in or in connection with the Profile Administration Services by a service provider

shall not be considered or construed as being made pursuant to any provision of the Code.

9.3.4 Notwithstanding paragraph 9.3.1(a):

(a) Section H4.6 shall apply to service providers of Profile Administration Services as if references to BSC Agents included service providers and references to BSC Agent Contracts included Profile Administration Services Contracts;

(b) references to BSC Agents and BSC Agent Contracts in Section W shall be deemed to include, respectively, service providers referred to in paragraph 9.3.1 and Profile Administration Services Contracts; and

(c) references to BSC Agents in Section W1.4.1 shall be deemed to include BSCCo.

10. PERMISSIBLE ACTIVITIES UNDERTAKEN BY PERMITTED AFFILIATES

10.1 General

10.1.1 In respect of each Permitted Affiliate:

(a) BSCCo shall be entitled to subscribe for, acquire or hold any share or other security in a Permitted Affiliate and paragraph 3.4.5(b) shall not apply;

(b) BSCCo shall not dispose of any legal or beneficial interest in any shares or other security in a Permitted Affiliate undertaking activities and functions specified in paragraph 1 of Annex C-1 except:

(i) to the CfD Counterparty and/or the CM Settlement Body and/or to any nominees of the CfD Counterparty and/or the CM Settlement Body; or

(ii) where otherwise directed to do so by the Secretary of State,

in which case paragraph 3.4.5(c) shall not apply; and

~~(c) the Panel shall have no rights of approval or disapproval in respect of claims or proceedings by or against a Permitted Affiliate, or waivers or settlements of such claims, and paragraph 3.4.3(e) shall not apply; and~~

(~~d~~c) paragraph 7 shall not apply.

10.1.2 Each Party, the Stakeholder Advisory Forum and each Code Committee ~~and the Panel~~ shall not (whether by action, omission or withholding of consent) prevent or restrict a Permitted Affiliate from performing all activities and functions and assuming all responsibilities and duties set out in Annex C-1.

10.1.3 Paragraphs 5.1. and 5.2 shall not apply to a Permitted Affiliate and, subject to paragraph 10.1.4, each Party (to the fullest extent permitted by law) waives any claim in damages or any other claim of a financial nature against a Permitted Affiliate and releases each Permitted Affiliate from any liability in respect of any breach by such Permitted Affiliate of any provision of the Code or in tort (including negligence) or otherwise.

10.1.4 Nothing in paragraph 10.1.3 shall exclude or limit the liability of a Permitted Affiliate for:

(a) death or personal injury resulting from the negligence of such Permitted Affiliate; or

(b) fraud or fraudulent misrepresentation; or

(c) any claim against that Permitted Affiliate brought by a Party (acting in a capacity other than as a Party) solely to the extent that such Party has a right to bring a claim under an EMR Legal Requirement.

10.1.5 BSCCo may amend any BSC Agent Contract to include the supply of services to support Permissible Activities.

10.1.6 Nothing in this paragraph 10 shall affect or limit BSCCo's obligation to discharge its functions and responsibilities pursuant to the Code.

10.2 Ring-Fencing of Permitted Affiliates

10.2.1 Without prejudice to paragraphs 3.4 and 3.5, but subject to paragraph 10.1, the following provisions shall apply (as relevant) to BSCCo and to each Permitted Affiliate:

(a) without prejudice to paragraph 3, BSCCo shall not transfer, lease, licence, or lend any sum or sums, asset (including non-financial resources), right, or benefit to a Permitted Affiliate except by way of:

(i) a payment properly due for any goods, services, data, information, or assets provided on an arm's length basis and on normal commercial terms; or

(ii) a transfer, lease, licence, or loan of any sum or sums, data, information, asset, right, or benefit that is on an arm's length basis and on normal commercial terms;

(b) except as permitted in paragraph 10.2.1(a), BSCCo shall not enter into any borrowing for or on behalf of a Permitted Affiliate where the term "borrowing" has the same meaning as that term in accordance with paragraph 3.4.4;

(c) BSCCo and each Permitted Affiliate shall implement agreed contractual arrangements to ensure that:

(i) where any common or shared costs between BSCCo and a Permitted Affiliate are incurred these costs are allocated reasonably and equitably, provided that in determining such allocation a Permitted Affiliate shall not be obliged to pay in excess of the established market rate, if applicable; and

(ii) where BSCCo incurs any costs (including costs in respect of any liabilities incurred by BSCCo) that arise as a consequence of services provided by BSCCo, or on BSCCo's behalf by a BSC Agent, to a Permitted Affiliate, such costs shall be recoverable from the Permitted Affiliate on a cost recovery basis; and

(d) Parties shall have no liability or obligation to provide financial support to a Permitted Affiliate in respect of its performance of Permissible Activities.

11. PROVISION OF SUPPORT TO EMR SETTLEMENT SERVICES PROVIDERS

11.1 Provision of Support to EMR Settlement Services Providers

11.1.1 Without prejudice to paragraph 10, BSCCo may, in its discretion, provide (directly and/or via a BSC Agent) to an EMR Settlement Services Provider such support services (including the provision of assurance services) as may be reasonably incidental to supporting that EMR Settlement Services Provider in discharging its EMR Settlement Functions.

11.2 Agreement between BSCCo and EMR Settlement Services Providers

11.2.1 Subject to the disclosure obligations in Section V5, BSCCo shall enter into an agreement or agreements with any CFD Settlement Services Provider and any CM Settlement Services Provider including, inter alia, terms relating to the provision of Relevant EMR Settlement Data in accordance with Section V5, and terms that:

(a) restrict the use of the Relevant EMR Settlement Data to the extent necessary to enable any CFD Settlement Services Provider and/or any CM Settlement Services Provider (and their service providers) to discharge their EMR Settlement Functions;

(b) are consistent with the terms (as to availability and reliability of data) contained in agreements entered into by BSCCo pursuant to Section V3.2.7;

(c) in respect of the CFD Settlement Data, impose restrictions on the use of CFD Settlement Data equivalent to the restrictions on the use of Confidential Information in Section H4 provided that a CFD Settlement Services Provider shall be entitled to share CFD Settlement Data with any CfD Counterparty, and otherwise in accordance with the EMR Legal Requirements;

(d) in respect of the CM Settlement Data, reflect the provisions on the use of protected information contained in the EMR Legal Requirements;

(e) where EMR Settlement Data is to be disclosed to a service provider of an EMR Settlement Services Provider, provide that such EMR Settlement Data shall only be disclosed on a "need-to-know" basis and requiring such service providers to enter into a confidentiality agreement with the relevant EMR Settlement Services Provider on terms equivalent to those contained in an EMR Legal Requirement or, if there is no applicable EMR Legal Requirement, Section H4;

(f) allow for the provision of support services in accordance with paragraph 11.1.1 and which, to the fullest extent permitted by law, restrict BSCCo's liability to the EMR Settlement Services Provider for any claim in damages or any other claim of a financial nature relating to the supply of services to the EMR Settlement Services Provider to the amounts payable under the agreement for those services; and

(g) provide for the payment by any CFD Settlement Services Provider of CFD Settlement Services Provider Costs and by any CM Settlement Services Provider of CM Settlement Services Provider Costs, as appropriate to the relevant agreement, in each case in accordance with Section D7.

12. MARKET-WIDE HALF HOURLY SETTLEMENT IMPLEMENTATION

12.1 Introduction

12.1.1 This paragraph 12 sets out the roles, obligations, governance and assurance for the implementation of market-wide, half-hourly Settlement (referred to as MHHS Implementation).

12.1.2 This paragraph 12 contains obligations on BSCCo as MHHS Implementation Manager, and on Parties (including BSCCo) as MHHS Participants. It also places obligations on certain entities which are not Parties. Compliance by these entities is required by other Industry Codes to which they are party or by their licences.

12.1.3 Assurance of MHHS Implementation is provided by the MHHS Independent Assurance Provider.

12.2 Interpretation

12.2.1 "**DCC Licence**" means a smart meter communication licence granted under the Act.

12.2.2 "**IT System**" means a system for generating, sending, receiving, storing (including for the purposes of back-up), manipulating or otherwise processing electronic communications, including all hardware, software, firmware and data associated with such activities.

12.2.3 "**MHHS Affected Code Body**" means each of the following entities in respect of the following Industry Codes: (a) for the Connection and Use of System Code (as defined in the ESO Licence), the NETSO; (b) for the Smart Energy Code (as defined in the DCC Licence), SECCo (as defined in that code); (c) for the Retail Energy Code (as defined in the Supplier Licences), RECCo (as defined in that code); and (d) for the Distribution Connection and Use of System Agreement (as defined in the Supplier Licences), DCUSA Ltd (as defined in that agreement).

12.2.4 "**MHHS DA**" means BSCCo as the 'Design Authority' for MHHS Implementation, as described in paragraph 12.7.

12.2.5 "**MHHS Data Cleansing Plan**" means the data cleansing plan for MHHS Implementation.

12.2.6 "**MHHS Data Migration Plan**" means the data migration plan for MHHS Implementation.

12.2.7 "**MHHS Defect Management Plan**" means the defect management plan for MHHS Implementation.

12.2.8 "**MHHS Governance Framework**" means the document or documents setting out the detailed governance and assurance requirements for MHHS Implementation, as described in paragraph 12.3.

12.2.9 "**MHHS Implementation**" means the implementation of market-wide, half-hourly Settlement (including data migration and storage and other ancillary and incidental matters), including the following:

(a) the energy licence modifications required to enable and facilitate such implementation;

(b) the modifications to this Code and to other Industry Codes required to enable and facilitate such implementation;

(c) the mobilisation, designing, building, testing, integration and go-live of the IT Systems and business processes required to enable and facilitate such implementation; and

(d) establishing readiness for, and the determination of, relevant stages of MHHS Implementation, including the MHHS System Go-Live Date and the beginning and end of periods for MHHS Qualification, migration, completion of transition to new and completion of existing Settlement Runs and post-implementation steps.

12.2.10 "**MHHS Implementation Manager**" means BSCCo in its roles as MHHS SRO, MHHS PMO, MHHS DA, MHHS SI and MHHS PPC.

12.2.11 "**MHHS Implementation Timetable**" means the timetable for MHHS Implementation, as established under (and subject to change in accordance with) the MHHS Governance Framework.

12.2.12 "**MHHS Independent Assurance Provider**" means the independent assurance provider for MHHS Implementation, as described in paragraph 12.10.

12.2.13 "**MHHS ISMS**" means the information security management system arrangements put in place to ensure MHHS Implementation compliance with ISO 27001, or equivalent.

12.2.14 "**MHHS Migration Plan**" means the plan for the migration of Metering Systems as required for MHHS Implementation, as described in paragraph 12.8

12.2.15 "**MHHS Participant**" means each of: (a) BSCCo (but excluding its role as MHHS Implementation Manager); (b) each Supplier; (c) each Licensed Distribution System Operator; (d) the DCC; (e) each MHHS Affected Code Body; (f) each Data Collector; (g) each Data Aggregator; (h) each Meter Operator Agent; and (i) any other person or category of person which the Authority directs.

12.2.16 "**MHHS PMO**" means BSCCo as the 'Programme Management Office' for MHHS Implementation, as described in paragraph 12.6.

12.2.17 "**MHHS PPC**" means BSCCo as the 'Programme Party Coordinator' for MHHS Implementation, as described in paragraph 12.9.

12.2.18 "**MHHS Programme Steering Group**" means the group of MHHS Participant representatives established from time to time under the MHHS Governance Framework.

12.2.19 "**MHHS Qualification**" means written confirmation from BSCCo ~~the Panel (or~~ or the Performance Assurance Board if delegated by ~~the Panel~~BSCCo) that, in the opinion of BSCCo (or the ~~Panel (or~~ Performance Assurance Board as the case may be), the Party or Party Agent has, (a) met the requirements set out in the MHHS Qualification Plan as those which have to be met by that, or that class of, Party or Party Agent and (b) done so by the date specified in the MHHS Qualification Plan; and shall, if required, include re-Qualification.

12.2.20 "**MHHS Qualification Plan**" means the plan for the MHHS Qualification of those requiring MHHS Qualification for the purposes of MHHS Implementation, as described in paragraph 12.11.2.)

12.2.21 "**MHHS SI**" means BSCCo as the 'Systems Integrator' for MHHS Implementation, as described in paragraph 12.8.

12.2.22 "**MHHS SRO**" means BSCCo as the 'Senior Responsible Owner' for MHHS Implementation, as described in paragraph 12.5.

12.2.23 "**MHHS System Go-Live Date**" means the time and date designated as such by the MHHS SRO.

12.2.24 "**MHHS Target Operating Model**" means the target operating model for market-wide, half-hourly Settlement, as set out or referred to in the MHHS Governance Framework, and subject to change in accordance with the MHHS Governance Framework.

12.2.25 "**MHHS Test Plan**" means the test plan for each test phase of MHHS Implementation.

12.3 MHHS Governance Framework

12.3.1 The Authority may designate (and may, if it wishes from time to time, re-designate) one or more documents as the MHHS Governance Framework.

12.3.2 The MHHS Governance Framework shall set out supplementary rights, obligations and processes to apply in respect of MHHS Implementation, which may include some or all of the following:

(a) a governance framework for MHHS Implementation, including the creation of the MHHS Programme Steering Group and other representative and/or specialist groups as are required for MHHS Implementation;

(b) a change control process for MHHS Implementation;

(c) further details in relation to performance assurance for MHHS Implementation;

(d) the initial MHHS Target Operating Model;

(e) the initial MHHS Implementation Timetable;

(f) provision for the Authority to re-assign some or all of the roles of the MHHS Implementation Manager (or parts of those roles) to an entity other than BSCCo; and

(g) the decision-making thresholds for matters which must and/or may be referred to the Authority.

12.4 BSCCo as MHHS Implementation Manager: General

12.4.1 BSCCo shall (either itself or through external service provider(s)) perform its MHHS Implementation Manager roles:

(a) in accordance with Good Industry Practice;

(b) without undue discrimination between MHHS Participants (or classes of MHHS Participants), which includes ensuring no undue discrimination between BSCCo (as an MHHS Participant) and other MHHS Participants;

(c) economically and efficiently and with due consideration of the total cost to and impact on MHHS Participants, and taking into account (in so far as is relevant and possible) the likely impact on consumers;

(d) in accordance with the MHHS Implementation Timetable;

(e) in accordance with the MHHS Governance Framework;

(f) in accordance with the MHHS ISMS;

(g) taking into account the recommendations from time to time of the MHHS Independent Assurance Provider (and, if BSCCo opts not to follow such a recommendation, BSCCo shall notify the Authority of BSCCo's reasons for not following the recommendation); and

(h) in accordance with the Authority's directions from time to time.

12.4.2 BSCCo shall ensure that it maintains the service providers and personnel (with the necessary qualifications and experience), IT Systems and facilities necessary to enable it to perform its role as MHHS Implementation Manager.

12.4.3 BSCCo shall ensure that the service providers, personnel, IT Systems and facilities it uses to perform its role as MHHS Implementation Manager are sufficiently separated from those it uses as an MHHS Participant, as further described and set out in the MHHS Governance Framework and a business separation plan to be approved by the Authority. The Board shall ensure that BSCCo complies with this paragraph 12.4.3. Without limitation, the Board shall maintain appropriate delegations to specified executive members and the MHHS SRO (and, by extension, the rest of the MHHS Implementation Manager function). BSCCo shall ensure that, where it does need to share any MHHS Implementation Manager information with its executive or board members to facilitate the performance of their oversight responsibilities, such information is anonymised between MHHS Participants. BSCCo shall also ensure that the Authority and the MHHS Independent Assurance Provider are informed that the information has been shared and provided with a record of any decisions in relation to it. Subject to such oversight, and notwithstanding programme information available to MHHS Participants, information available to the MHHS Implementation Manager roles must not be shared with the rest of BSCCo (including the Board). Subject to compliance with the MHHS Governance Framework the Board shall be entitled to meet with the MHHS Independent Assurance Provider and to ask the MHHS Independent Assurance Provider to consider and report on any matter in relation to performance of the MHHS Implementation Manager roles (in which case such reports shall be made available to all MHHS Participants, unless the Authority directs otherwise).

12.4.4 As set out in paragraph 12.4.1, BSCCo has the option to appoint an external service provider to perform some or all of its MHHS Implementation Manager roles. BSCCo can also delegate aspects of each role (including to industry groups). However, BSCCo shall always remain responsible under this Code for the performance of the MHHS Implementation Manager roles (subject to paragraph 12.4.8). As regards each of the MHHS Implementation Manager roles, BSCCo shall publish a statement on the BSC Website providing an explanation of its decision as to whether or not to appoint an external service provider to perform such role. Where directed by the Authority, BSCCo shall appoint an external service provider to provide one or more of the MHHS Implementation Manager roles. Where directed by the Authority, BSCCo shall terminate all or part of a contract between BSCCo and an external service provider of an MHHS Implementation Manager role, and appoint a replacement service provider to that role.

12.4.5 BSCCo shall provide (without prejudice to paragraph 3.6) such reporting and information to the Authority, and shall attend such boards, steering groups and meetings, in each case in connection with the MHHS Implementation as the Authority may specify.

12.4.6 The costs, expenses and liabilities incurred by BSCCo in undertaking the role of MHHS Implementation Manager (including such additional expenses and liabilities as BSCCo may incur, including with respect to service providers, in the event that BSCCo's appointment or

responsibilities pursuant to this paragraph 12 cease prior to the completion of the MHHS Implementation) shall be BSC Costs, but BSCCo shall keep account of such costs, expenses and liabilities separately from all other BSC Costs (including separately from the costs incurred by BSCCo as an MHHS Participant).

12.4.7 BSCCo shall prepare and make available to the ~~Panel and to the~~ MHHS Programme Steering Group regular reports in respect of BSCCo's activities as MHHS Implementation Manager, and the costs incurred as the MHHS Implementation Manager. However BSCCo shall not be required to disclose any information relating to the MHHS Implementation which the Authority expressly requests BSCCo to keep confidential.

12.4.8 The Authority may, in accordance with the MHHS Governance Framework, determine that an entity other than BSCCo is to perform some or all of the roles of the MHHS Implementation Manager (or parts of those roles). In such circumstances:

(a) BSCCo shall cease to perform the relevant role(s), BSCCo shall have no further obligations or responsibilities in the relevant role(s) (other than under this paragraph 12.4.8), and the remainder of this paragraph 12 shall be interpreted accordingly;

(b) the MHHS Implementation Manager (insofar as it has continuing roles) and each MHHS Participant shall co-operate and provide reasonable assistance in relation to the transfer of functions;

(c) BSCCo shall, if so directed by the Authority from time to time (including in the case of successive replacements), enter into a contract with the replacement provider of the relevant role(s) for the payment of the replacement provider's charges on the contract terms directed by the Authority (and comply with such contract); and

(d) the MHHS Implementation Manager (insofar as it has continuing roles) and each MHHS Participant shall continue to comply with its obligations in respect of MHHS Implementation vis-à-vis the replacement provider of the relevant role(s).

12.4.9 If BSCCo identifies a conflict between two or more of its obligations under this paragraph 12 or between its obligations under this paragraph 12 and its obligations under another part of this Code, then BSCCo shall immediately notify the Authority of such conflict, and shall comply with the Authority's directions concerning such conflict.

12.5 BSCCo as MHHS Implementation Manager: MHHS SRO

12.5.1 BSCCo shall act as and perform the role of the 'Senior Responsible Owner' for MHHS Implementation (the "**MHHS SRO**"). The MHHS SRO shall be responsible for delivery of MHHS Implementation in accordance with the MHHS Implementation Timetable, and accountable for ensuring that MHHS Implementation delivers the MHHS Target Operating Model and achieves the other outcomes specified by the Authority as part of the market wide half-hourly settlement Significant Code Review. The MHHS SRO shall perform its role in accordance with the design and implementation baselines determined by the Authority, as they are amended from time to time in accordance with the MHHS Governance Framework.

12.5.2 The responsibilities of the MHHS SRO shall include (without limitation):

(a) identifying, and informing the Authority of, any and all further modifications to energy licences which are required for MHHS Implementation;

(b) ensuring that the modifications to this Code which are required for MHHS Implementation are developed in consultation with MHHS Participants and provided to the Authority for implementation;

(c) monitoring and co-ordinating the development of the modifications to other Industry Codes which are required for MHHS Implementation (in conjunction with the MHHS Affected Code Bodies and in consultation with MHHS Participants), and ensuring that those modifications are presented to the Authority for implementation;

(d) ensuring the efficient, economical and co-ordinated design, build, testing and delivery of efficient, economical, co-ordinated and secure IT Systems and business processes for MHHS Implementation both centrally and (insofar as within its reasonable control) across all MHHS Participants;

(e) developing and documenting the MHHS ISMS for review by the Authority;

(f) overall responsibility for the governance and change process set out in the MHHS Governance Framework; and

(g) subject to paragraph 12.5.3, being responsible and accountable for all programme decisions made as part of MHHS Implementation.

12.5.3 Where the MHHS Governance Framework identifies a decision which should be escalated to the Authority, or the MHHS Independent Assurance Provider determines that a decision should be escalated to the Authority, then the MHHS SRO shall escalate the decision to the Authority, together with the MHHS SRO's recommendation in respect of the decision.

12.6 BSCCo as MHHS Implementation Manager: MHHS PMO

12.6.1 BSCCo shall act as and perform the role of the 'Programme Management Office' for MHHS Implementation (the "**MHHS PMO**"). The MHHS PMO shall be responsible for providing full and effective programme management to support MHHS Implementation.

12.6.2 The responsibilities of the MHHS PMO shall include (without limitation):

(a) establishing and administering the governance groups required by the MHHS Governance Framework, including the organisation of meetings, chairing of meetings, setting of agendas, preparation and circulation of papers, and the production of accurate minutes of meetings;

(b) managing programme documentation, including dissemination of information to and consultation with MHHS Participants, timely provision of documentation, clear and accessible presentation of documentation, strict version control of documents, and baselining of approved documents;

(c) establishing and administering the document change control process as required by the MHHS Governance Framework (where relevant, in conjunction with the MHHS DA), including impact assessment and consultation (which must include consideration against any factors specified in the MHHS Governance Framework, and cover impact on consumers, total and component costs to industry as a whole and to different classes of MHHS Participants, and the likely impact on the ability of MHHS Participants to meet the MHHS Implementation Timetable);

(d) ensuring that any decisions that will ultimately require modifications to this Code or any other Industry Code are developed and consulted upon in accordance with good regulatory practice;

(e) maintaining the MHHS Implementation Timetable, and updating it to reflect changes made in accordance with the MHHS Governance Framework;

(f) proposing, consulting on and confirming the timelines and milestones for MHHS Qualification under the MHHS Qualification Plan and the timetable for migration under the MHHS Migration Plan, all of which must be performed in accordance with the MHHS Governance Framework, including being consistent with the MHHS Implementation Timetable;

(g) tracking and reporting on progress against the MHHS Implementation Timetable to the Authority, the MHHS SRO and the MHHS Programme Steering Group; and

(h) identifying risks to successful completion of MHHS Implementation Timetable milestones (including via a risk, assumptions, issues and dependencies (RAID) log), reporting on those risks to the Authority, the MHHS SRO and the MHHS Programme Steering Group, and proposing to the MHHS SRO measures to address those risks.

12.7 BSCCo as MHHS Implementation Manager: MHHS DA

12.7.1 BSCCo shall act as and perform the role of the 'Design Authority' for MHHS Implementation (the "**MHHS DA**"). The MHHS DA shall be responsible for securing the robust and stable design of the business processes and IT Systems via which market-wide, half-hourly Settlement is to be provided, including the existing and new IT Systems of BSCCo and any other new central IT System and the interface of those IT Systems with those of other MHHS Participants (but excluding the IT Systems of such other MHHS Participants).

12.7.2 The responsibilities of the MHHS DA shall include (without limitation):

(a) identifying the design documents and artefacts that will be required to secure effective MHHS Implementation, and allocating responsibility for producing and maintaining each such design document or artefact;

(b) baselining all design documents and artefacts in accordance with the MHHS Governance Framework, and managing changes to those design documents and artefacts in accordance with the MHHS Governance Framework;

(c) ensuring that the design documentation and artefacts are complete and adequate and set out the design with a precision and at a level of detail that allows all MHHS Participants to fulfil their obligations in relation to MHHS Implementation;

(d) documenting the policies, processes and procedures required by the MHHS ISMS; and

(e) identifying omissions and other deficiencies in the design documentation and artefacts, reporting on those to the MHHS SRO and MHHS Programme Steering Group, and proposing to the MHHS SRO measures to address those deficiencies.

12.8 BSCCo MHHS Implementation Manager: MHHS SI

12.8.1 BSCCo shall act as and perform the role of the 'Systems Integrator' for MHHS Implementation (the "**MHHS SI**"). The MHHS SI shall be responsible for securing the robust and stable integration of the business processes and IT Systems to be used by MHHS Participants for the purposes of market-wide, half-hourly Settlement (including integration with the business processes and IT Systems which are the subject of paragraph 12.7).

12.8.2 The responsibilities of the MHHS SI shall include (without limitation):

(a) procuring the production of an end-to-end test plan (consistent with the MHHS Implementation Timetable), which sets out the test phases for MHHS Implementation and the MHHS Participants required to participate in each such test phase (which end-to-end plan shall be subject to change control in accordance with the MHHS Governance Framework);

(b) proposing, consulting on, and confirming (in accordance with the MHHS Governance Framework) an MHHS Test Plan for each test phase of MHHS Implementation (which shall be subject to change control in accordance with the MHHS Governance Framework), which must cover for the relevant test phase:

(i) the MHHS Participants that are required to, or eligible to, participate in the test phase;

(ii) the objectives for the test phase (which may include intermediate stages) and the pass/fail criteria;

(iii) the test tools, test data and test environments to be made available;

(iv) the timetable for the test phase (which may include intermediate stages within the test phase);

(v) the entry criteria for the start of the test phase (and for any intermediate stage);

(vi) the reports required to be produced by the MHHS SI and MHHS Participants;

(vii) the exit criteria for completion of the test phase (and any intermediate stage); and

(viii) the process by which the test phase (and any intermediate stage) will be determined to have been successfully completed;

(c) providing timely and expert assistance to the MHHS Participants in complying with their obligations under each MHHS Test Plan;

(d) proposing , consulting on, and obtaining approval for (in accordance with the MHHS Governance Framework) an MHHS Data Cleansing Plan, an MHHS Data Migration Plan and an MHHS Defect Management Plan (which shall each be consistent with the MHHS Implementation Timetable and subject to change control in accordance with the MHHS Governance Framework); and

(e) tracking the progress of MHHS Participants against the MHHS Test Plans, and reporting on such progress to the MHHS SRO and the MHHS Programme Steering Group; and

(f) propose, consult on, and obtain approval for (in accordance with the MHHS Governance Framework) a plan (the "**MHHS Migration Plan**") which identifies: (i) which classes of MHHS Participant are to participate in the required migration of Metering Systems; and (ii) the requirements with which each such MHHS Participant must comply (in sufficient detail to enable them to prepare for and complete such migration). The MHHS SI shall also ensure that the MHHS Migration Plan includes the timetable for migration set by the MHHS PMO.

12.9 BSCCo as MHHS Implementation Manager: MHHS PPC

12.9.1 BSCCo shall act as and perform the role of the 'Programme Party Co-ordinator' for MHHS Implementation (the "**MHHS PPC**"). The MHHS PPC shall be responsible for full and effective co-ordination of MHHS Participants in relation to MHHS Implementation.

12.9.2 The responsibilities of the MHHS PPC shall include (without limitation):

(a) obtaining individual programme plans from MHHS Participants and verifying that each MHHS Participant has a plan which is consistent with the MHHS Implementation Timetable;

(b) monitoring each MHHS Participant's progress against its programme plan, and reporting to the MHHS SRO and the MHHS Programme Steering Group on such progress;

(c) monitoring each MHHS Participant's progress against key milestones in the MHHS Implementation Timetable, and reporting to the MHHS SRO and the MHHS Programme Steering Group on such progress;

(d) providing support and advice to MHHS Participants on their obligations in respect of MHHS Implementation;

(e) facilitating effective communication with MHHS Participants in respect of MHHS Implementation;

(f) ensuring that MHHS Participants are able to raise issues with the MHHS PMO and the MHHS Programme Steering Group; and

(g) ensuring that MHHS Participants understand and can comply with their obligations under the MHHS ISMS.

12.9A MHHS Implementation Manager: Development of Data Integration Platform

12.9A.1 For the purposes of the BSC, the "Data Integration Platform" means the Event Driven Architecture referred to in the Authority's "Decision on the reference architecture of the Market-Wide Half Hourly Settlement Target Operating Model" dated 14 December 2021.

12.9A.2 BSCCo, in its capacity as MHHS Implementation Manager, may develop the systems and processes that may be necessary to implement the Data Integration Platform provided that:

(a) in accordance with paragraph 12.4.4, BSCCo may appoint an external service provider to design, build, test (including participating in industry testing) and implement the Data Integration Platform;

(b) any costs, expenses and liabilities related to:

(i) the design, build, test (including participating in industry testing) and implementation of the Data Integration Platform; and/or

(ii) the termination of any contract entered into under this paragraph 12.9A that occurs whilst BSCCo remains responsible for the Data Integration Platform,

shall be BSC Costs pursuant to paragraph 12.4.6 and Section D8;

(c) responsibility for the enduring governance, funding and operation of the Data Integration Platform shall be determined by the Authority but:

(i) any contract entered into by BSCCo under paragraph 12.9A.2(a) may incorporate obligations relating to the post-implementation operation of the Data Integration Platform;

(ii) notwithstanding paragraph 12.4.3, and with respect to the matters set out in this paragraph 12.9A, BSCCo shall, in its capacity as MHHS Implementation Manager, consult and co-operate with:

(A) the part of BSCCo's business that is not the MHHS Implementation Manager; and

(B) any other person the Authority identifies as a potential enduring operator of the Data Integration Platform;

(iii) if directed to do so by the Authority, BSCCo shall transfer such contract to any person, and in accordance with such timescales, as the Authority considers appropriate;

(d) where the Authority has directed BSCCo to transfer the contract to another person before completion of the design, build, test (including participating in industry testing) and implementation of the Data Integration Platform, unless directed otherwise by the Authority, BSCCo shall continue to pay for such activities pursuant to paragraph 12.4.6 and Section D8.

12.10 MHHS Independent Assurance Provider

12.10.1 The MHHS SRO shall pay for the services of the entity from time to time contracted by the Authority to perform the role of MHHS Independent Assurance Provider and shall, if required by the Authority, enter into an agreement with the MHHS Independent Assurance Provider in relation to such payment.

12.10.2 Although the MHHS Independent Assurance Provider will be contracted by the Authority, the MHHS SRO shall manage such aspects of the MHHS Independent Assurance Provider's service provision as are described in the MHHS Governance Framework or as the Authority may from time to time direct.

12.10.3 The MHHS Independent Assurance Provider must not be:

(a) BSCCo, any Party, or any other MHHS Participant;

(b) an Affiliate of BSCCo, of any Party, or of any other MHHS Participant; or

(c) a service provider to the BSCCo in respect of the MHHS Implementation Manager roles.

12.10.4 Insofar as reasonably practicable (given the extent of the MHHS SRO's management function under paragraph 12.10.2), the MHHS SRO shall ensure that the MHHS Independent Assurance Provider performs its role:

(a) in accordance with Good Industry Practice;

(b) without undue discrimination between MHHS Participants (or classes of MHHS Participants);

(c) in accordance with the MHHS Implementation Timetable;

(d) in accordance with the MHHS Governance Framework; and

(e) in accordance with this paragraph 12 and the Authority's contract with the MHHS Independent Assurance Provider.

12.10.5 The duties of the MHHS Independent Assurance Provider shall include (without limitation):

(a) providing confidence to the MHHS Participants that MHHS Implementation will be successfully delivered against the MHHS Implementation Timetable, deliver the MHHS Target Operating Model and achieve the other outcomes specified by the Authority as part of the market wide half-hourly settlement Significant Code Review;

(b) managing and giving effect to the assurance principles and mechanisms set out in the MHHS Governance Framework;

(c) monitoring and providing assurance that the MHHS Implementation Manager is complying with its obligations under this paragraph 12;

(d) where there are disagreements between the MHHS Implementation Manager and MHHS Participants in relation to MHHS Implementation, providing an independent assessment of the issue and making recommendations to the MHHS SRO and the Authority for resolution;

(e) delivering independent assurance reporting to the MHHS SRO, to the MHHS Programme Steering Group and to the Authority in relation to MHHS Implementation;

(f) providing advice to the MHHS SRO, to the MHHS Programme Steering Group and to the Authority on any required improvement to MHHS Implementation in order to ensure its successful delivery in accordance with the MHHS Implementation Timetable, and delivery of the MHHS Target Operating Model and achievement of the other outcomes specified by the Authority as part of the market wide half-hourly settlement Significant Code Review; and

(g) ensuring that there is independent assurance of compliance with the MHHS ISMS.

12.11 MHHS Participants BSCCo

12.11.1 Separate from its role as MHHS Implementation Manager, BSCCo is an MHHS Participant. In addition to its general obligations as an MHHS Participant (as to which see paragraph 12.12), BSCCo also has particular responsibilities as an MHHS Participant in

respect of the MHHS Qualification Plan and supporting the migration of Metering Systems.

12.11.2 BSCCo shall undertake the following in relation to the MHHS Qualification of Parties and Party Agents in order to participate in market-wide, half-hourly Settlement:

(a) BSCCo shall propose, consult on, and obtain approval for (in accordance with the MHHS Governance Framework) a plan (the "MHHS Qualification Plan") which identifies: (i) which classes of Party or Party Agent will require MHHS Qualification in order to participate in market-wide, half-hourly Settlement; and (ii) the requirements to be satisfied by each such Party or Party Agent (in sufficient detail to enable them to prepare for and complete such MHHS Qualification). The BSCCo shall also ensure that the MHHS Qualification Plan includes the timelines and milestones for MHHS Qualification set by the MHHS PMO;

(b) BSCCo shall provide access to any of its IT Systems and business processes necessary to enable the relevant Parties and Party Agents to complete any MHHS Qualification required by them to participate in market-wide, half-hourly Settlement;

(c) BSCCo shall provide such access on the basis that all such Parties and Party Agents can access such systems and processes simultaneously, or (if this is not reasonably practicable) on the basis of a non-discriminatory order of access; and

(d) BSCCo shall provide reasonable information, advice and support to all the relevant Parties and Party Agents to support them in completing MHHS Qualification.

12.11.3 BSCCo shall undertake the following in relation to the migration of Metering Systems required for MHHS Implementation:

(a) BSCCo shall provide access to any of its IT Systems and business processes necessary to enable the relevant MHHS Participants to complete the required migration of Metering Systems; and

(b) BSCCo shall provide such access on the basis that all such MHHS Participants can access such systems and processes simultaneously, or (if this is not reasonably practicable) on the basis of a non-discriminatory order of access.

12.11.4 BSCCo shall provide reasonable information, advice and support to all the relevant MHHS Participants to support them in completing the required migration of Metering Systems.

12.12 MHHS Participants: General

12.12.1 Each MHHS Participant shall:

(a) deliver the new and modified IT Systems and business processes required of it as part of MHHS Implementation, including the mobilisation, design, building and testing of such IT Systems and business processes and their integration with those of other MHHS Participants (and shall do so in accordance with the MHHS Implementation Timetable);

(b) take all reasonable steps within its control to facilitate completion of MHHS Implementation in accordance with the MHHS Implementation Timetable,

including taking any action reasonably recommended by the MHHS Independent Assurance Provider;

(c) (in accordance with Good Industry Practice) develop, keep up-to-date and comply with its own programme plan (consistent with the MHHS Implementation Timetable) for MHHS Implementation;

(d) refrain from any action which would unduly compromise or delay MHHS Implementation;

(e) comply with the MHHS Governance Framework;

(f) provide the Authority, the MHHS Independent Assurance Provider or MHHS Implementation Manager with such information as they may reasonably request in relation to MHHS Implementation, including regarding the MHHS Participant's planning for and progress in relation to MHHS Implementation (including progress against its own programme plan);

(g) promptly identify, escalate and report to the MHHS Implementation Manager and MHHS Programme Steering Group any and all risks or disputes that may adversely affect MHHS Implementation;

(h) comply with the Authority's directions from time to time relating to MHHS Implementation;

(i) ensure it is able to meet the various milestones on the dates specified in the MHHS Implementation Timetable; and

(j) comply with its obligations under the MHHS ISMS.

12.12.2 For clarity, an MHHS Participant cannot seek to avoid or delay undertaking its obligations as an MHHS Participant by reason of cost. The MHHS Implementation Timetable has been set on the basis of engagement with parties and evidence as to an appropriate and overall cost effective implementation timetable, and will be subject to evidence-based review and change as appropriate. If an MHHS Participant considers that the costs of compliance become (or are likely to become) disproportionate, then it may raise the issue or seek a change under the MHHS Governance Framework, but shall nevertheless continue to comply with its obligations from time to time as an MHHS Participant.

12.12.3 The following obligations apply to those MHHS Participants required by an MHHS Test Plan to participate in the testing required by that MHHS Test Plan (or who are eligible to participate and choose to do so):

(a) they shall comply with the MHHS Test Plan;

(b) they shall participate in testing under the MHHS Test Plan, and shall in doing so act reasonably, fairly, co-operatively and in accordance with Good Industry Practice;

(c) if they are required by the MHHS Test Plan to make their IT Systems available for other MHHS Participants to use for testing, then they must allow such access on the terms proscribed by the MHHS Test Plan;

(d) if they are required by the MHHS Test Plan to produce test reports demonstrating their successful completion of the test phase (or an intermediate stage), then they must do so; and

(e) they must provide all information, access and co-operation reasonably required by the MHHS SI and act in accordance with the reasonable instructions of the MHHS SI.

12.12.4 The following obligations apply to those MHHS Participants required by the MHHS Data Cleansing Plan and/or MHHS Data Migration Plan to participate in the cleansing and/or migration of data required for MHHS Implementation:

(a) they must comply with their obligations under that plan;

(b) they must report their progress as required by the MHHS SI or MHHS PMO;

(c) they must undertake the cleansing, migration and synchronisation of data in accordance with the specified timetables; and

(d) they must provide all information and co-operation reasonably required by the MHHS SI or MHHS PMO.

12.12.5 The following obligations apply to all MHHS Participants in respect of the MHHS Defect Management Plan:

(a) they must comply with the MHHS Defect Management Plan;

(b) they must report and manage defects arising during MHHS Implementation in accordance with the MHHS Defect Management Plan; and

(c) they must ensure that any defects it identifies are resolved in accordance with the MHHS Defect Management Plan.

12.12.6 Those Parties and Party Agents required by the MHHS Qualification Plan to undertake MHHS Qualification must comply with the MHHS Qualification Plan. No Party or Party Agent will be able to participate in market-wide, half-hourly Settlement until it has successfully completed such MHHS Qualification. Failure to complete such MHHS Qualification by the date set out in the MHHS Qualification Plan shall result in the Party not being able to become a Registrant for Metering Systems for which it is not already a Registrant until such time as it has completed MHHS Qualification.

12.12.7 Each MHHS Participant is responsible for ensuring that its agents, employees, service providers and other contractors (including its Party Agents) undertake the activities necessary to enable such MHHS Participant to comply with its obligations as an MHHS Participant. Lack of co-operation from such third parties shall not excuse delays or failures on the part of an MHHS Participant.

12.13 MHHS Participants: DCC

12.13.1 Although the DCC is not a Party to this Code, the DCC is required under the DCC Licence to comply with the obligations expressed in this Code to apply to the DCC as an MHHS Participant, including those that apply to MHHS Participants generally.

12.14 MHHS Participants: MHHS Affected Code Bodies

12.14.1 Although not all of the MHHS Affected Code Bodies are a Party to this Code, each of those that is not a Party has an obligation in the relevant Industry Code to comply with the obligations expressed in this Code to apply to the MHHS Affected Code Bodies as an MHHS Participant, including those that apply to MHHS Participants generally.

12.14.2 Without limiting the application of paragraph 12.4.1, each MHHS Affected Code Body shall provide such co-operation and information as the MHHS Implementation Manager reasonably requires for the purpose of performing its obligations under this paragraph 12 in respect of the MHHS Affected Code Body's Industry Code.

12.15 MHHS Participants: Party Agent

12.15.1 Although Data Collectors, Data Aggregators and Meter Operator Agents are not Parties, they will have to undergo MHHS Qualification before they are MHHS Qualified to participate in market-wide, half-hourly Settlement.

12.15.2 Without limiting the application of paragraph 12.15.1, each Supplier shall ensure that the Data Collectors, Data Aggregators and Meter Operator Agents appointed by it comply with the obligations expressed in this Code to apply to Data Collectors, Data Aggregators and Meter Operator Agents as MHHS Participants, including those that apply to MHHS Participants generally.

12.16 MHHS Participants: Suppliers

12.16.1 Each Supplier which participates in testing under an MHHS Test Plan shall ensure that such testing includes testing in respect of the IT Systems of its Party Agents.

12.16.2 Each Supplier must comply with the MHHS Migration Plan.

12.17 MHHS Performance Assurance

12.17.1 The MHHS Independent Assurance Provider shall provide performance assurance in respect of MHHS Implementation, as described in the MHHS Governance Framework.

12.17.2 ~~Without prejudice to the Panel's rights and duties in respect of BSCCo, u~~Unless and until the Authority otherwise directs, the ~~Panel and~~ Performance Assurance Board's roles in respect of compliance or performance assurance of the obligations of MHHS Participants in respect of MHHS Implementation, shall be limited to:

(a) those decisions and actions specified in relation to MHHS Qualification; and

(b) such decisions or actions as are specified in the MHHS Migration Plan.

12.17.3 Further, non-exhaustive, details in respect of the assurance which may be conducted by the MHHS Independent Assurance Provider shall be set out in the MHHS Governance Framework, and may include some or all of the following:

(a) requiring an MHHS Participant to procure its own independent assurance of its readiness to meet specified programme milestones;

(b) requiring a statement by an MHHS Participant signed by one or more board directors (or, if the MHHS Participant is not a company, an equivalent representative) regarding the MHHS Participant's readiness to meet specified programme milestones, accompanied by the evidence they have relied upon to make that statement;

(c) when the MHHS Independent Assurance Provider sees fit, notifying each MHHS Participant of any failure, or expected failure, by a MHHS Participant to meet such MHHS Implementation milestone(s) as the provider considers appropriate; provided that:

(i) the MHHS Independent Assurance Provider shall have regard to all the circumstances when deciding which milestone(s) to issue notifications in respect of and when to issue such notifications; and

(ii) the MHHS Independent Assurance Provider shall also notify each MHHS Participant when the MHHS Participant has met, or is expected to meet, such milestone.

12.17.4 Each MHHS Participant is required to comply with the assurance processes applied by the MHHS Independent Assurance Provider in accordance with the MHHS Governance Framework, and BSCCo shall (insofar as within its control) give effect to any decisions of the MHHS Independent Assurance Provider.

12.18 Tendering for the MHHS Implementation Manager Role

12.18.1 In the event that the appointment of the MHHS Implementation Manager is undertaken through a competitive tender process then BSCCo may participate in that process provided that:

(a) the maximum amount that BSCCo may incur in participating in such process shall not in any event exceed the sum of one hundred thousand pounds sterling (£100,000.00) in connection with:

(i) its third party costs (including in respect of professional advisors), expenses, other outgoings and liabilities incurred in connection with the planning, preparation, negotiation and award (or any other process leading to an award), of the proposed MHHS Implementation Manager role; and

(ii) its overhead costs (including, without limitation, personnel costs),

and any such costs, expenses and liabilities shall be BSC Costs;

(b) BSCCo shall keep account of such costs, expenses and liabilities separately from all other BSC Costs; and

(c) BSCCo shall ensure that such costs are subject to a statutory audit and the findings of such audit are reported to ~~the Panel and~~ Parties.

12.19 MHHS Implementation: Additional Budget Requirements

12.19.1 When BSCCo produces draft Annual Budgets and Annual Budgets under paragraph 6.4, and when BSCCo produces draft revisions and revisions to Annual Budgets under paragraph 6.5 or 6.6, BSCCo shall (in addition to its obligations under paragraph 6):

(a) identify the costs which relate to BSCCo's role as MHHS Implementation separately from BSCCo's other costs;

(b) present those aspects which relate to these costs to the MHHS Programme Steering Group; and

(c) take into account representations received from the MHHS Programme Steering Group, and provide a written explanation to the MHHS Programme Steering Group of the changes which are made as a result of such representations or (if changes are not made) of why BSCCo has not made such changes.

12.19A MHHS Implementation: Data Protection General

12.19A.1 For the purposes of the MHHS Data Protection Provisions:

(a) "**Commisioner**" has the meaning given to that term in the Data Protection Legislation;

(b) "**Controller**" has the meaning given to that term in the Data Protection Legislation;

(c) "**MHHS Data Controller**" means the Parties identified at paragraph 12.19A.3(a);

(d) "**MHHS Data Protection Provisions**" means paragraphs 12.19A to 12.19C inclusive;

(e) "**MHHS Test Data**" means the Personal Data used for the MHHS Test Processing Purpose as identified in paragraph 12.19C.7 and as further specified in the MHHS Test Plan;

(f) "**MHHS Test Data Subjects**" means the electricity consumers to whom the MHHS Test Data relates;

(g) "**MHHS Test Industry Participant**" means each MHHS Participant that is participating in the MHHS Test Processing Purpose;

(h) "**MHHS Test Processing Purpose**" means the industry-wide systems integration testing, qualification, migration and transition activities specified in the MHHS Test Plan including the secure transfer of MHHS Test Data and the temporary storage of such data for testing purposes. For the avoidance of doubt, the MHHS Test Processing Purpose relates only to testing and does not relate to any activities or Processing that will be required for the live operation of the MHHS arrangements;

(i) "**Personal Data**" has the meaning given to that term in the Data Protection Legislation;

(j) "**Personal Data Breach**" has the meaning given to that term in the Data Protection Legislation;

(k) "**Process**" and "**Processing**" has the meaning given to those terms in the Data Protection Legislation; and

(l) "**Processor**" has the meaning given to that term in the Data Protection Legislation

12.19A.2 The words and expressions used in the MHHS Data Protection Provisions and not defined elsewhere in the Code shall be interpreted in accordance with any meaning given to them in the Data Protection Legislation.

12.19A.3 With respect to the MHHS Test Processing Purpose only, and in relation to any Personal Data contained in MHHS Test Data, the Parties acknowledge and agree that:

(a) where BSCCo is acting its capacity as MHHS Implementation Manager, it is a Controller (but only in relation to Processing, and Personal Data Processed in, MHHS test environments); and

(b) the MHHS Test Industry Participants (including BSCCo when acting in its capacity as an MHHS Test Industry Participant, taking into account the separation requirements in paragraph 12.4.3) are Processors.

12.19A.4 Paragraph 12.19A.3 is without prejudice to:

(a) an MHHS Test Industry Participant's Processing of the MHHS Test Data for its own purposes; and

(b) any determination as to whether an MHHS Test Industry Participant is a Controller for any other purposes,

in each case outside of the MHHS Test Processing Purpose.

12.19B MHHS Implementation: Data Controller Obligations

12.19B.1 This paragraph 12.19B sets out the obligations of any Party when they are acting as a Controller in respect of the Processing of MHHS Test Data for the MHHS Test Processing Purpose.

12.19B.2 The MHHS Data Controller confirms that it has effected, and undertakes that it shall maintain, all such notices and registrations as it is required to effect and maintain under the Data Protection Legislation to enable it lawfully to perform the obligations imposed on it by this Code, and exercise the rights granted to it by this Code.

12.19B.3 The MHHS Data Controller undertakes to comply with the Data Protection Legislation in the performance of this Code, including ensuring, in respect of MHHS Test Data to be shared or otherwise Processed pursuant to this Code, that the MHHS Data Controller has a lawful basis for such sharing and other Processing.

12.19B.4 Without limiting paragraph 12.19B.3, the MHHS Data Controller shall:

(a) provide to relevant Data Subjects, the information required by the Data Protection Legislation to be provided by them in respect of the Processing of MHHS Test Data. Where requested by the MHHS Data Controller, MHHS Test Participants shall include information in their notices to Data Subjects about use of Data Subjects' Personal Data for the MHHS Test Processing Purpose;

(b) comply with the Data Protection Legislation as regards the exercise of rights by Data Subjects in respect of MHHS Test Data for which it is the Controller. In particular, each MHHS Data Controller shall designate its own contact point responsible for dealing with data protection queries, requests or complaints raised by relevant Data Subjects; and

(c) be responsible for, and shall make its own determination as regards, notifying the Commissioner and Data Subjects (if applicable) in case of a Personal Data Breach relating to MHHS Test Data in accordance with Data Protection Legislation.

12.19C MHHS Implementation: Data Processor Obligations

12.19C.1 This paragraph 12.19C sets out the obligations of any Party when they are acting as a Processor in respect of the Processing of MHHS Test Data for the MHHS Test Processing Purpose.

12.19C.2 Each Processor shall:

(a) only Process that MHHS Test Data for the MHHS Test Processing Purpose as instructed by BSCCo in its capacity as MHHS Implementation Manager, and not in a manner that the Processor knows (or should reasonably know) is likely to cause the MHHS Data Controllers to breach their obligations under the Data Protection Legislation (subject to paragraph (b) below);

(b) if the Processor is of the opinion that any requirement of paragraph (a) above breaches the Data Protection Legislation, the Processor shall immediately inform BSCCo in its capacity as MHHS Implementation Manager of this giving details of the breach or potential breach (unless the Processor is prohibited from doing so by any of its other obligations under law);

(c) only Process that MHHS Test Data for so long as it is required to do so for the MHHS Test Processing Purpose;

(d) ensure that the Processor's personnel who are authorised to Process MHHS Test Data are under enforceable obligations of confidentiality;

(e) (having regard to the state of the art, the costs of implementation and the nature, scope, context and purposes of Processing as well as the risk of varying likelihood and severity for the rights and freedoms of Data Subjects) implement appropriate technical and organisational measures to ensure that the MHHS Test Data is Processed in compliance with the Data Protection Legislation and is protected against accidental or unlawful loss, destruction, damage, alteration or disclosure;

(f) (taking into account the nature of the Processing and the information available to the Processor) assist the MHHS Data Controllers with their obligations to comply with Data Subject Rights Requests and Data Subjects' rights under the Data Protection Legislation in respect of that MHHS Test Data (through, insofar as is possible, the use of appropriate technical and organisational measures);

(g) taking into account the nature of the Processing and the information available to the Processor, provide reasonable assistance to the MHHS Data Controllers in complying with any enquiry made, or investigation or assessment initiated, by the Commissioner in respect of the Processing of that MHHS Test Data;

(h) notify, without undue delay after becoming aware of a Personal Data breach, BSCCo (in its capacity as MHHS Implementation Manager) in the event that the Processor becomes aware of a Personal Data breach in relation to MHHS Test Data. Taking into account the nature of the Processing and the information available to the Processor, the Processors shall provide all reasonably necessary assistance to the MHHS Data Controller in order to comply with the MHHS Data Controller's obligations under Data Protection Legislation to notify the Commissioner and Data Subjects;

(i) provide all such reasonable and timely assistance as BSCCo may require in order to conduct an impact assessment in accordance with Data Protection Legislation;

(j) upon termination or expiry of the Processing pursuant to MHHS Test Processing Purpose, destroy the MHHS Test Data that is within its possession or control (including where subcontracted to a third party); save that this requirement shall not apply to the extent that the Processor: (i) is required by a Legal Requirement to retain the MHHS Test Data; and/or (ii) continues to process the MHHS Test Data for other lawful purposes (either as a Controller or as a Processor on behalf of other Controllers); and

(k) permit BSCCo, in its capacity as MHHS Implementation Manager, to audit compliance with this paragraph 12.19C and make available to on request from all information reasonably necessary to demonstrate such compliance.

12.19C.3 Each Processor shall ensure that its sub-processors, in respect of the MHHS Test Data, are subject to written contractual obligations in respect of the Processing of that MHHS Test Data which are substantially the same as the Processor obligations under the Code.

12.19C.4 The MHHS Data Controller hereby gives each Processor general authorisation to engage sub-processors who are appointed in accordance with the requirements of the Code. The MHHS Data Controller hereby confirms that it does not object to the engagement of any sub-processors engaged in accordance with such requirements. Where a sub-processor is appointed in accordance with this paragraph, the Processor shall maintain a list of sub-processors (including details of the processing it performs or will perform) and provide such list of sub-processors to the MHHS Data Controller on request.

12.19C.5 Notwithstanding such general consent to appointment of sub-processers under paragraph 12.9C.4, if a MHHS Data Controller objects to the appointment of a sub-processor on reasonable grounds relating to the protection of Personal Data, the Processor will not permit Processing of MHHS Test Data by such sub-processor.

12.19C.6 Each Processor shall not transfer or process the MHHS Test Data outside the United Kingdom and European Economic Area unless the Processor:

(a) has first obtained MHHS Data Controller's approval; and

(b) takes such measures as are necessary to ensure the transfer is in compliance with Data Protection Legislation, which may include transferring the MHHS Test Data to a recipient: (i) in a country that the Secretary of State has decided provides adequate protection for Personal Data; (ii) that has achieved binding corporate rules authorisation in accordance with Data Protection Legislation; or (iii) that has executed relevant standard contractual clauses adopted or approved by the Secretary of State or otherwise permitted by the Data Protection Legislation.

12.19C.7 This paragraph sets out information about the Personal Data processed by Processors for the MHHS Testing Processing Purpose:

(a) nature of the Processing: the secure transfer of the MHHS Test Data between Industry Participants and the storage of such data;

(b) Purpose and subject matter of the Processing; the MHHS Test Processing Purpose;

(c) Duration of the Processing: the duration of the MHHS Test Processing Purpose as specified in the MHHS Test Plan;

(d) Categories of Data Subject: domestic electricity consumers and sole traders;

(e) Types of Personal Data: MPAN/Metering System details including MPAN Core/Number, MPAN address and Meter Serial Number.

12.20 MHHS Implementation: Sunset Provision

12.20.1 Once the Authority has confirmed for the purposes of this paragraph 12.20 that MHHS Implementation is complete (or sufficiently complete), then this Code shall automatically be

modified by the deletion of this paragraph 12 and by any consequential amendments to the remainder of this Code as the Authority may direct.

12.20.2 Such deletion of this paragraph 12 shall be without prejudice to the rights and obligations arising under this paragraph 12 prior to its deletion.

13. Capacity Market Advisory Group Administration

13.1 For the purposes of the Code:

(a) **"Capacity Market Advisory Group"** or "CMAG" means the group established by the Authority pursuant to the Change Process for the Capacity Market Rules Guidance;

(b) **"Change Process for the Capacity Market Rules Guidance"** means the guidance relating to the change process for the Capacity Market Rules issued by the Authority from time to time;

13.2 BSCCo shall:

(a) establish and maintain arrangements and processes that support the operation of the CMAG;

(b) provide administration and management services to the CMAG in accordance with the arrangements and processes established under paragraph 13.2(a) and the Change Process for the Capacity Market Rules Guidance,

(collectively **"CMAG Services"**).

13.2 In performing the CMAG Services, BSCCo shall seek such approvals from the Authority, and act in accordance with such directions of the Authority, in each case as may be specified in the arrangements and processes established under paragraph 13.2(a) and the Change Process for the Capacity Market Rules Guidance.

13.3 The costs, expenses and liabilities incurred by BSCCo in connection with delivering the CMAG Services shall be BSC Costs.

13.4 ~~The functions of, and the things done by, BSCCo under and pursuant to this paragraph 13 shall be considered to be functions under and things done pursuant to the Code~~The CMAG Services constitute Permitted Business and paragraph 3.1C applies accordingly~~, provided that the Panel shall have no duties or responsibilities in relation to the CMAG Services and BSCCo shall owe no duties to the Panel in the carrying out of such functions~~.

13.5 For the avoidance of doubt, this paragraph 13 shall not constitute a delegation of any of the Authority's powers or duties it under Sections 77 or 78 of the Capacity Market Regulations 2014.

14. Energy Price Guarantee Scheme

14.1 BSCCo (either itself, through a service provider, or through another BSC Company, if so permitted in accordance with the EPG Scheme Document) may perform the functions, role and responsibilities of the EPG Scheme Administrator as set out in the EPG Scheme Document, as amended from time to time, (including anything necessary for or reasonably incidental to the performance of such functions, role and responsibilities), and may act as an agent for the Secretary of State in respect of such responsibilities and functions, subject to the following:

(a) the Stakeholder Advisory Forum ~~Panel~~ (and each ~~Panel~~ Code Committee) shall have no duties or responsibilities in relation to the EPG Scheme and BSCCo's performance of its functions, role or responsibilities as EPG Scheme Administrator, and BSCCo shall owe no duties to the Panel in the carrying out of such functions and responsibilities;

(b) each Party, the Stakeholder Advisory Forum and each Code Committee ~~and the Panel~~ shall not (whether by action, omission or withholding of consent) prevent or restrict BSCCo from performing the functions, role and responsibilities of the EPG Scheme Administrator and shall (where applicable) co-operate with all requests for information made by BSCCo in performing those functions and responsibilities;

(c) save as may be provided for in the EPG Scheme Document, each Party (to the fullest extent permitted by law) waives any claim in damages or any other claim of a financial nature whether in contract, tort (including negligence and/or breach of statutory duty) or otherwise at law (other than for death or personal injury as a result of negligence or for an equitable remedy) against BSCCo and releases BSCCo from any such liability in respect of any breach by BSCCo in connection with its performance of the functions and responsibilities of the EPG Scheme Administrator;

(d) the costs, expenses and liabilities incurred by BSCCo in connection with performing its EPG Scheme Administrator functions shall be BSC Costs, subject to paragraph 14.1(e) below;

(e) BSCCo shall account for all payments to EPG Scheme Parties separately from BSC Costs and Trading Charges respectively, and shall receive and hold amounts payable to and by it in respect of EPG Scheme Payments in a separate bank account, in accordance with the requirements of the EPG Scheme Document;

(f) Parties acknowledge that BSCCo, as the EPG Scheme Administrator, is not obliged on any day to make payment to EPG Scheme Supplier Parties of any amount greater than the amount standing to the credit of the EPG Scheme Account on that day (as received from the Secretary of State);

(g) BSCCo may use any BSC Data in performing its functions, role and responsibilities as EPG Scheme Administrator and as required in accordance with the EPG Scheme Document (including using BSC Data as necessary to fulfil its obligations following the end of the EPG Scheme, and providing BSC Data to any other EPG Scheme Administrator appointed in accordance with the EPG Scheme Document);

(h) paragraphs 1.3.1 and 7 shall not apply to this paragraph 14.1;

(i) notwithstanding Section F, paragraph 14 may not be amended without the prior written consent of the Secretary of State;

(j) if another person is designated as the EPG Scheme Administrator in accordance with the EPG Scheme Document, and BSCCo is no longer required to perform such role, BSSCo shall provide such BSC Data as may be required to the EPG Scheme Administrator to enable it to perform its functions in accordance with the EPG Scheme Document; and

(k) notwithstanding Section F, this Code shall automatically be modified by the deletion of paragraph 14 upon BSCCo ceasing to be the EPG Scheme Administrator or an EPG Scheme Party (including where another person is appointed as EPG Scheme Administrator in accordance with the EPG Scheme Document, and BSCCo retains obligations to provide BSC Data to such EPG Scheme Administrator). Such deletion of paragraph 14 shall be without prejudice to the rights and obligations arising under this paragraph 14.1 prior to its deletion (including in accordance with the EPG Scheme Document).

14.2 For the purposes of this paragraph 14:

(a) the "EPG Scheme" means the government Energy Price Guarantee scheme for Domestic Electricity Consumers in Great Britain established by the Secretary of State and set out in the EPG Scheme Document;

(b) the "EPG Scheme Account" means the bank account set up by BSCCo in accordance with paragraph 14.1(e);

(c) the "EPG Scheme Administrator" means a person designated by the Secretary of State in accordance with the EPG Scheme Document to discharge functions in connection with the administration of the EPG Scheme;

(d) the "EPG Scheme Agreement" means the agreement, between the Secretary of State, BSCCo (as initial Scheme Administrator) and such EPG Scheme Supplier Parties and other persons as have become party by accession to the EPG Scheme Agreement, by which the Scheme Document is made binding among the EPG Scheme Parties;

(e) the "EPG Scheme Document" means the document of that title issued by the Secretary of State to establish the EPG Scheme, as amended from time to time, and references to the Scheme Document include the contract between the EPG Scheme Parties, incorporating the Scheme Document, established by the Scheme Agreement;

(f) an "EPG Scheme Party" means a party to the EPG Scheme, in accordance with the Scheme Document (including the Secretary of State, the EPG Scheme Administrator, and each EPG Scheme Supplier Party);

(g) an "EPG Scheme Supplier Party" is a Supplier (including a Supplier acting pursuant to a last resort direction) which is party to the EPG Scheme Agreement and has not ceased to be an EPG Scheme Party pursuant to the EPG Scheme Document; and

(h) "EPG Scheme Payment" means an amount payable to an EPG Scheme Supplier Party or the Secretary of State in accordance with the EPG Scheme Document.

15. Energy Bill Discount Scheme

15.1 BSCCo (either itself, through a service provider, or through another BSC Company, if so permitted in accordance with the Scheme Functions Agreement, the Scheme Regulations and the Scheme Rules) may perform the functions and responsibilities in respect of the Relevant Schemes as set out in the Scheme Functions Agreement and the Scheme Rules (including functions delegated to BSCCo by the Secretary of State in accordance with the Scheme Regulations) (the "Scheme Functions"), including anything necessary for or reasonably incidental to the performance of such functions and responsibilities, and BSCCo may act as an agent for the Secretary of State in respect of such responsibilities and functions, subject to the following:

(a) the ~~Panel~~ Stakeholder Advisory Forum (and each ~~Panel~~ Code Committee~~)~~ shall have no duties or responsibilities in relation to the Relevant Schemes and BSCCo's performance of its Scheme Functions~~, and BSCCo shall owe no duties to the Panel in carrying out such functions and responsibilities~~;

(b) each Party~~, and~~ the ~~Panel~~ Stakeholder Advisory Forum and each Code Committee shall not (whether by action, omission or withholding of consent) prevent or restrict BSCCo from performing its Scheme Functions and shall (where applicable) co-operate with all requests for information made by BSCCo in performing such functions and responsibilities;

(c) save as may be provided for in the Scheme Functions Agreement, the Scheme Regulations or the Scheme Rules, each Party (to the fullest extent permitted by law) waives any claim in damages or any other claim of a financial nature whether in contract, tort (including negligence and/or breach of statutory duty) or otherwise at law (other than for death or personal injury as a result of negligence or for an equitable remedy) against BSCCo and releases BSCCo from any such liability in respect of any breach by BSCCo in connection with its performance of its Scheme Functions;

(d) the costs, expenses and liabilities incurred by BSCCo in connection with performing its Scheme Functions shall be BSC Costs, subject to paragraph 15.1(e) below;

(e) BSCCo shall account for all Scheme Amounts separately from BSC Costs and Trading Charges respectively, and shall receive and hold Scheme Amounts in a separate bank account, in accordance with the requirements of the Scheme Functions Agreement (for the avoidance of doubt, Scheme Amounts may only be used for the purposes of the Relevant Schemes, and only Scheme Amounts may be used to make payments for the purposes of the Relevant Schemes);

(f) Parties acknowledge that BSCCo, in performing its Scheme Functions, is not obliged on any day to make payment of any EBR Scheme Amounts of any amount greater than the amount standing to the credit of the EBR Scheme Account on that day (as received from the Secretary of State);

(g) BSCCo may use any BSC Data in performing its Scheme Functions as required in accordance with the Scheme Functions Agreement (including using BSC Data as necessary to fulfil its obligations following the end of the Relevant Schemes and as required pursuant to paragraph 15.1(h) below);

(h) BSCCo shall provide information and reporting to the Secretary of State as necessary to perform its Scheme Functions in accordance with the Scheme Functions Agreement, or as otherwise requested by the Secretary of State in order for the Secretary of State to fulfil its functions in relation to the Relevant Schemes;

(i) paragraphs 1.3.1 and 7 shall not apply to this paragraph 15.1;

(j) notwithstanding Section F, this paragraph 15 may not be amended without the prior written consent of the Secretary of State;

(k) if another person is delegated functions and responsibilities by the Secretary of State in relation to the Relevant Scheme(s) in accordance with the Scheme Regulations, and BSCCo is no longer required to perform such Scheme Functions, BSCCo shall provide such BSC Data as may be required to the new delegate to enable it to perform its functions in accordance with the Scheme Regulations, the Scheme Rules, and any agreement entered into between such new delegate and the Secretary of State in the respect of the relevant functions; and

(j) notwithstanding Section F, this Code shall automatically be modified by the deletion of paragraph 15 upon BSCCo ceasing to be a party to the Scheme Functions Agreement (including where another person is delegated functions in accordance with the Scheme Regulations, and BSCCo retains obligations to provide BSC Data to such new delegate). Such deletion of paragraph 15 shall be without prejudice to the rights and obligations arising under this paragraph 15.1

prior to its deletion (including in accordance with the Scheme Functions Agreement, the Scheme Regulations and/or the Scheme Rules).

15.2 For the purposes of this paragraph 15:

(a) " Scheme Rules" means, in respect of the Relevant Scheme, any rules issued by the Secretary of State pursuant to the Scheme Regulations, as amended from time to time;

(b) "Relevant Schemes" means the government support scheme in respect of GB non-domestic electricity supply established by the Secretary of State and detailed in the Scheme Regulations and the Scheme Rules;

(c) " Scheme Account" means the bank account set up by BSCCo in accordance with paragraph 15.1(e);

(d) " Scheme Amounts" means amounts payable to or by a Supplier under the Scheme Regulations which (pursuant to the Scheme Functions Agreement) BSCCo is to pay or receive on behalf of the Secretary of State;

(e) " Scheme Functions" has the meaning set out in paragraph 15.1;

(f) " Scheme Functions Agreement" means the agreement between the Secretary of State and BSCCo which sets out the role and functions of BSCCo in respect of the Relevant Schemes; and

(g) " Scheme Regulations" means the Energy Bill Relief Scheme (England, Wales and Scotland) Regulations 2022, and the [Energy Bill Discount Scheme Regulations 2023], in each case as amended from time to time.

16. Electricity Support Payment Scheme

16.1 BSCCo may perform the functions, role and responsibilities of the EII Support Payment Administrator and the EII Levy Administrator as set out in the Electricity Support Payments and Levy Regulations 2024, as amended from time to time, (including anything necessary for or reasonably incidental to the performance of such functions, role and responsibilities), subject to the following:

(a) the ~~Panel~~ Stakeholder Advisory Forum (and each ~~Panel~~ Code Committee~~)~~ shall have no duties or responsibilities in relation to the ESP Scheme and BSCCo's performance of its functions, role or responsibilities as EII Support Payment Administrator and EII Levy Administrator~~, and BSCCo shall owe no duties to the Panel in the carrying out of such functions and responsibilities~~;

(b) each Party~~, and~~ the ~~Panel~~Stakeholder Advisory Forum and each Code Committee shall not (whether by action, omission or withholding of consent) prevent or restrict BSCCo from performing the functions, role and responsibilities of the EII Support Payment Administrator and EII Levy Administrator and shall (where applicable) co-operate with all requests for information made by BSCCo in performing those functions and responsibilities;

(c) save as may be provided for in the Electricity Support Payments and Levy Regulations 2024, each Party (to the fullest extent permitted by law) waives any claim in damages or any other claim of a financial nature whether in contract, tort (including negligence and/or breach of statutory duty) or otherwise at law (other than for death or personal injury as a result of negligence or for an equitable remedy) against BSCCo and releases BSCCo from any such liability in respect

of any breach by BSCCo in connection with its performance of the functions and responsibilities of the EII Support Payment Administrator and EII Levy Administrator;

(d) the costs, expenses and liabilities incurred by BSCCo in connection with performing its EII Support Payment Administrator and EII Levy Administrator functions and any other costs identified in the Electricity Support Payments and Levy Regulations 2024 as being costs associated with carrying out the EII Support Payment Administrator and EII Levy Administrator functions shall be recoverable in accordance with the Electricity Support Payments and Levy Regulations 2024;

(e) BSCCo may use any BSC Data in performing its functions, role and responsibilities as EII Support Payment Administrator and EII Levy Administrator and as required in accordance with the Electricity Support Payments and Levy Regulations 2024 (including using BSC Data as necessary to fulfil its obligations following the end of the ESP Scheme, and providing BSC Data to any other EII Support Payment Administrator and EII Levy Administrator appointed in accordance with the Electricity Support Payments and Levy Regulations 2024);

(f) paragraphs 1.3.1 and 7 shall not apply to this paragraph 16.1;

(g) notwithstanding Section F, paragraph 16 may not be amended without the prior written consent of the Secretary of State;

(h) if another person is designated as the EII Support Payment Administrator and EII Levy Administrator in accordance with the Electricity Support Payments and Levy Regulations 2024, and BSCCo is no longer required to perform such role, BSSCo shall provide such BSC Data as may be required to the EII Support Payment Administrator and EII Levy Administrator to enable it to perform its functions in accordance with the Electricity Support Payments and Levy Regulations 2024; and

(i) notwithstanding Section F, this Code shall automatically be modified by the deletion of paragraph 16 if BSCCo ceases to be the EII Support Payment Administrator and EII Levy Administrator (including where another person is appointed as EII Support Payment Administrator and EII Levy Administrator in accordance with the Electricity Support Payments and Levy Regulations 2024, and BSCCo retains obligations to provide BSC Data to such EII Support Payment Administrator and EII Levy Administrator). Such deletion of paragraph 16 shall be without prejudice to the rights and obligations arising under this paragraph 16.1 prior to its deletion.

16.2 For the purposes of this paragraph 16:

(a) an "Electricity Support Payment" has the meaning given to the term in the Electricity Support Payments and Levy Regulations 2024;

(b) the "Electricity Support Payment Scheme" or "ESP Scheme" means the government Electricity Support Payment Scheme in Great Britain established by the Secretary of State and set out in the Electricity Support Payments and Levy Regulations 2024;

(c) the "EII Certificate" has the meaning given to the term in the Electricity Support Payments and Levy Regulations 2024;

(d) the "EII Levy Administrator" means a person designated by the Secretary of State in accordance with the Electricity Support Payments and Levy Regulations 2024 to discharge functions in connection with the administration of the ESP Scheme;

(e) the "EII Support Payment Administrator" means a person designated by the Secretary of State in accordance with the Electricity Support Payments and Levy Regulations 2024 to discharge functions in connection with the administration of the ESP Scheme; and

f) the "Electricity Support Payments and Levy Regulations 2024" means the document of that title issued by the Secretary of State to establish the ESP Scheme, as amended from time to time.

17. Market Facilitator Arrangements

17.1 For the purposes of the Code:

(a) **"Market Facilitator"** or "**MF**" means the market facilitator role performed in accordance with the Authority's decision letter dated 29 July 2024 and pursuant to the Market Facilitator Governance Framework Document;

(b) **"Market Facilitator Arrangements"** means the mechanisms, roles, rules and responsibilities set out in the Market Facilitator Governance Framework Document;

(c) "**Market Facilitator Governance Framework Document"** means the document of that title issued by the Authority to establish the Market Facilitator Arrangements, as amended from time to time;

(d) **"Market Facilitator Implementation Services"** means the services to be provided by BSCCo in order to facilitate the establishment of the Market Facilitator including:

(i) developing governance and funding arrangements;

(ii) developing a design and implementation plan and approach;

(iii) engaging with interested persons; and

(iv) providing reasonably required additional services as directed by the Authority.

(e) **"Market Facilitator Operational Services"** means the services to be provided (from such date as to be confirmed at the Authority's sole discretion) by the Market Facilitator during transition from or following completion of the Market Facilitator Implementation Services in accordance with and as detailed in the Market Facilitator Governance Framework Document.

(f) **"Market Facilitator Reassignment"** shall have the meaning given to that term in paragraph 17.10.

(g) **"Market Facilitator Removal"** shall have the meaning given to that term in paragraph 17.9.

17.2 It is acknowledged that the enduring governance, funding, design and operation of the Market Facilitator Arrangements shall be determined and established by the Authority pursuant to the Market Facilitator Governance Framework Document.

17.3 BSCCo shall provide the Market Facilitator Implementation Services in accordance with this paragraph 17. In performing the Market Facilitator Implementation Services, BSCCo shall:

(a) provide such reporting and information to the Authority, and shall attend such boards, steering groups and meetings as the Authority may specify; and

(b) comply with any reasonable directions, arrangements or processes established by the Authority from time to time.

17.4 During transition from or after completion of the Market Facilitator Implementation Services (from such date as to be confirmed at the Authority's sole discretion), BSCCo shall, in accordance with the arrangements and processes set out in the Market Facilitator Governance Framework Document:

(a) implement and maintain arrangements and processes that establish the Market Facilitator Arrangements; and

(b) provide the Market Facilitator Operational Services.

17.5 In performing the Market Facilitator Operational Services, BSCCo shall seek such approvals from the Authority, and act in accordance with such reasonable directions of the Authority, in each case as may be specified in the arrangements and processes set out in the Market Facilitator Governance Framework Document or any other document issued by the Authority in relation to the Market Facilitator Arrangements.

17.6 The costs, expenses and liabilities incurred by BSCCo in connection with delivering the Market Facilitator Implementation Services shall be BSC Costs but BSCCo shall keep account of such costs, expenses and liabilities separately from all other BSC Costs.

17.6A The costs, expenses and liabilities incurred by BSCCo in connection with delivering the Market Facilitator Operational Services shall be BSC Costs but BSCCo shall keep account of such costs, expenses and liabilities separately from all other BSC Costs.

17.7 The ~~Panel~~ Stakeholder Advisory Forum (and each ~~Panel~~ Code Committee) shall have no duties or responsibilities in relation to the Market Facilitator Arrangements, Market Facilitator Implementation Services or Market Facilitator Operational Services ~~and BSCCo's performance of its functions, role or responsibilities as Market Facilitator, and BSCCo shall owe no duties to the Panel in the carrying out of such functions and responsibilities~~.

17.8 Each Party (to the fullest extent permitted by law) waives any claim in damages or any other claim of a financial nature whether in contract, tort (including negligence and/or breach of statutory duty) or otherwise at law (other than for death or personal injury as a result of negligence or for an equitable remedy) against BSCCo and releases BSCCo from any such liability in respect of any breach by BSCCo in connection with its performance as Market Facilitator.

17.9 The Authority may, upon giving BSCCo reasonable notice, remove from BSCCo some, part of or all of the Market Facilitator Implementation Services, Market Facilitator Operational Services and/or roles of the Market Facilitator ("**Market Facilitator Removal"**).

17.10 The Authority may re-assign some, part of or all of the Market Facilitator Implementation Services, Market Facilitator Operational Services and/or roles of the Market Facilitator to an entity other than BSCCo ("**Market Facilitator Reassignment**").

17.11 In the event of Market Facilitator Removal and/or Market Facilitator Reassignment, BSCCo shall provide such reasonable co-operation to the Authority and (where applicable) a replacement Market Facilitator (including the provision of materials and information relating to the Market Facilitator Implementation Services, Market Facilitator Operational Services and/or roles of the Market Facilitator) as may be reasonably necessary.

17.12 Notwithstanding Section F, this Code shall automatically be modified by the deletion of paragraph 17 upon BSCCo ceasing to be the Market Facilitator (including in the event of Market Facilitator Reassignment). Such deletion of paragraph 17 shall be without prejudice to the rights and obligations arising under this paragraph 17 prior to its deletion.

18. Smart Secure Electricity Systems (SSES) Arrangements

18.1 This paragraph 18 applies in respect of the direction given by ~~if~~ the Secretary of State ~~gives a direction~~ on 20 May 2026 to the BSC Panel for the purposes of implementing the SSES Arrangements ~~to the Panel~~ that:

(a) ~~requires~~ required the BSC Panel, for the purposes of implementing SSES Arrangements, to establish ~~as Panel Committees~~ a technical governance group and a security governance group; and

(b) ~~includes~~ included a document or documents setting out the powers and functions of those groups and their governance, a change process for the document(s) themselves, and any other stipulations of the Secretary of State about the SSES Arrangements or BSCCo's role in connection with those arrangements.

18.1A The groups referred to in paragraph 18.1(a) were established pursuant to a direction given to the BSC Panel prior to the Relevant Implementation Date of Modification Proposal P[XXX]. That direction shall be treated for the purposes of this paragraph 18 as having been given to BSCCo, and those groups shall be treated as Code Committees, with effect from the Relevant Implementation Date. For the purposes of this paragraph, the BSC Panel means the panel established under the Code prior to the Relevant Implementation Date.

18.2 For the purposes of the Code:

(a) "**SoS Direction**" means a direction of the Secretary of State referred to in paragraph 18.1;

(b) **"SSES Arrangements"** means arrangements relating to technical and security regulatory frameworks for load control (as defined in Part 9 of the Energy Act 2023) to enable consumer-led flexibility including any specifications, guidance, standards and other documentation which are to be established, with the prior written consent of the Secretary of State, and operated and maintained by the SSES Governance Groups pursuant to the SSES Governance Framework;

(c) **"SSES Governance Framework"** means the document(s) included in the SoS Direction, as from time to time modified as provided in paragraph 18.3(b);

(d) **"SSES Governance Groups"** means, in respect of the SSES Arrangements, the technical governance group and security governance group established by ~~the Panel~~BSCCo pursuant to the SoS Direction, and any sub-group established in accordance with the SSES Governance Framework by them.

18.3 The SSES Governance Framework shall:

(a) specify or describe the classes of Party or other persons that are to be bound by the SSES Governance Framework and SSES Arrangements;

(b) only be modified pursuant to the change process specified in the SSES Governance Framework and at the direction of, or with the prior written consent of, the Secretary of State;

(c) with respect to matters within its scope, prevail in the event of any conflict or inconsistency with the Code.

18.4 The Panel shall:

(a) establish, pursuant to the SoS Direction and in accordance with the SSES Governance Framework, Panel Committees as SSES Governance Groups;

(b) have such other powers, functions and responsibilities provided for in the SSES Governance Framework;

(c) comply with the SSES Governance Framework and shall not prescribe (pursuant to Section B5.4) the manner in which the proceedings and business of the SSES Governance Groups are to be conducted so as to be inconsistent with the application of this paragraph 18 or the SSES Governance Framework.

18.5 BSCCo shall:

(a) provide such support, facilitation, resources and services (including procuring the delivery of services from third party providers) as may be required to~~:~~

~~(i) enable the Panel to discharge its functions and responsibilities in respect of the SSES Governance Groups;~~

~~(ii)~~ enable any SSES Governance Groups to discharge their functions and responsibilities specified in the SSES Governance Framework;

(b) perform any other functions or activities related to the SSES Arrangements which BSCCo is required or enabled to perform under the SSES Governance Framework;

(c) engage with participants in the SSES Arrangements (including participants that are not Parties and other interested persons) as and to the extent required in the SSES Governance Framework and the SSES Arrangements~~.~~;

(d) establish, pursuant to the SoS Direction and in accordance with the SSES Governance Framework, Code Committees as SSES Governance Groups;

(b) have such other powers, functions and responsibilities provided for in the SSES Governance Framework;

(c) comply with the SSES Governance Framework and shall not prescribe (pursuant to paragraph 1.4 of Annex C-4) the manner in which the proceedings and business of the SSES Governance Groups are to be conducted so as to be inconsistent with the application of this paragraph 18 or the SSES Governance Framework.

18.6 The SSES Governance Framework and SSES Arrangements may include Code Subsidiary Documents and/or documents which are otherwise given effect by the Code and:

(a) in the case of documents which are otherwise given effect by the Code, any Party to which those documents apply must comply with them;

(b) the SSES Arrangements comprised in Code Subsidiary Documents shall be deemed to be documents referred to in Section H1.2.4;

(c) the SSES Governance Framework may provide for:

(i) BSCCo to enter into agreements with persons that are not Parties requiring such persons to be bound by and to comply with the SSES Governance Framework and/or the SSES Arrangements;

(ii) the proceedings of the security governance group to be conducted on a confidential basis (including for the purposes of ~~Sections B1.2.1(e)~~paragraph 1.3.1(b) and H4);

(iii) BSCCo to indemnify any members of the ~~Panel and the~~ SSES Governance Groups (and any sub-committees of those groups) from and against all costs (including legal costs), charges, expenses, damages or other liabilities incurred in performing their roles and functions under the SSES Governance Framework and SSES Arrangements;

(iv) objectives which apply to the SSES Governance Groups, and to ~~the Panel and~~ BSCCo with regards to their functions or activities under the SSES Governance Framework and SSES Arrangements, which may differ from the ~~Panel objectives set out in Section B1.2~~Code Manager Objectives;

(e) where, in respect of changes to the SSES Governance Framework and/or the SSES Arrangements, the SSES Governance Framework specifies that such changes must be subject to approval by the Secretary of State:

(i) such requirement shall take effect as a requirement of Section F3;

(ii) if the Secretary of State gives notice to ~~the Panel~~BSCCo and the Authority to that effect, the requirement for approval by the Secretary of State is substituted by a requirement for approval by the Authority;

(f) without prejudice to the foregoing, and subject to paragraph 18.3(b), the SSES Governance Framework shall include a change control process for modifying any documents which are otherwise given effect by the Code and which form part of the SSES Governance Framework and/or the SSES Arrangements.

18.7 ~~Notwithstanding Section F2.2 and s~~Subject to Section F1.5, ~~1.10, paragraphs 1.2.1F,~~ paragraph 3.1.1(~~ab~~ff) and this paragraph 18 may not be amended without the prior written consent of the Secretary of State.

18.8 All costs incurred by BSCCo in connection with delivering the SSES Governance Arrangements shall be BSC Costs (pursuant to Section D2.1.1 and D2.1.2) but BSCCo shall keep account of such costs separately from all other BSC Costs.

ANNEX C-1: PERMISSIBLE ACTIVITIES

1 Activities performed pursuant to the Energy Act 2013

1.1 Settlement Services Provider for Feed in Tariff Contracts for Difference

1.1.1 A Permitted Affiliate may, for the duration of its appointment as a CFD Settlement Services Provider, perform (either itself or through a service provider) all activities and functions and assume all responsibilities and duties relating to, or otherwise (whether specified in any EMR Legal Requirement or in a contract between a Permitted Affiliate and a CfD Counterparty) in connection with:

(a) the calculation, invoicing, reconciliation and, where applicable, settlement of amounts payable or arising under:

(i) Contracts for Difference; and

(ii) the Contracts for Difference Supplier Obligation;

(b) the calculation, collection, administration and enforcement of financial collateral pursuant to Chapter 2 of Part 2 of the Energy Act 2013 and as set out in:

(i) contracts for difference entered into by a CfD Counterparty pursuant to Chapter 2 of Part 2 of the Energy Act 2013; and

(ii) the Contracts for Difference Supplier Obligation; and

(c) any other matters pursuant to Chapter 2 of Part 2 of the Energy Act 2013.

1.2 Settlement Services Provider for Capacity Agreements

1.2.1 A Permitted Affiliate may, for the duration of its appointment as a CM Settlement Services Provider, perform (either itself or through a service provider) all activities and functions and assume all responsibilities and duties relating to, or otherwise (whether specified in any EMR Legal Requirement or in a contract between a Permitted Affiliate and the CM Settlement Body) in connection with:

(a) the calculation, administration and, where applicable, settlement of amounts payable or arising under Chapter 3 of Part 2 of the Energy Act 2013 and set out in:

(i) the Electricity Capacity Regulations 2014;

(ii) any other regulations made under Chapter 3 of Part 2 of the Energy Act 2013 which are in force from time to time;

(iii) the Capacity Market Rules; and

(b) the calculation, collection, administration and enforcement of financial collateral pursuant to Chapter 3 of Part 2 of the Energy Act 2013 and set out in:

(i) the Electricity Capacity Regulations 2014;

(ii) any other regulations made under Chapter 3 of Part 2 of the Energy Act 2013 which are in force from time to time;

(iii) the Capacity Market Rules; and

(c) any other matters pursuant to Chapter 3 of Part 2 of the Energy Act 2013.

1.3 EMR Tender Activities

1.3.1 A Permitted Affiliate may prepare for and participate in the process for the award of the activities referred to in paragraphs 1.1 and 1.2 and if such preparation and participation has been included in a Business Strategy and an Annual Budget which have been approved and adopted under paragraph 6, the costs thereof shall be BSC Costs and Sections C10.2.1(d) and D7.3.1 shall not apply in respect of such BSC Costs.

1A Settlement Services Provider Preparation for Market Changes

1A.1 Preparatory Work

1A.1.1 Subject always to Section C10.2.1(d), the Permitted Affiliate established pursuant to paragraphs 1.1 and 1.2 of this Annex C-1 may undertake (either itself or through a service provider) preparatory work, including developing the necessary systems and processes that may be necessary, in relation to schemes established by, or proposed to be established by, the Secretary of State from time to time.

2. Uniform Network Code Gas Performance Assurance Framework Administrator (PAFA) role

2.1 General

2.1.1 BSCCo shall be entitled to establish or acquire PAFACo for the purpose of investigating and, if the Board of PAFACo decides to do so, participating in a PAFA Tender, and if successful in such PAFA Tender, performing the functions and responsibilities of the PAFA Role, provided that the total consideration for the payment in respect of all of the allotted shares of PAFACo shall not exceed £1.00.

2.2 PAFA tender

2.2.1 Subject to paragraphs 2.2.3 and 2.3, BSCCo may provide a loan or grant credit to PAFACo on such terms as the Board may approve, from time to time, provided always that the maximum amount of the loan or credit granted shall not in any event exceed the total aggregate sum of one hundred thousand pounds sterling (£100,000.00) to enable PAFACo to pay, in aggregate in connection with a PAFA Tender:

(a) its third party costs (including in respect of professional advisors), expenses, other outgoings and liabilities incurred in connection with the planning, preparation, negotiation and award (or any other process leading to an award), of the PAFA Role; and

(b) its overhead costs (including, without limitation, personnel costs), provided that such costs shall in the first instance be incurred by BSCCo on behalf of PAFACo,

(together, "**PAFA Tender Costs**").

2.2.2 Subject to paragraph 2.2.1, PAFA Tender Costs may be incurred over successive BSC Years.

2.2.3 PAFA Tender Costs shall be BSC Costs and BSCCo shall keep account of such costs, expenses and liabilities separately from all other BSC Costs.

~~2.2.4 BSCCo shall submit any report it receives from PAFACo pursuant to paragraph 2.4.5(c) to the Panel at its next available meeting and every quarter thereafter until repayment of the~~

~~Aggregate PAFA Tender Costs or the loan is written off in accordance with paragraph 2.3.6 (as the case may be).~~

2.2.~~5~~4 BSCCo shall ensure that PAFA Tender Costs are subject to a statutory audit and such findings are reported to ~~the Panel and~~ Parties.

2.3 Reimbursement of PAFA Tender Costs to Trading Parties

2.3.1 The amounts recoverable by BSCCo as PAFA Tender Costs are amounts expended or funded by or on behalf of Trading Parties pursuant to paragraph 2.2 and any amounts which are otherwise described in the Code as PAFA Tender Costs.

2.3.2 BSCCo shall procure the agreement of PAFACo that in the event PAFACo is successful in a PAFA Tender exercise PAFACo shall repay Aggregate PAFA Tender Costs to BSCCo within the PAFA Tender Recovery Period.

2.3.3 Subject to paragraphs 2.3.2, 2.3.5 and 2.3.6, Trading Parties shall be entitled to recover Aggregate PAFA Tender Costs in accordance with their respective Main Funding Shares at that time.

2.3.4 As soon as reasonably practicable after receipt of the statement referred to in paragraph 2.4.5(c), BSCCo shall determine the Aggregate PAFA Tender Costs and the recovery share for each Trading Party and provide its own statement of account to the ~~Panel~~Stakeholder Advisory Forum, the Authority and all Parties (excluding commercially sensitive information). ~~Subject to the Panel's approval, s~~Such statement of account shall be final and binding in the absence of manifest error (provided that such error must be notified no later than six months following receipt of the statement of account, failing which the statement of account shall be a final determination for the purposes of the Code).

2.3.5 Subject to paragraph 2.3.6 it is acknowledged that:

(a) in the event PAFACo is unsuccessful in a PAFA Tender exercise, it is unlikely that BSCCo will be able to recover Aggregate PAFA Tender Costs (in whole or in part) from PAFACo; and

(b) if BSCCo were obliged to reimburse Aggregate PAFA Tender Costs to Trading Parties the financial consequences of such reimbursement would be borne by Trading Parties themselves.

2.3.6 Notwithstanding Section C3.4.6, in accordance with paragraph 2.3.5, the Parties agree that:

(a) subject to paragraph 2.3.6(b), any loan arrangements agreed pursuant to this paragraph 2 may provide that the Board may, in its absolute discretion, resolve to write off any loan or credit provided to PAFACo for PAFA Tender Costs which relates to an unsuccessful PAFA Tender exercise, provided the amount written off shall not exceed the total cumulative amount of £100,000.00 plus any interest agreed to have been paid in the agreement documenting that loan or credit which would otherwise have been receivable; and

(b) for the purposes of the Code, such loan arrangements as referred to in paragraph 2.3.6(a) which permit the Board to write off a loan or credit to PAFACo shall be treated as arrangements concluded at arm's length and on normal commercial terms.

2.3.7 For the avoidance of doubt, BSCCo shall procure that any PAFA Tender Costs provided pursuant to paragraph 2.2.1(a) which are underspent shall be refunded to BSCCo.

2.4 Shareholder arrangements with PAFACo

2.4.1 At all times BSCCo shall be the registered holder of all of the issued share capital in PAFACo.

2.4.2 For the avoidance of doubt, the form of the Memorandum and Articles of Association of PAFACo shall not form part of the Code, but shall be subject to Board approval.

2.4.3 Subject to the provision of PAFA Tender Costs, but without limitation to paragraph 2.4.4, BSCCo shall not provide any finance or financial support to PAFACo.

2.4.4 BSCCo agrees and undertakes that it shall not cause PAFACo to be in default of the Legal Requirements of the PAFA Role by reason of any act or omission in connection with its capacity as the PAFACo Shareholder, and each Party agrees that BSCCo may contract or otherwise put in place arrangements with PAFACo on such basis, unless:

(a) BSCCo is required to take such step by reason of a Legal Requirement and/or the Code; and

(b) BSCCo has first notified and, where practicable, consulted with PAFACo in relation to such step.

2.4.5 In its capacity as the PAFACo Shareholder, BSCCo shall ensure PAFACo's contractual agreement, that:

(a) subject always to paragraph 2.4.4:

(i) the Board shall appoint the chair of the PAFACo Board from time to time;

(ii) the initial chair of the PAFACo Board shall, in consultation with the ~~Panel~~Stakeholder Advisory Forum, appoint the other initial directors of PAFACo;

(iii) BSCCo, in its capacity as PAFACo Shareholder, shall have the power to appoint or remove directors of PAFACo; and

(iv) BSCCo, in its capacity as PAFACo Shareholder, shall approve or reject the appointment of directors of PAFACo;

(b) PAFACo shall provide a quarterly summary of PAFA Tender Costs to BSCCo, provided that PAFACo shall:

(i) ensure that it reports on total costs and, subject to paragraph 2.4.5(b)(ii), provides in sufficient detail a breakdown of the costs such as to provide BSC Parties with a reasonable level transparency in respect of the scope and level of expenditure; and

(ii) be entitled to exclude any information from the breakdown of costs provided to Parties which relates to the affairs of PAFACo, a BSC Company or any other third party and is in PAFACo's reasonable opinion confidential and/or commercially sensitive in connection with a PAFA Tender; and

(c) without prejudice to paragraph 2.4.5(b), PAFACo shall, as soon as reasonable practicable after it is notified of its success or not (as the case may be) in a PAFA

Tender exercise, submit a statement of its costs incurred in accordance with paragraph 2.2.1(b) to BSCCo.

3. Retail Energy Code (REC) Administrative Services (RECAS) Role

3.1 General

3.1.1 BSCCo shall be entitled to establish or acquire RECASCo for the purpose of:

(a) investigating and, if the Board of RECASCo decides to do so, participating in a RECAS Tender; and

(b) performing the functions and responsibilities of the RECAS Role, provided that the total consideration for the payment in respect of all of the allotted shares of RECASCo shall not exceed £1.00.

3.2 RECAS Tender

3.2.1 Subject to paragraphs 3.2.3 and 3.3, BSCCo may provide a loan or grant credit to RECASCo on such terms as the Board may approve, from time to time, provided always that the maximum amount of the loan or credit granted shall not in any event exceed the total aggregate sum of one hundred thousand pounds sterling (£100,000.00) to enable RECASCo to pay, in aggregate in connection with a RECAS Tender:

(a) its third party costs (including in respect of professional advisors), expenses, other outgoings and liabilities incurred in connection with the planning, preparation, negotiation and award (or any other process leading to an award), of the RECAS Role; and

(b) its overhead costs (including, without limitation, personnel costs), provided that such costs shall in the first instance be incurred by BSCCo on behalf of RECASCo,

(together, "**RECAS Tender Costs**").

3.2.2 Subject to paragraph 3.2.1, RECAS Tender Costs may be incurred over successive BSC Years.

3.2.3 RECAS Tender Costs shall be BSC Costs and BSCCo shall keep account of such costs, expenses and liabilities separately from all other BSC Costs.

~~3.2.4 BSCCo shall submit any report it receives from RECASCo pursuant to paragraph 3.4.5(c) to the Panel at its next available meeting and every quarter thereafter until repayment of the Aggregate RECAS Tender Costs or the loan is written off in accordance with paragraph 3.3.6 (as the case may be).~~

3.2.~~5~~4 BSCCo shall ensure that RECAS Tender Costs are subject to a statutory audit and such findings are reported to ~~the Panel and~~ Parties.

3.3 Reimbursement of RECAS Tender Costs to Trading Parties

3.3.1 The amounts recoverable by BSCCo as RECAS Tender Costs are amounts expended or funded by or on behalf of Trading Parties pursuant to paragraph 3.2 and any amounts which are otherwise described in the Code as RECAS Tender Costs.

3.3.2 BSCCo shall procure the agreement of RECASCo that in the event RECASCo is successful in a RECAS Tender exercise RECASCo shall repay Aggregate RECAS Tender Costs to BSCCo within the RECAS Tender Recovery Period.

3.3.3 Subject to paragraphs 3.3.2, 3.3.5 and 3.3.6, Trading Parties shall be entitled to recover Aggregate RECAS Tender Costs in accordance with their respective Main Funding Shares at that time.

3.3.4 As soon as reasonably practicable after receipt of the statement referred to in paragraph 3.4.5(c), BSCCo shall determine the Aggregate RECAS Tender Costs and the recovery share for each Trading Party and provide its own statement of account to the ~~Panel~~Stakeholder Advisory Forum, the Authority and all Parties (excluding commercially sensitive information). ~~Subject to the Panel's approval, s~~Such statement of account shall be final and binding in the absence of manifest error (provided that such error must be notified no later than six months following receipt of the statement of account, failing which the statement of account shall be a final determination for the purposes of the Code).

3.3.5 Subject to paragraph 3.3.6 it is acknowledged that:

(a) in the event RECASCo is unsuccessful in a RECAS Tender exercise, it is unlikely that BSCCo will be able to recover Aggregate RECAS Tender Costs (in whole or in part) from RECASCo; and

(b) if BSCCo were obliged to reimburse Aggregate RECAS Tender Costs to Trading Parties the financial consequences of such reimbursement would be borne by Trading Parties themselves.

3.3.6 Notwithstanding Section C3.4.6, in accordance with paragraph 3.3.5, the Parties agree that:

(a) subject to paragraph 3.3.6(b), any loan arrangements agreed pursuant to this paragraph 3 may provide that the Board may, in its absolute discretion, resolve to write off any loan or credit provided to RECASCo for RECAS Tender Costs which relates to an unsuccessful RECAS Tender exercise, provided the amount written off shall not exceed the total cumulative amount of £100,000.00 plus any interest agreed to have been paid in the agreement documenting that loan or credit which would otherwise have been receivable; and

(b) for the purposes of the Code, such loan arrangements as referred to in paragraph 3.3.6(a) which permit the Board to write off a loan or credit to RECASCo shall be treated as arrangements concluded at arm's length and on normal commercial terms.

3.3.7 For the avoidance of doubt, BSCCo shall procure that any RECAS Tender Costs provided pursuant to paragraph 3.2.1(a) which are not spent shall be refunded to BSCCo.

3.4 Shareholder arrangements with RECASCo

3.4.1 At all times BSCCo shall be the registered holder of all of the issued share capital in RECASCo.

3.4.2 For the avoidance of doubt, the form of the Memorandum and Articles of Association of RECASCo shall not form part of the Code, but shall be subject to Board approval.

3.4.3 Subject to the provision of RECAS Tender Costs, but without limitation to paragraph 3.4.4, BSCCo shall not provide any finance or financial support to RECASCo.

3.4.4 BSCCo agrees and undertakes that it shall not cause RECASCo to be in default of the Legal Requirements of the RECAS Role by reason of any act or omission in connection with its capacity as the RECASCo Shareholder, and each Party agrees that BSCCo may contract or otherwise put in place arrangements with RECASCo on such basis, unless:

(a) such act or omission is required by reason of a Legal Requirement and/or the Code; and

(b) BSCCo has first notified and, where practicable, consulted with RECASCo in relation to such act or omission.

3.4.5 In its capacity as the RECASCo Shareholder, BSCCo shall:

(a) subject always to paragraph 3.4.4:

(i) appoint the chair of the RECASCo Board from time to time

(ii) ensure that the initial chair of the RECASCo Board, in consultation with the ~~Panel~~Stakeholder Advisory Forum, appoints the other initial directors of RECASCo;

(iii) have the power to appoint or remove directors of RECASCo; and

(iv) approve or reject the appointment of directors of RECASCo;

(b) ensure that RECASCo provides a quarterly summary of RECAS Tender Costs to BSCCo, provided that RECASCo shall:

(i) ensure that it reports on total costs and, subject to paragraph 3.4.5(b)(ii), provides in sufficient detail a breakdown of the costs such as to provide BSC Parties with a reasonable level transparency in respect of the scope and level of expenditure; and

(ii) be entitled to exclude any information from the breakdown of costs provided to Parties which relates to the affairs of RECASCo, a BSC Company or any other third party and is in RECASCo's reasonable opinion confidential and/or commercially sensitive in connection with a RECAS Tender; and

(c) without prejudice to paragraph 3.4.5(b), ensure that RECASCo submits, as soon as reasonable practicable after it is notified of its success or not (as the case may be) in a RECAS Tender exercise, a statement of its costs incurred in accordance with paragraph 3.2.1(b) to BSCCo.

4. Other Permitted Activities

4.1 General

4.1.1 Subject to paragraph 4.1.2, 4.1.3 and 4.1.4, BSCCo shall be entitled to establish or acquire a company or companies, either solely or together with a third party, to become a Permitted Affiliate carrying out Permissible Activities (**"PACo"**) for the purpose of:

(a) investigating and, if the Board of PACo decides to do so, participating in a Permissible Activity Tender; and

(b) performing the functions and responsibilities of the proposed PACo Role,

provided that the total consideration for the payment in respect of all of the allotted shares of PACo shall not exceed £1.00.

4.1.2 Prior to commencing a tender for a Permissible Activity, BSCCo shall satisfy itself that the proposed PACo Role meets the following conditions:

(a) that the proposed PACo Role relates to the UK and/or the Republic of Ireland;

(b) that the proposed PACo Role relates to the gas, electricity, heat and/or transport sector;

(c) that the proposed PACo Role is linked to BSCCo core competencies;

(d) BSC Parties shall benefit BSCCo undertaking the proposed PACo Role;

(e) that BSCCo undertaking the proposed PACo Role shall not place disproportionate risk on BSC Parties;

(f) that BSCCo undertaking the proposed PACo Role shall not prevent standards of service under the Code from being maintained by BSCCo; and

(g) that BSCCo's role given to it under the Code shall not give it any undue competitive advantage in a tendering for the proposed PACo Role.

4.1.3 For the avoidance of doubt, if BSCCo is not satisfied that the conditions in paragraph 4.1.2 have been met it shall not pursue the proposed PACo Role.

4.1.4 At any point prior to undertaking substantive work on a formal offer by the Permitted Affiliate for the provision of the proposed PACo Role, BSCCo shall seek the views of Parties, the ~~Panel~~ Stakeholder Advisory Forum and interested third parties in accordance with paragraphs 4.1.5, 4.1.6 and 4.1.7.4.1.5 Where it is reasonably practicable to do so, BSCCo shall notify the persons referred to in paragraph 4.1.4 that it intends to, or may intend to, seek comments under paragraph 4.1.4.

4.1.6 BSCCo shall send out a notice to the persons referred to in paragraph 4.1.4 inviting them to provide comments on BSCCo's potential participation in one or more Permissible Activity Tenders within such period as the Board may determine (and in any event, no less than 10 Business Days from the date of the notice) ("**Tender Notice**"). The Tender Notice shall contain information on the nature and scope of the proposed PACo Role which BSCCo is interested in but shall not include any information that is confidential to third parties or which BSCCo reasonably regards as being commercially sensitive.

4.1.7 As soon as reasonably practicable after receipt of the comments referred to in paragraph 4.1.6, BSCCo shall:

(a) publish a summary of the comments received by the persons referred to in paragraph 4.1.4;

(b) send to the Authority:

(i) a copy of the comments received by the persons referred to in paragraph 4.1.4; and

(ii) a summary of BSCCo's assessment against the conditions referred to in paragraph 4.1.2

together with an invitation to consider PACo's proposed Permissible Activity Tender for the proposed PACo role (**"Request for Permissible Activity Consent**").

4.1.8 The Authority may no later than 15 Business Days after receipt of the Request for Permissible Activity Consent:

(a) reject BSCCo's Request for Permissible Activity Consent; or

(b) inform BSCCo that it will communicate its decision and, having regard for the timelines applicable to the Permissible Activity Tender, provide a date by when such decision will be made;

(c) if no response is received by BSCCo pursuant to paragraph 4.1.8(a) or (b) the Authority shall be deemed for the purposes of the Code to have provided its consent to PACo's proposed Permissible Activity Tender.

4.2 PACo Tender

4.2.1 Subject to paragraphs 4.2.2, 4.2.4, 4.3 and notwithstanding Section C10.2, BSCCo may provide a loan or grant credit to PACo (interest or non-interest bearing) on such terms as the Board may approve, from time to time, provided always that the maximum amount of the loan or credit granted shall not in any event exceed the sum of one hundred thousand pounds sterling (£100,000.00) per each Permissible Activity Tender with this amount linked to the Retail Price Index to account for inflation ("**Total Amount Lent**") to enable PACo to pay, in aggregate in connection with a Permissible Activity Tender:

(a) its third party costs (including in respect of professional advisors), expenses, other outgoings and liabilities incurred in connection with the planning, preparation, negotiation and award (or any other process leading to an award), of the proposed Permissible Activity Role; and

(b) its overhead costs (including, without limitation, personnel costs), provided that such costs shall in the first instance be incurred by BSCCo on behalf of PACo,

(together, "**PACo Tender Costs**").

4.2.2 The total aggregate PACo Tender Costs in any given BSC Year shall in no event exceed 1% of that year's Annual Budget.

4.2.3 Subject to paragraphs 4.2.1 and 4.2.2 and in relation to each Permissible Activity Tender, PACo Tender Costs may be incurred over successive BSC Years.

4.2.4 PACo Tender Costs shall be BSC Costs and BSCCo shall keep account of such costs, expenses and liabilities separately from all other BSC Costs.

4.2.5 BSCCo shall notify the ~~Panel~~Stakeholder Advisory Forum, the Authority and Parties whether or not it has been successful in a tender exercise as soon as reasonably practicable after the PACo is entitled to publish that information.

4.3 Reimbursement of PACo Tender Costs to Trading Parties

4.3.1 The amounts recoverable by BSCCo as PACo Tender Costs are amounts expended or funded by or on behalf of Trading Parties pursuant to paragraph 4.2 and any amounts which are otherwise described in the Code as PACo Tender Costs.

4.3.2 BSCCo shall procure the agreement of PACo that in the event PACo is successful in a PACo Tender exercise PACo shall repay Aggregate PACo Tender Costs to BSCCo within the PACo Tender Recovery Period.

4.3.3 Subject to paragraphs 4.3.2, 4.3.5 and 4.3.6, Trading Parties shall be entitled to recover Aggregate PACo Tender Costs in accordance with their respective Main Funding Shares at that time.

4.3.4 Subject to paragraph 4.3.5 it is acknowledged that:

(a) in the event PACo is unsuccessful in a PACo Tender exercise, it is unlikely that BSCCo will be able to recover Aggregate PACo Tender Costs (in whole or in part) from PACo; and

(b) if BSCCo were obliged to reimburse Aggregate PACo Tender Costs to Trading Parties the financial consequences of such reimbursement would be borne by Trading Parties themselves.

4.3.5 Notwithstanding Section C3.4.6, in accordance with paragraph 4.3.4, the Parties agree that:

(a) subject to paragraph 4.3.5(b), any loan arrangements agreed pursuant to this paragraph 4 may provide that the Board may, in its absolute discretion, resolve to write off any loan or credit provided to PACo for PACo Tender Costs in the event of:

(i) an unsuccessful PACo Tender exercise; or

(ii) a successful PACo Tender where PACo has subsequently ceased performing the PACo Role prior to the end of the PACo Tender Recovery Period,

provided the amount written off shall not exceed the Total Amount Lent which would otherwise have been receivable and shall in no event exceed 1% of the Annual Budget of the BSC Year in which the loan or credit was granted; and

(b) for the purposes of the Code, such loan arrangements as referred to in paragraph 4.3.6(a) which permit the Board to write off a loan or credit to PACo shall be treated as arrangements concluded at arm's length and on normal commercial terms.

4.3.6 For the avoidance of doubt, BSCCo shall procure that any PACo Tender Costs provided pursuant to paragraph 4.2.1(a) which are not spent shall be refunded to BSCCo.

4.4 Shareholder arrangements with PACo

4.4.1 For the avoidance of doubt, the form of the Memorandum and Articles of Association of PACo shall not form part of the Code, but shall be subject to Board approval.

4.4.2 BSCCo shall approve a dividend policy issued by PACo from time to time and, notwithstanding Section C3.4.6, any dividend payable to BSCCo shall be subject to that dividend policy.

4.4.3 In its capacity as the PACo Shareholder, BSCCo shall:

(a) appoint the chair of the PACo Board from time to time;

(b) ensure that the initial chair of the PACo Board appoints the other initial directors of PACo;

(c) have the power to appoint or remove directors of PACo; and

(d) approve or reject the appointment of directors of PACo.

4.5 Financial Reporting

4.5.1 BSCCo shall:

(a) ensure that PACo submits, as soon as reasonably practicable after it is notified of its success or not (as the case may be) in a PACo Tender exercise and every year thereafter until repayment of the Aggregate PACo Tender Costs or the loan is written off in accordance with paragraph 4.3.5 (as the case may be), a statement of its costs incurred in accordance with paragraph 4.2.1 to BSCCo;

~~(b) submit any summary it receives from PACo pursuant to paragraph 4.5.1(a) to the Panel at its next available meeting and every year thereafter until repayment of the Aggregate PACo Tender Costs or the loan is written off in accordance with paragraph 4.3.5 (as the case may be);~~

(~~a~~b) as soon as reasonably practicable after receipt of the statement referred to in paragraph 4.5.1(a), determine the Aggregate PACo Tender Costs and the recovery share for each Trading Party and provide its own statement of account to the ~~Panel~~Stakeholder Advisory Forum, the Authority and all Parties (excluding commercially sensitive information). ~~Subject to the Panel's approval, s~~Such statement of account shall be final and binding in the absence of manifest error (provided that such error must be notified no later than six months following receipt of the statement of account, failing which the statement of account shall be a final determination for the purposes of the Code); and

(~~d~~c) BSCCo shall ensure that PACo Tender Costs are subject to a statutory audit and such findings are reported to ~~the Panel and~~ Parties.

5 Other Settlement Services Provider Activities

5.1 Nuclear RAB Settlement

5.1.1 For the purposes of this paragraph 5:

(a) "**Nuclear RAB Legal Requirement**" means the Nuclear Energy (Financing) Act 2022 and any rules, regulation, licence, licence condition or Directive made pursuant to, or in connection with, that Act;

(b) "**Nuclear RAB Settlement Services Provider**" means:

(i) the Permitted Affiliate established by BSCCo for the purpose of performing the activities and functions described in paragraphs 1.1 and 1.2 of this Annex C-1; or

(ii) any other Permitted Affiliate established by BSCCo for the purpose of delivering Nuclear RAB Settlement Services and which has been

appointed to perform such services by the Revenue Collection Counterparty;

(c) "**Nuclear RAB Settlement Services**" means:

(i) the calculation, invoicing, reconciliation and, where applicable, settlement of amounts payable or arising pursuant to a Nuclear RAB Legal Requirement;

(ii) the calculation, collection, administration and enforcement of financial collateral pursuant to a Nuclear RAB Legal Requirement; and

(iii) any other related matters pursuant to a Nuclear RAB Legal Requirement; and

(d) "**Revenue Collection Counterparty**" means the person designated to act in that capacity by the Secretary of State from time to time pursuant to the Nuclear Energy (Financing) Act 2022.

5.1.2 The Nuclear RAB Settlement Services Provider may perform (either itself of through a service provider) all activities and functions and assume all responsibilities and duties relating to, or otherwise in connection with the Nuclear RAB Settlement Services (whether specified in any Nuclear RAB Legal Requirement or in a contract between the Settlement Services Provider and the Revenue Collection Counterparty).

5.1.3 In respect of the Nuclear RAB Settlement Services Provider:

(a) the restrictions, liabilities, rights and obligations in the Code that are applicable to the Permitted Affiliate performing the activities and functions described in paragraphs 1.1 and 1.2 of this Annex C-1 shall apply (mutatis mutandis) to the Nuclear RAB Settlement Services Provider as if:

(i) the activities and functions performed pursuant to this paragraph 5 were activities and functions set out in paragraphs 1.1 and 1.2 of this Annex C-1; and

(ii) any related reference in the Code to an EMR Settlement Services Provider was therefore deemed to be a reference to the Nuclear RAB Settlement Service Provider and any reference to an EMR Legal Requirement was deemed to be a reference to a Nuclear RAB Legal Requirement; and

(b) the provisions of paragraph 4 of this Annex C-1 (including paragraph 4.2) shall not apply to the Nuclear RAB Settlement Services Provider or to the activities, functions, responsibilities and duties that may be performed by it under this paragraph 5.

ANNEX C-2: VOTING PROCEDURES FOR BINDING RESOLUTIONS, NON-BINDING RESOLUTIONS AND APPOINTMENT RESOLUTIONS

1 GENERAL

1.1 Introduction

1.1.1 This Annex C-2 sets out the basis and procedures which should be used for the raising of and voting on Resolutions by Voting Parties (as described in paragraph 2) at General Meetings or BSC Annual General Meetings in accordance with Section C4.1.9, Section C4.8, Section C4.9.1 or Section C4.10.1 (as appropriate).

1.1.2 For the purposes of this Annex C-2:

(a) "**Authorised Signatory**" means a person authorised by a BSC Party in writing to act for it in accordance with paragraph 1.2.1 of this Annex C-2;

(b) "**Provisional Voting Share**" has the meaning given to that term in paragraph 2.1.2 of this Annex C-2;

(c) "**Voting Party Resolution**" means a Binding Resolution or a Non-Binding Resolution;

(d) "**Voting Share Cap**" has the meaning given to that term in paragraph 2.1.2 of this Annex C-2; and

(e) "**Quorum Requirements**" means the quorum requirements set out in paragraph 3.1 of this Annex C-2.

1.1.3 Each Party shall procure that BSCCo is notified of the persons it authorises as Authorised Signatory from time to time to:

(a) notify a Trading Party Group or Distribution Business Group;

(b) require the Directors of BSCCo to call a General Meeting; or

(c) propose Resolutions and vote on Resolutions under this Annex C-2,

in accordance with the requirements of BSCP38. If for any reason it is unclear which person is the Authorised Signatory for a Voting Party Group for any of the above purposes, the Authorised Signatory shall be determined at random by BSCCo.

1.2 Resolutions raised by Parties (Binding Resolutions and Non-Binding Resolutions)

1.2.1 An Authorised Signatory may require BSCCo to raise a Non-Binding Resolution or Binding Resolution ("Voting Party Resolution") by following the process set out in Section C4.8.

1.2.2 BSCCo shall, (with reference to the process set out in paragraph 2):

(a) within two (2) Working Days of receipt of a proposed Voting Party Resolution, notify an affected Director (in the case of a Binding Resolution) and the Board (in the case of all Resolutions) that a Resolution has been raised; and

(b) within fifteen (15) Working Days of receipt of a proposed Voting Party Resolution, send a notice to all Parties, the Board and the Authority informing them of the details of a General Meeting to be held not earlier than twenty (20) Working Days and not later than thirty (30) Working Days following the date of

the notice, and including the information set out in paragraph 1.2.3 together with, in the case of Voting Parties, their Actual Voting Share.

1.2.3 Every notice calling a General Meeting shall specify the place, date and time of the meeting, and include a statement that a Voting Party entitled to attend and vote is entitled to appoint a proxy. The notice shall specify the general nature of the business to be transacted at the meeting, shall set out the text of all resolutions to be considered by the meeting, together with any rationale or supporting documentation provided by the proposer, and may include information provided by the Board or a Director in response to a Resolution.

1.2.4 Voting Parties (other than the NETSO) wishing to appoint a proxy shall notify BSCCo via their Authorised Signatory of the details of that proxy not less than two (2) Working Days prior to the relevant General Meeting. In order to accept the appointment of a proxy BSCCo may require:

(a) such details as it may determine concerning the identity of the proxy; and

(b) the Authorised Signatory's instructions as to how the proxy is to vote.

1.3 Resolutions raised by BSCCo (Appointment Resolutions)

1.3.1 Where BSCCo wishes to raise an Appointment Resolution in accordance with Section C4.1.9, not later than 28 days prior to an Annual BSC Meeting, it shall prepare and circulate to all Parties, the Board and the Authority a notice including the text of the Resolution and explanatory notes as to how a Voting Party may appoint a proxy or vote in person on the Appointment Resolution at the Annual BSC Meeting, together with a request to Parties to declare any Trading Party Group or Distribution Party Group.

1.3.2 Voting Parties (other than the NETSO) wishing to appoint a proxy shall notify BSCCo via their Authorised Signatory of the details of that proxy not less than two (2) Working Days prior to the relevant Annual BSC Meeting. In order to accept the appointment of a proxy BSCCo may require:

(a) such details as it may determine concerning the identity of the proxy; and

(b) the Authorised Signatory's instructions as to how the proxy is to vote.

1.4 Distribution Business Groups and Trading Party Groups

1.4.1 Each Party shall notify BSCCo via its Authorised Signatory of its Voting Party Group by 1 June in each year.

1.4.2 Each Party shall promptly notify BSCCo via its Authorised Signatory of any amendment to its Voting Party Group.

1.4.3 Voting Parties for the purposes of voting on a Resolution shall be published on the BSC Website from time to time. ~~Voting Parties Groups shall initially be those most recently published on the BSC Website for the purposes of Panel elections.~~ The register of Voting Parties shall be adjusted and re-published:

(a) annually, within five (5) Working Days of Parties' provisions of revised information under paragraph 1.4.1; and

(b) at any time, within five (5) Working Days of BSCCo's receipt of a notification under paragraph 1.4.2.

2. VOTE ALLOCATION MECHANISM

2.1 Determination of Voting Shares

2.1.1 The base number of votes allocated to eligible voting parties (as described in this paragraph 2) shall be 10,000 votes which shall be allocated on the basis set out in this paragraph 2. Eligible voting parties for the purposes of this Annex C-2 means:

(a) the NETSO;

(b) each Trading Party and/or each Distribution System Operator; and

(c) for Authorised Signatory purposes only, where a Trading Party or a Distribution System Operator is Affiliated to any other Trading Party or Distribution System Operator, the largest aggregation of such Parties that are Affiliated to each other ("**Voting Party Group**"),

each being referred to in the Code as a "**Voting Party**".

2.1.2 For the purposes of this Annex C-2:

Defined Term	Acronym	Definition
"**Actual Voting Share**"	VSA_v	The voting share allocated to a Voting Party v for the purpose of voting on a Resolution following the application of the Voting Share Cap;
"**Provisional Voting Share**"	VSP_v	The voting share allocated to a Voting Party before the application of the Voting Share Cap.
"**Voting Party**"	v	Has the meaning given to that term in paragraph 2.1.1 and in respect of whom votes will be allocated in accordance with paragraph 2.1.5;
"**Voting Share Cap**"	VSC	The cap applied to a Voting Party's Provisional Voting Share in order to determine that Voting Party's Actual Voting Share. The Voting Share Cap is six (6) per cent;

2.1.3 The Actual Voting Share for each Voting Party shall be calculated by BSCCo and published on the BSC Website within 5 Working Days of:

(a) the monthly publication of the Annual Funding Share values for that month; or

(b) BSCCo's receipt at any time of updated Trading Party Group or Distribution Business Group information from an Authorised Signatory.

2.1.4 The **Actual Voting Share** for each Voting Party v will be determined as the lesser of the Provisional Voting Share and the Voting Share Cap, or:

$VSA_v = \min(VSP_v, VSC)$

2.1.5 The **Provisional Voting Share** for each Voting Party v will be determined as:

(a) For the NETSO:

$VSP_v = 600$

(b) For each Voting Party that is a Trading Party Group but is not a Distribution Business Group:

$VSP_v = \max(\lfloor (8600 * (\Sigma_{p(v)} FSA_{pm} / \Sigma_p FSA_{pm})) \rfloor, 1)$

(c) For each Voting Party that is a Trading Party Group and a Distribution Business Group:

$VSP_v = \max(\lfloor (8600 * (\Sigma_{p(v)} FSA_{pm} / \Sigma_p FSA_{pm})) \rfloor + \lfloor (800 / D) \rfloor, 1)$

(d) For each Voting Party that is a Distribution Business Group but is not a Trading Party Group:

$VSP_v = \max(\lfloor (800 / D) \rfloor, 1)$

where:

FSA_{pm} is the Annual Funding Share for Trading Party p determined for the month m that is the most recent month for which Annual Funding Shares can be calculated in accordance with Section D1.2.1(e);

$\Sigma_{p(v)}$ is the sum across all Trading Parties p that belong to the Trading Party Group that forms Voting Party v;

Σ_p is the sum across all Trading Parties p; and

D is the number of individual Distribution Business Groups.

2.1.6 The **Voting Share Cap** will be determined as:

$VSC = \lfloor (\Sigma_v VSP_v) * 0.06 \rfloor$

where Σ_v is the sum across all Voting Parties v.

3. QUORUM AND CONDUCT OF MEETING

3.1 Quorum

3.1.1 No business in relation to a Resolution shall be transacted at a meeting unless the Quorum Requirements have been met.

3.1.2 The Quorum Requirements in respect of votes under this Annex C-2 are as follows:

(a) A minimum of at least ten (10) Voting Parties should be present at the relevant meeting either in person or through a duly appointed proxy;

(b) The Voting Parties casting a vote at the meeting (in person or through a duly appointed proxy) should hold an aggregate Actual Voting Share of at least thirty (30) per cent (%) of the total Actual Voting Share; and

(c) an Authorised Signatory of the NETSO should be present at the meeting.

3.1.3 If within 30 minutes after the time for which a General Meeting has been convened the Quorum Requirements have not been met:

(a) the Board shall fix the time and date of the adjourned meeting; and

(b) BSCCo shall give notice of the adjourned meeting.

3.1.4 If within 30 minutes after the time for which a vote on a Resolution is scheduled at an Annual BSC Meeting has been convened the Quorum Requirements have not been met:

(a) the Board shall fix the time and date of the adjourned meeting; and

(b) BSCCo shall give notice of the adjourned meeting.

3.1.5 For the purposes of this Annex C-2 (including the provisions of this paragraph 3.1) any person (including a proxy) can attend any meeting virtually (including, without limitation, teleconference and videoconference) if that person is able to exercise a right to speak and be heard and to vote.

3.1.6 BSCCo shall review the Quorum Requirements:

(a) from time to time; and

(b) in accordance with a request from the Authority ~~or the Panel~~.

3.1.7 If a review under paragraph 3.1.6 results in a recommendation that the Quorum Requirements should be modified, ~~the Panel~~BSCCo shall decide ~~at the following Panel meeting~~ whether to propose a modification to the Quorum Requirements in accordance with Section F.

3.2 Conduct of Meeting

3.2.1 Each General Meeting and any part of any Annual BSC Meeting dealing with Resolutions shall be chaired by the BSCCo Chair, except:

(a) if the BSCCo Chair is the subject of a Binding Resolution, a vice-chair of the Board (if appointed) will chair the meeting; or

(b) if there is no vice-chair of the Board, or if that person is also the subject of a Binding Resolution, another Director selected by the Board will chair the meeting; or

(c) if the entire Board is the subject of a Binding Resolution, the NETSO attendee will chair the meeting.

3.2.2 Resolutions at Annual BSC Meetings shall, subject to the provisions of this Annex C-2, be conducted in accordance with the provisions of Section B6.2.

3.2.3 The following shall be entitled to attend and speak at any General Meeting or, for the purposes only of a vote on a Resolution (but without prejudice to Section B6.2 in respect of other business to be conducted), any Annual BSC Meeting:

(a) the representative (which may include its Authorised Signatory) of any Voting Party;

(b) any proxy that has been duly appointed by a Voting Party;

(c) any Director of BSCCo;

(d) in respect of an Annual BSC Meeting, any person who is entitled to attend the Annual BSC Meeting shall be entitled to attend the business relating to a Resolution but shall not be permitted to speak except pursuant to paragraph 3.2.3(e); and

(e) any other person who the chair has permitted to attend and speak at such meeting.

4. VOTING

4.1 Administration of Voting

4.1.1 BSCCo shall administer each vote pursuant to this Annex C-2.

4.1.2 In respect of each Voting Party only an Authorised Signatory may submit a vote or authorise a proxy to submit a vote on their behalf.

4.1.3 A Voting Party's Actual Voting Share for the purposes of a vote shall be the Actual Voting Share published on the BSC Website at 17:00 on the last Working Day before the day of the vote.

4.2 Voting

4.2.1 Provided the Quorum Requirements are met a vote on any Resolution shall be determined by a simple majority of votes cast.

4.2.2 BSCCo shall count the votes on any Resolution held and:

(a) within one Working Day of the meeting shall publish indicative results of such a vote; and

(b) within five Working Days of the meeting shall publish final confirmation of the result of the vote.

4.3 Audit

4.3.1 Provided a Voting Party requests an audit within five (5) Working Days of a confirmation under paragraph 4.2.2(b), BSCCo shall commission an audit of that vote, which shall be completed within thirty (30) Working Days.

ANNEX C-3: BSCCO GOVERNANCE

1. BSCCo

1.1 Introduction

1.1.1 For the purposes of this Annex, the following words and expressions shall have the following meanings:

(a) **BSCCo Nominee** means the person selected by the Directors to hold Shares pursuant to paragraph 1.4;

(b) **Eligible Party** means, other than a Mandated Party and BSCCo, each Party that is subject to a condition of any Licence by virtue of which it is required to comply with the Code;

(c) **Mandated Party** means a Mandatory Licensee or another Party to which it has delegated the duty to hold a Share in accordance with its Licence;

(d) **Mandatory Licensee** means each Party that has been directed to be a Shareholder by the Authority or the Secretary of State;

(e) **Mandatory Ownership Transfer Date** means the date on which the Shares are transferred to the initial Mandated Parties pursuant to a transfer scheme made by the Secretary of State under Schedule 9 of the Energy Act 2023;

(f) **Retiring Shareholder** means, any Shareholder who ceases to be a Party or any Party which has voluntarily returned its Shareholding, or has been required to return its Shareholding, under paragraph 1.4 or pursuant to Electricity Supply Standard Licence Condition 60 or Generation Standard Licence Condition 21;

(g) **Share** means an ordinary share of £1 each in the share capital of BSCCo;

(h) **Shareholder** means a person from time to time registered as a holder of a Share.

1.2 Shareholding

1.2.1 Each Party agrees that BSCCo's Shareholders from time to time shall be:

(a) each Mandated Party; and

(b) each Eligible Party that has been approved by the Board (subject to paragraph 1.2.4),

in all cases until such date that a Shareholder is a Retiring Shareholder under paragraph 1.4.

1.2.2 The Shareholders' rights and obligations as Shareholders shall be regulated by the provisions of this Annex. No other provision of this Code shall apply to the regulation of the rights and obligations of Shareholders in their capacity as Shareholders.

1.2.3 It is acknowledged that on the Mandatory Ownership Transfer Date, the initial Mandated Parties became the Shareholders in BSCCo.

1.2.4 The Board may, in its discretion, refuse to register the transfer of a Share to an Eligible Party, or to allot a Share to an Eligible Party.

1.3 New Shareholders

1.3.1 Other than in respect of the initial Mandated Parties that became Shareholders in BSCCo on the Mandatory Ownership Transfer Date, as soon as possible after being directed to do so by the Authority or the Secretary of State (or, where relevant, nominated pursuant to a Licence), each Mandated Party will apply to become a Shareholder. Any Mandated Party from time to time that is not a Shareholder shall apply to become a Shareholder. Upon any such application, BSCCo shall either:

(a) procure the transfer to such Mandated Party of one Share then held by a nominee in accordance with paragraph 1.4; or

(b) allot to such Mandated Party one Share,

and shall register the transfer of such Share.

1.3.2 Where BSCCo has agreed, under paragraph 1.2, to register the transfer of a Share, or approved the allotment of a Share, to an Eligible Party, BSCCo shall either:

(a) procure the transfer to such Eligible Party of one Share then held by a nominee in accordance with paragraph 1.4; or

(b) allot to such Eligible Party one Share.

1.3.3 Save in the case of any nominee for the purposes of paragraphs 1.4.4 and 1.4.5:

(a) no person who is not a Mandated Party or an Eligible Party may at any time become a Shareholder; and

(b) no Mandated Party or Eligible Party shall hold more than one Share at any time,

and the Directors shall refuse to allot and/or to register any transfer of a Share that would result in a breach of this paragraph 1.3.3.

1.3.4 For the purposes of paragraphs 1.3.1(b) and 1.3.2(b) the Shareholders agree that, where no Shares are otherwise available for issue, they will exercise the voting rights attaching to their Shares to procure that all necessary steps are taken to create and/or authorise the issue of further Shares.

1.3.5 The price for each Share transferred or allotted under this Annex shall be £1.00, and:

(a) such amount shall be payable to the transferor on demand; and

(b) no premium may be paid in respect of the Shares.

1.4 Transfers, revocations and returns of Shares

1.4.1 An Eligible Party may transfer its Share to the BSCCo Nominee under this paragraph at any time.

1.4.2 A transfer of a Share by a Mandatory Party shall be permitted where, in respect of that Share and to the extent permitted by the relevant Licence, the Mandatory Licensee:

(a) delegates responsibility for holding that Share to another Party; or

(b) changes the Party to whom it has delegated responsibility for holding that Share,

in which case the Party to whom that Share has been transferred shall notify BSCCo and BSCCo shall (unless directed otherwise by the Authority) register the transfer of such Share.

1.4.3 A Shareholder must transfer its Share to the BSCCo Nominee under this paragraph (and BSCCo may give notice to that effect) where:

(a) that Shareholder ceases to be a Party;

(b) for a Mandated Party:

(i) where the Mandated Party is a Mandatory Licensee, the Licence has been surrendered or revoked;

(ii) where the Mandated Party holds the Share as a result of a delegation by a Mandatory Licensee, the Licence of that Mandatory Licensee has been surrendered or revoked; or

(iii) (unless the Secretary of State or Authority has accepted otherwise) where the Secretary of State or Authority suspends or revokes the direction that requires such Party, or (where such Party holds the Share as a result of a delegation by a Mandatory Licensee) that Mandatory Licensee, to hold a Share;

(c) for an Eligible Party, where BSCCo determines that such Party's Share must be transferred.

1.4.4 A Retiring Shareholder shall pay up all amounts which remain unpaid on any Share held by it (and BSCCo may give notice to that effect). The Retiring Shareholder will transfer its Shares at par to the BSCCo Nominee who will hold the Shares. The BSCCo Nominee will be selected by the Directors. All costs and expenses of such transfer shall be for the account of the Retiring Shareholder. BSCCo shall (unless directed otherwise by the Authority) ensure that the BSCCo Nominee is registered as the holder of any Shares transferred to it under this paragraph.

1.4.5 If a Retiring Shareholder fails or refuses to transfer any Shares in accordance with its obligations under paragraph 1.4.4, the Retiring Shareholder irrevocably appoints any Director as its agent to execute and deliver a transfer of the Shares from the Retiring Shareholder to the BSCCo Nominee. BSCCo may accept the consideration for the transfer (subject to the Retiring Shareholder paying-up all amounts which remain unpaid on any Share) and hold it on trust for the Retiring Shareholder, which acceptance shall be a good discharge to the BSCCo Nominee, and may set off such amounts against the costs and expenses of the transfer. The Directors shall cause the BSCCo Nominee to be registered as the holder of such Share and, following the registration of the transfer, the validity of the proceedings shall not be questioned by BSCCo, any Party or any Shareholder.

1.4.6 The BSCCo Nominee referred to in paragraphs 1.4.4 and 1.4.5 shall hold Shares transferred to it until such time as it is directed by the Directors to transfer them (or some of them) in accordance with paragraph 1.3 and for such period (and only for such period) as the BSCCo Nominee holds any Shares, all rights attaching to the Share shall be suspended, including the matters referred to in paragraph 1.5.4.

1.5 Further undertakings of Shareholders

1.5.1 No Shareholder shall:

(a) pledge, mortgage (whether by way of fixed or floating charge) or otherwise encumber its legal or beneficial interest in its Shares; or

(b) other than permitted or required by this Annex, or as otherwise directed by the Authority, sell, transfer or otherwise dispose of any of such Shares (or any legal or beneficial interest therein); or

(c) enter into any agreement in respect of the rights attached to Shares (other than agreements entered into in order to transfer a Share in accordance with this Annex); or

(d) agree, whether or not subject to any condition precedent or subsequent, to do any of the foregoing.

1.5.2 Each Shareholder acknowledges and agrees that BSCCo will have complete independence from its Shareholders in its operations and undertakes not to take any action which obstructs or interferes with, or seeks to obstruct or interfere with, the carrying out of by BSCCo of its role, powers, functions and activities under the Code provided that this paragraph shall not:

(a) restrict the exercise of Shareholder rights in order to comply with the requirements of this Annex; or

(b) restrict the exercise by a Party that is also a Shareholder of its rights in its capacity as a Party under the Code.

1.5.3 The Shareholders shall at all times exercise their rights, and take all available steps, as Shareholders, and shall only exercise any such right or take any such step, so as to give effect to the provisions of the Code as to the matters set out in paragraph 1.5.4.

1.5.4 The matters referred to in paragraph 1.5.3 are:

(a) the amendment of the Articles of Association of BSCCo so that they are in any modified form from time to time pursuant to Section C2.1.2;

(b) the appointment, re-appointment or removal of any Director (in accordance with a nomination under or otherwise as required in accordance with Section C4) or the secretary or auditors of BSCCo, provided that (in the case of an appointment or reappointment) the consent of the person to be appointed or reappointed has been obtained;

(c) the creation and/or authorisation of the issuing of further Shares pursuant to paragraph 1.3; and

(d) any other act of or in relation to BSCCo which can, or under any Legal Requirement must, be done by a vote or resolution or other assent of the Shareholders.

1.5.5 Without prejudice to the generality of paragraph 1.5.3, the steps which the Shareholders may be required to take pursuant to paragraph 1.5.4 include:

(a) the convening of an annual or extraordinary general meeting of BSCCo;

(b) the waiving of notice or agreeing to short notice of such meeting;

(c) the passing of any shareholders resolution of BSCCo including as a written resolution.

1.6 No obligation to finance

1.6.1 The Parties acknowledge that BSCCo has been established as a company limited by shares and consequently, in accordance with Section 3 of the Companies Act 2006, the liability of each Shareholder, in its capacity as Shareholder, is limited to the amount, if any, unpaid on the Shares held by that Shareholder.

1.6.2 Without prejudice to the obligations on Parties generally under Section D, the Shareholders, in their capacity as Shareholders, shall have no liability or obligation to provide any finance or financial support to BSCCo or any Subsidiary of BSCCo and shall have no liability or obligation to other Parties as Shareholders.

1.7 Winding-up of BSCCo

1.7.1 The principles which are to apply in the event of the winding-up of BSCCo are that, so far as is lawful:

(a) the assets and resources of BSCCo should be transferred (for value or otherwise as may be lawful) to any successor under the Code to BSCCo;

(b) subject to paragraph (c), and after payment or settlement of all liabilities of BSCCo, any amount which would otherwise be available for distribution to the Shareholders should be paid to Trading Parties in their Annual Funding Shares or such other proportions as the Authority may decide;

(c) the Shareholders shall be entitled to be paid out of any such amount as is referred to in paragraph (b) the amount of any taxation for which they may be liable in connection with such winding up and/or the giving effect to such principles;

and BSCCo, the Shareholders and the other Parties shall take such steps as are available and lawful to secure that these principles are given effect.

1.7A Business Handover Plan

1.7A.1 For the purposes of paragraphs 1.7A and 1.7B, the terms **Business Handover Plan**, **Code Manager of Last Resort Direction, Handover Period**, **Successor Licensee** and **Transfer Date** shall have the meaning given to those terms in the Code Manager Licence

1.7A.2 BSCCo shall prepare and maintain a Business Handover Plan to the extent required by the Code Manager Licence.

1.7A.3 Before submitting a draft Business Handover Plan to the Authority for approval in accordance with the Code Manager Licence, BSCCo shall publish such draft Business Handover Plan and consult the following persons, allowing a period of not less than 28 days for representations:

(a) all Parties;

(b) Citizens Advice and Consumer Scotland;

(c) the Stakeholder Advisory Forum; and

(d) any other parties as ~~the Licensee~~BSCCo considers appropriate.

1.7A.4 BSCCo shall:

(a) consider all representations received within the period referred to in paragraph 1.7A.3;

(b) submit the draft Business Handover Plan to the Authority for approval;

(c) make such amendments to the draft Business Handover Plan as may be directed by the Authority; and

(d) publish the Business Handover Plan as approved by the Authority on the BSC Website.

1.7A.5 During any Handover Period, BSCCo shall:

(a) take all reasonable steps to comply with and give effect to the Business Handover Plan as approved by the Authority;

(b) provide such reasonable support and assistance, including the provision of information, as the Authority may direct to persons taking part in any process to determine the identity of a Successor Licensee; and

(c) pay to the Successor Licensee such sum as equates to any credit balance accrued by BSCCo from amounts recovered from Parties under Section D in excess of costs attributable to the period up to the Transfer Date, calculated by reference to BSCCo's actual income and expenditure and the then current Annual Budget

1.7A.6 BSCCo shall not be in breach of the Code to the extent it acts in compliance with any provision of the Code Manager Licence, or any direction of the Authority given in accordance with the Code Manager Licence, in connection with the Business Handover Plan, any Handover Period or the transition of the Code Manager Business to a Successor Licensee.

1.7B Successor Licensee and Code Manager of Last Resort

1.7B.1 Where a Successor Licensee is appointed as code manager in relation to the Code in place of BSCCo, then, with effect from the Transfer Date and except where the context otherwise requires, references in the Code to BSCCo in its capacity as code manager shall be construed as references to that Successor Licensee. With effect from the Transfer Date, Parties shall perform towards the Successor Licensee the obligations under the Code that would otherwise have been owed to BSCCo in its capacity as code manager, and the Successor Licensee shall assume the corresponding rights and obligations of BSCCo under the Code.

1.7B.2 Pending any notification by BSCCo or the Authority of the Transfer Date, Parties shall continue to perform their obligations under the Code as if BSCCo remained the code manager.

1.7B.3 Nothing in the Code shall restrict or limit BSCCo's ability to comply with a Code Manager of Last Resort Direction.

1.8 Legal Requirements relating to Shareholders

1.8.1 This paragraph 1.8 applies in the event that:

(a) any steps taken by BSCCo or a Subsidiary of BSCCo (or which might be taken); and/or

(b) any steps that a Shareholder is required to take as a consequence of being a Shareholder (including any step required under paragraph 1.3.4 or 1.5.3 of this Annex),

results in, or could result in, that Shareholder, or an Affiliate of that Shareholder, being in breach of, or being required to take action under or make a payment under, or incurring a liability under, a Legal Requirement (or being or doing so in the absence of a notification to or approval of a Competent Authority) (any such step being a "**relevant step**" for the purposes of this paragraph 1.8).

1.8.2 Such Shareholder may from time to time notify to BSCCo particular Legal Requirements, applying to that Shareholder or its Affiliates, which the Shareholder reasonably considers may fall within paragraph 1.8.1, provided that the Shareholder shall at the same time provide such details of such Legal Requirement as are reasonably necessary to enable BSCCo to determine whether any step which it might take, or which a Shareholder might be required to take, would be a relevant step in relation to such Legal Requirement.

1.8.3 Where the Shareholder has for the time being notified BSCCo of a particular Legal Requirement pursuant to paragraph 1.8.2, BSCCo will take all reasonable measures to ensure that it and its Subsidiaries do not take any relevant step, or require the Shareholder to take a relevant step, in relation to that Legal Requirement unless:

(a) BSCCo has first notified and consulted with the Shareholder in relation to such step, and

(b) either the Shareholder has approved the taking of such step or BSCCo is required to take such step for the purposes of discharging its functions and responsibilities under the Code (but subject always to any Code Modification made following a proposal by any person entitled to do so) or in order to comply with a Legal Requirement.

1.8.4 For the purposes of this paragraph 1.8:

(a) Legal Requirement shall be construed:

(i) as including a requirement of any stock exchange in any country or of the ~~Panel on~~ Takeover Panel~~s and Mergers~~ or any body in any country having equivalent functions to those of that panel where compliance with the requirements of such body is customary; and

(ii) in accordance with paragraph (b);

(b) Competent Authority shall be construed as though the reference to the United Kingdom in the definition thereof included any country or state to the jurisdiction of which the Shareholder or any of its Affiliates is subject by reason of having a presence in such country or state.

1.9 Taxation and other payments

1.9.1 BSCCo covenants to pay to each Shareholder an amount equal to any liability to corporation tax on chargeable gains for which BSCCo or any of its Subsidiaries is primarily liable for which that Shareholder or any of its Subsidiaries is liable for which any of them would not have been liable but for being treated as being or having been a member of the same group as BSCCo or any of its Subsidiaries for the purposes of corporation tax on chargeable gains.

1.9.2 Each Shareholder covenants to pay to BSCCo an amount equal to any liability for corporation tax on chargeable gains for which that Shareholder or any of its Subsidiaries is primarily liable for which BSCCo or any of its Subsidiaries is liable but for which it would not have been liable but for being treated as being or having been a member of the same group as that Shareholder for the purposes of corporation tax on chargeable gains.

1.10 Conflict with Articles

1.10.1 In the event of any ambiguity created by or discrepancy between the provisions of this Annex and the Articles, it is the intention that the provisions of this Annex shall prevail and accordingly the Shareholders shall exercise all voting and other rights and powers available to them so as to give effect to the provisions of this Annex and shall further, if necessary, procure any required amendment to the Articles to ensure any such ambiguity or discrepancy is resolved.

1.11 Further Assurance

1.11.1 Each Shareholder shall co-operate with the other Shareholders and execute and deliver to the other Shareholders such other instruments and documents and take such other actions as may be reasonably requested from time to time in order to give effect to this Annex.

1.12 Expenses

1.12.1 Where a Shareholder is required to participate in a Shareholders meeting, the representative of that Shareholder shall be entitled to be reimbursed by BSCCo for the reasonable costs and expenses (including travel and accommodation costs) properly incurred by such representative in attending meetings of or otherwise in the conduct of the business of such meeting.

ANNEX C-4: CODE COMMITTEES

1 Code Committee Governance

1.1 General

1.1.1 This Annex C-4 sets out the general provisions relating to the governance of Code Committees.

1.2 Membership

1.2.1 Any Code Committee shall be composed of such persons of suitable experience and qualifications as BSCCo shall decide (having regard to its Code Manager Objectives) and as shall be willing to serve thereon.

1.2.2 The members of a Code Committee may include inter alia any SAF Member, an employee or other nominee of any Party, and any employee of BSCCo.

1.2.3 It is expected that each Party shall, to a reasonable level, make available suitably qualified personnel to act as members from time to time of Code Committees.

1.2.4 The Authority shall be entitled to receive notice of, and to appoint one or more representatives to attend and speak, but not to vote, at any meeting of any Code Committee.

1.2.5 BSCCo shall be responsible for ensuring there is a chair for all Code Committees and, save where it is of the view that appointing an independent chair would result in better outcomes or is necessary to ensure impartial chairing, BSCCo shall serve as the chair of all Code Committees. Where BSCCo considers there is a case to appoint an independent chair, it shall consult members of the relevant Code Committee or, where the Code Committee has yet to be established, the SAF before deciding whether:

(a) to so appoint; and

(b) on the process for selecting such chair.

1.3 Duties and terms of reference of Code Committees

1.3.1 Each Code Committee shall conduct its business in a manner consistent with the Code Manager Objectives, and shall act in accordance with the terms of reference provided by BSCCo pursuant to paragraph 1.3.2, and with the duties set out in paragraphs 1.3.3 to 1.3.5.

1.3.2 BSCCo shall provide written terms of reference to each Code Committee and may modify such terms of reference as BSCCo shall determine (unless such terms of reference are prescribed in the Code).

1.3.3 A person appointed as a Code Committee Member, when acting in that capacity:

(a) shall act impartially and in accordance with the Code Manager Objectives; and

(b) shall not be representative of, and shall act without undue regard to the particular interests of:

(i) the body or person by whom they were nominated or appointed to the Code Committee; and

(ii) any Related Person from time to time.

1.3.4 BSCCo shall not appoint a person as a Code Committee Member unless that person shall have first:

(a) confirmed in writing to BSCCo for the benefit of all Parties that they agree to act as a member of the Code Committee in accordance with the Code and acknowledge the requirements of paragraphs 1.3.3 and 1.3.5; and

(b) where that person is employed, provided to BSCCo a letter from their employer agreeing that they may act as a member of the Code Committee, and that the requirement in paragraph 1.3.3(b) shall prevail over their duties as an employee.

1.3.5 A Code Committee Member shall, at the time of appointment and upon any change in such interests, disclose (in writing) to BSCCo any such interests (in relation to the Code) as are referred to in paragraph 1.3.3(b).

1.3.6 Upon a change in employment of a Code Committee Member, that person shall so notify BSCCo and shall endeavour to obtain from their new employer and provide to BSCCo a letter in the terms required in paragraph 1.3.4(b); and they shall be removed from the Code Committee if they do not do so within a period of sixty days after such change in employment.

1.4 Proceedings of Code Committees

1.4.1 BSCCo may prescribe the manner in which the proceedings and business of any Code Committee shall be conducted, including any matter which is provided for (in relation to BSCCo) in paragraphs 1.5.1 to 1.9.1; but BSCCo may prescribe that any such matter shall be determined by the Code Committee itself.

1.4.2 To the extent to which BSCCo does not prescribe (in accordance with paragraph 1.4.1) the manner in which the proceedings and business of any Code Committee shall be conducted, the provisions of paragraphs 1.5.1 to 1.9.1 shall apply in relation to that Code Committee.

1.5 Code Committee Meetings

1.5.1 Any meeting of a Code Committee shall be convened by BSCCo by notice to each Code Committee Member:

(a) setting out the date, time and place of the meeting and (unless the Code Committee has otherwise decided) given at least five days before the date of the meeting; and

(b) accompanied by an agenda of the matters for consideration at the meeting and any supporting papers available to BSCCo at the time the notice is given (and BSCCo shall circulate to Code Committee Members any late papers as and when they receive them).

1.5.2 Subject to paragraph 1.5.9, BSCCo shall send a copy of the notice convening a meeting of a Code Committee, and the agenda and papers accompanying the notice (and any late papers), to the following persons, at the same time at which the notice is given to Code Committee Members:

(a) the Authority's appointed representative;

(b) each Party; and

(c) any other person entitled to receive the same pursuant to any provision of the Code.

1.5.3 Where BSCCo considers that any BSC Agent or Market Index Data Provider is or may be required to attend a meeting of a Code Committee, BSCCo shall send to that BSC Agent or Market Index Data Provider a copy of the notice convening the meeting, and such part of the agenda and such accompanying papers as in BSCCo's opinion concern that BSC Agent or Market Index Data Provider, at the same time at which the notice is given to Code Committee Members; provided that nothing herein creates any entitlement of any BSC Agent or Market Index Data Provider to receive such notice or papers or to attend such meeting.

1.5.4 Any Code Committee Member may notify matters for consideration at a meeting of a Code Committee, in addition to those notified by BSCCo under paragraph 1.5.1, by notice to all Code Committee Members and persons entitled to receive notice under paragraph 1.5.2, not less than three days before the date of the meeting.

1.5.5 The proceedings of a meeting of a Code Committee shall not be invalidated by the accidental omission to give or send notice of the meeting or a copy thereof or any of the accompanying agenda or papers to, or any failure to receive the same by, any person entitled to receive such notice, copy, agenda or paper.

1.5.6 With the consent of all Code Committee Members (whether obtained before, at or after any such meeting) the requirements of this paragraph 1.5 as to the manner in and notice on which a meeting of a Code Committee is convened may be waived or modified; provided that no meeting of a Code Committee shall be held unless notice of the meeting and its agenda has been sent to the persons entitled to receive the same under paragraph 1.5.2 at least twenty four hours before the time of the meeting.

1.5.7 Subject to paragraph 1.5.8, no matter shall be resolved at a meeting of a Code Committee unless such matter was contained in the agenda accompanying BSCCo's notice under paragraph 1.5.1 or was notified in accordance with paragraph 1.5.4.

1.5.8 Where:

(a) any other matter (not contained in the agenda or so notified) is put before a meeting of a Code Committee; and

(b) in the opinion of the Code Committee it is necessary (in view of the urgency of the matter) that the Code Committee resolve upon such matter at the meeting,

the Code Committee may so resolve upon such matter, and the Code Committee shall also determine at such meeting whether the decision of the Code Committee in relation to such matter should stand until the next following meeting of the Code Committee, in which case (at such next following meeting) the decision shall be reviewed and confirmed or (but not with effect earlier than that meeting, and only so far as the consequences of such revocation do not make implementation of the Code or compliance by Parties with it impracticable) revoked.

1.5.9 If BSCCo considers that it may not be appropriate (having regard to the principles of transparency and openness in the conduct of business) for the agenda for any meeting of a Code Committee or any accompanying paper to be sent to any class of person (not including the Authority) under paragraph 1.5.2 or to be made available to third parties on request:

(a) such agenda or paper shall not be sent to persons of such class or made available, on request, to third parties at the time at which it is sent to Code Committee Members;

(b) the Code Committee shall consider at the meeting as to whether it is appropriate (having regard to the principles of transparency and openness in the conduct of business) for such agenda or paper so to be sent or made available; and

(c) unless the Code Committee decides that it is not appropriate, such agenda or paper shall be sent to persons of such class or (as the case may be) made available to third parties on request promptly following the meeting.

1.5.10 As soon as practicable after each meeting of a Code Committee, the Code Committee Secretary shall prepare and send to Code Committee Members the minutes of such meeting, which shall be approved (or amended and approved) at the next meeting of the Code Committee after they were so sent, and when approved the minutes (excluding any matter which the Code Committee decided was not appropriate for such publication, having regard to the principles set out in paragraph 3.7) shall be placed on the BSC Website.

1.6 Quorum

1.6.1 No business shall be transacted at any meeting of a Code Committee unless a quorum is in attendance at the meeting.

1.6.2 Subject to paragraph 1.6.3, a quorum shall be such number of Code Committee Members in attendance (in person or via electronic means) as constitutes more than fifty (50) per cent (%) of all Code Committee Members.

1.6.3 If within thirty minutes after the time for which a Code Committee meeting has been convened a quorum is not present (and provided BSCCo has not been notified by Code Committee Members that they have been delayed and are expected to arrive within a reasonable time):

(a) the meeting shall be adjourned to the same day in the following week at the same time;

(b) BSCCo shall give notice of the adjourned meeting as far as practicable in accordance with paragraphs 1.5.1, 1.5.2 and 1.5.3; and

(c) at the adjourned meeting, if there is not a quorum present within thirty minutes after the time for which the meeting was convened, those present shall be a quorum.

1.7 Voting

1.7.1 At any meeting of a Code Committee any matter to be decided shall be put to a vote of Code Committee Members upon the request of the chair of the meeting or of any Code Committee Member.

1.7.2 Subject to paragraph 1.7.3, in deciding any matter at any meeting of a Code Committee each Code Committee Member shall cast one vote.

1.7.3 Except as otherwise expressly provided in the Code, any matter to be decided at any meeting of a Code Committee shall be decided by simple majority of the votes cast at the meeting (and an abstention shall not be counted as a cast vote).

1.7.4 The chair of a Code Committee shall not cast a vote as a Code Committee Member but shall have a casting vote on any matter where votes are otherwise cast equally in favour of and against the relevant motion; provided that where any person other than the usual chair is chair of a Code Committee meeting they shall not have a casting vote.

1.7.5 A resolution in writing signed by or on behalf of all of the Code Committee Members entitled to vote in respect of the matter the subject of the resolution shall be valid and effectual as if it had been passed at a duly convened and quorate meeting of the Code Committee; and such a resolution may consist of several instruments in like form each signed by or on behalf of one or more Code Committee Members.

1.7.6 Where the chair of a Code Committee considers it appropriate a meeting of the Code Committee may be validly held by electronic means where all the Code Committee Members present at such meeting can speak to and hear each other; and any decision taken at such meeting shall be validly taken provided that the provisions of this paragraph 1.4 have otherwise been complied with.

1.8 Attendance by other persons

1.8.1 Subject to paragraph 1.8.2, any meeting of a Code Committee shall be open to attendance by a representative of any Party and any other person entitled to receive notice of Code Committee meetings under paragraph 1.5.2; and any person so attending such a meeting may speak if invited to do so by the chair of the meeting, but shall not vote at the meeting.

1.8.2 Paragraph 1.8.1 shall not apply to:

(a) meetings of the Trading Disputes Committee or those meetings of the Performance Assurance Board as stated in Section Z, or to any determination by BSCCo relating to a matter referred and/or appealed to BSCCo pursuant to Section W3.5.1 and/or Section Z6.3 (respectively) is to be considered; and

(b) any meeting or part of a meeting of a Code Committee at which any particular matter is to be considered, where the chair of the meeting considers that it is not appropriate (having regard to the principles of transparency and openness in the conduct of business, or on the grounds of commercial sensitivity in relation to any person which is not a Party) for such matter to be considered in open session.

1.8.3 The chair of a meeting of a Code Committee may invite any person to attend all or any part of the meeting, and may invite any person attending the meeting to speak at the meeting.

1.9 Urgent Code Committee Meetings

1.9.1 Notwithstanding anything to the contrary in the preceding provisions of this paragraph 1.4, if any matter arises which, in the chair's opinion, is of a sufficiently urgent nature as to require a decision of the Code Committee earlier than may be possible under paragraph 1.5.6:

(a) the chair shall determine the time by which, in their opinion, a decision of the Code Committee is required in relation to such matter, having regard to the degree of urgency in all the circumstances, and references in this paragraph 1.9.1 to the "time available" shall mean the time available, based on any such determination of the chair;

(b) BSCCo shall, at the request of the chair, convene a meeting or meetings (including meetings held by electronic means) of the Code Committee in such manner and on such notice (but in any event not less than one hour's notice) as the chair considers appropriate, and such that, where practicable within the time available, as many Code Committee Members as possible may attend; and

(c) each Code Committee Member shall be deemed to have consented, for the purposes of paragraph 1.5.6, to the convening of such meeting(s) in the manner and on the notice determined by the chair.

1.10 Decisions of Code Committee

1.10.1 Where pursuant to the Code or any Code Subsidiary Document a decision of BSCCo as to any matter is to have binding effect on any Party or Parties, a decision of a Code Committee as to that matter shall be binding on Parties only to the extent that:

(a) BSCCo has expressly delegated to the Code Committee the relevant decision-making powers; or

(b) BSCCo has approved the decision of the Code Committee.

1.10.2 Where (pursuant to paragraph 1.10.1) a decision of a Code Committee is binding on Parties, that decision shall not be capable of being referred to BSCCo unless BSCCo so determined when delegating its decision-making powers to the Code Committee.

1.10.3 In addition to those referred to in paragraph 1.1.6, the following decisions of BSCCo shall not be delegated to a Code Committee:

(a) the decision to approve the Work Plan and Annual Budget (or any revision thereto) pursuant to Section C6.3:

(b) the decision to exercise any of its powers in relation to a Defaulting Party pursuant to Section H3.2;

(c) the decisions of BSCCo as to precedence under Section H1.10 and H1.6.

1.10.4 For the avoidance of doubt, the delegation to a Code Committee of any decision-making powers of BSCCo shall not relieve BSCCo of its general responsibility to ensure that such powers are exercised in accordance with the Code.

1.11 Indemnity

1.11.1 BSCCo shall indemnify and keep indemnified each of the persons referred to in paragraph 1.11.2 (each such person an "**indemnity beneficiary**") in respect of all costs (including legal costs), expenses, damages and other liabilities properly incurred or suffered by such person when acting in or in connection with their office under the Code, or in what such person in good faith believes to be the proper exercise and discharge of the powers, duties, functions and discretions of that office in accordance with the Code, and all claims, demands and proceedings in connection therewith, other than:

(a) any such costs or expenses in respect of which such person is reimbursed pursuant to paragraph 1.12;

(b) any such costs, expenses, damages or other liabilities incurred or suffered as a result of the wilful default or bad faith of such person.

1.11.2 The persons referred to in paragraph 1.11.1 are each Code Committee Member, the secretary of any Code Committee, the Modification Secretary and each member of a Workgroup, together with their alternates (where such alternates are permitted to be appointed and are appointed in accordance with the Code).

1.11.3 BSCCo shall enter into, on request, and deliver to each indemnity beneficiary a deed of indemnity in the terms in paragraph 1.11.1.

1.11.4 The Parties agree that no indemnity beneficiary shall be liable for anything done when acting properly in or in connection with their office under the Code, or anything done in what that

person in good faith believes to be the proper exercise and discharge of the powers, duties, functions and discretions of that office in accordance with the Code; and each Party hereby irrevocably and unconditionally waives any such liability of any indemnity beneficiary, and any rights, remedies and claims against any indemnity beneficiary in respect thereof.

1.11.5 BSCCo acknowledges and agrees that it holds the benefit of paragraph 1.11.4 as trustee and agent for each indemnity beneficiary.

1.11.6 Without prejudice to paragraph 1.11.1, nothing in paragraph 1.11.4 shall exclude or limit the liability of an indemnity beneficiary for death or personal injury resulting from the negligence of such indemnity beneficiary.

1.12 Alternates

1.12.1 It is expected that Code Committee Members will make themselves available to conduct the business of the Code Committee; but where the chair of the Code Committee (on the application of the Code Committee Member) accepts that particular circumstances warrant such appointment, a Code Committee Member (other than the chair of the Code Committee) may, subject to paragraph 1.12.2, appoint a person (whether or not a Code Committee Member) to be their alternate (provided the person to be appointed has not already been appointed by another Code Committee Member), and may remove a person so appointed as alternate, by giving notice of such appointment or removal to the Code Committee Secretary.

1.12.2 Paragraph 1.3.4 shall apply in respect of the appointment of an alternate as though references in that paragraph to a Code Committee Member were to such alternate.

1.12.3 The appointment or removal by a Code Committee Member of an alternate shall be effective with effect from the later of the time specified in such notice and the time when such notice is given.

1.12.4 The Code Committee Secretary shall promptly notify all Code Committee Members of the appointment or removal by any Code Committee Member of any alternate.

1.12.5 Where a Code Committee Member has appointed an alternate:

(a) the alternate shall be entitled:

(i) unless the appointing Code Committee Member shall otherwise notify the Code Committee Secretary, to receive notices of meetings of the Code Committee;

(ii) to attend, speak and vote at any meeting of the Code Committee at which the Code Committee Member by whom they were appointed is not present, and at such meeting to exercise and discharge all of the functions, duties and powers of such Code Committee Member;

(b) the alternate shall cast one vote for the Code Committee Member by whom they were appointed, in addition (where they are a Code Committee Member) to their own vote;

(c) the alternate shall only stand as an appointed alternate for one Code Committee Member at a given meeting for which they were appointed as an alternate.

1.12.6 A person appointed as alternate shall automatically cease to be an alternate:

(a) if the appointing Code Committee Member ceases to be a Code Committee Member;

(b) if BSCCo otherwise determines that such person should cease to be an alternate in accordance with the Code Committee's terms of reference.

1.12.7 A reference in the Code to a Code Committee Member shall, unless the context otherwise requires, include their duly appointed alternate.

1.13 Expenses, remuneration and facilities

1.13.1 Where so agreed by BSCCo, any member of a Code Committee who is not employed or engaged by BSCCo shall be entitled to be reimbursed by BSCCo for the reasonable costs and expenses (including travel and accommodation costs) properly incurred by such person in attending meetings of or otherwise in the conduct of the business of such Code Committee.

1.13.2 No Code Committee Member shall be entitled under the Code to be paid any remuneration or benefits other than their costs and expenses in accordance with paragraph 1.13.1.

AMENDMENT RECORD – SECTION C

Section C	Version 45.0	Effective Date: 05 December 2025

Modification Proposal	Approval Date	Implementation Date	Version
ORD010	28/11/2025	05/12/2025	45.0
P500	21/11/2025	01/12/2025	44.0
P481	04/11/24	07/11/2024	43.0
ORD009	13/09/24	01/10/24	42.0
P474	08/08/24	01/10/24	42.0
P468	05/04/24	12/04/24	41.0
ORD008	12/02/24	29/02/24	40.0
P460	03/11/23	10/11/23	39.0
P458	03/10/23	10/10/23	38.0
P452	21/04/23	24/04/23	37.0

Modification Proposal	Approval Date	Implementation Date	Version
P450	12/01/23	23/02/23	36.0
P449	10/11/22	11/11/22	35.0
P446	22/09/22	23/09/22	34.0
P440	13/06/22	01/09/22	33.0
P439	16/05/22	01/06/22	32.0
P435	14/04/22	25/04/22	31.0
P423	30/09/21	07/10/21	30.0
P420	23/07/21	01/09/21	29.0
P413	11/03/21	27/04/21	28.0
P390	19/03/21	26/03/21	27.0
P394 Self-Governance	12/12/19	27/02/20	26.0
P386 Self Governance	13/06/19	07/11/19	25.0
P381 Self Governance	14/03/19	27/06/19	24.0
P369	24/09/18	29/03/19	23.0
P365	10/04/18	17/04/18	22.0
P324	14/10/16	11/11/16	21.0
P330	25/05/16	02/06/16	20.0
P318 Self Governance	08/10/15	25/02/16	19.0
P303	13/11/14	28/11/14	18.0
ORD005[1]	Secretary of State	01/08/14	17.0
P281	17/09/12	01/10/12	16.0
P284	17/09/12	18/09/12	15.0

[1] ORD005 was Directed by the Secretary of State on 1 August 2014

Modification Proposal	Approval Date	Implementation Date	Version
ORD004: Warm Home Discount (Reconciliation) Regulations 2011	DECC, 29/06/11	06/07/11	14.0
P262	10/12/10	31/12/10	13.0
P255	15/07/10	22/07/10	12.0
P217	16/10/08	05/11/09	11.0
ORD003	23/06/09	24/06/09	10.0
P208	16/01/07	22/02/07	9.0
ORD001	BETTA	01/09/04	8.0
P151	05/04/04	19/04/04	7.0
P133	23/12/03	02/01/04	6.0
P78	09/09/02	11/03/03	3.0
P108	04/02/03	06/02/03	5.0
P101	02/01/03	23/01/03	4.0
P56	10/03/02	18/03/02	2.0