

MARKET OPERATOR SERVICES LIMITED

Minutes of a meeting of the board of directors held at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London, EC1Y 4AG, on Wednesday 16th March 2016 at 11.10am.

Present:	Andrew Pinder (AP)	Chairman
	Ben Jeffs (BJ)	Chief Executive Officer
	Margaret Beels (MB)	Independent Director
	Peter Bucks (PB)	Independent Director
	Peter Simpson (PS)	Undertaker Director
	John Reynolds (JR)	New Entrant Director
In attendance:	Stephen Lyon (SL)	Finance Director
	Melanie Hughes	Addleshaw Goddard LLP
	Samir Rahim (SR)	MOSL IT Director (Item 3 only)

1 Preliminary

- 1.1 A quorum being present, the chairman declared the meeting open.
- 1.2 The chairman reminded those present that the meeting had been duly convened to consider and if thought fit, approve certain proposals in relation to the minutes of the last meeting, business update, programme update, finance report, membership approval, assurance group update, MOSL articles process, review of the risk register and the dashboard.

2 Minutes of the last board meeting dated 22 February 2016.

- 2.1 The minutes of the February meeting were approved and there were no matters arising.

3 Business update

- 3.1 Samir Rahim (IT Director) joined the meeting.
- 3.2 The Board reviewed the current red status of the programme and confirmed it was appropriate.
- 3.3 The Board were concerned about the lack of progress on testing of the phase 1 release of CMOS and the potential for a delay to the exit of the build phase and entry into the testing phase of the programme.
- 3.4 The Board were concerned to note the level of intervention that the MOSL CEO and IT Director were being forced to take to drive CGI delivery and the impact this would have on MOSL readiness activities.
- 3.5 The Board were concerned to note the apparent lack of control that CGI UK has in directing the activities of the testing and build teams working out of The Netherlands and Poland; and the level of transparency over testing activities.
- 3.6 The Board agreed the need for further escalation of the programme status globally within CGI, to the COO/CEO, in order to obtain the CGI response and assurances required in order to meet the 4 April deadline. **(Action BJ)**

3.7 Despite a concern over the level of control that CGI have over their subcontractor, Bridgeall, the Board acknowledged the increase in confidence in the performance of the settlement engine, after MOSL deployed resources onsite at Bridgeall to support testing of the settlement engine.

3.8 The Board noted that MOSL are implementing a scrum-like agile approach to provide a better depth of knowledge across divisions and drive quicker resolution of impediments.

4 Programme Update

4.1 The Board were advised that Thames proposed code change in relation to Developer Services was being progressed and that further industry consultation was required.

4.2 Senior roles continue to be difficult to fill due to the remuneration package which is being offered is under par when compared to water companies. It was noted that this has been going on for some time and if becomes delivery critical salaries will need to be reviewed.

4.3 The Board acknowledged the increase in demand on MOSL resources since the first Letter of Assurance and the difficulty MOSL has in providing each and every market participant with what they want whilst ensuring the requisite focus on the overall market opening programme.

4.4 The overall programme timeline was discussed and how this fits with what market participants need to do to be ready. Peter Simpson volunteered Anglian Water to undertake a right to left planning workshop with MOSL to develop a generic timeline and identify the issues in a way that could then be shared with other market participants via WRG. **(Action BJ)**.

4.5 The Board noted that a UAT volunteer has advised that they are not going to be ready and need to withdraw. It was agreed that a robust process is required to select a replacement **(Action BJ)**

4.6 The Board noted that Management had carried out a contract review with Practicus which had resulted in a number of personnel changes across the team to provide greater delivery focus. It was agreed that the performance of this contract would be kept under review. **(Action BJ)**

4.7 The Board noted that a Management workshop had been held on MOSL core values and how to embed them into the company and agreed that the remuneration committee should look at offer packages to ensure that MOSL is able to attract the necessary talent.

4.8 The Board noted that a Finance Manager is being recruited to support the Finance Director.

5 Risk register and Dashboard

5.1 The risk register and dashboard were reviewed, no matters arising.

6 Financial report

6.1 The Board discussed the financial report and explanations for variances to budget for the month of February 2016 were presented.

6.2 The Board approved the draw down on contingency of £150k, subject to the change control process for the provision of an additional environment in response to member feedback.

6.3 The Board approved the draw down on contingency of 75k for additional office space in High Holborn and requested that MOSL take an additional option on further space due to become available in May.

6.4 The Board discussed and agreed the need to appoint a general counsel.

7 Membership approval

7.1 A membership application from Regent Gas Limited in respect of Regent Water Limited was approved..

7.2 A membership application from Water 2 Business Ltd was rejected as the terms of current articles of association which prohibits membership by an associated company (Wessex Water and Bristol Water).

7.3 The Board acknowledged that an action needed to be taken to review the membership process alongside our Articles. **(Action SL)**

8 Assurance Group update

John Reynolds updated the board on the recent Assurance Group meeting which was held on 9 March. Attendance at the meeting was heavily weighted towards participants from Scotland and that the key of discussion was around the success criteria. The minutes are to be circulated once received **(Action JR)**

9 MOSL Articles process

9.1 The board acknowledged that the current articles of the Company would need to be updated to cover MOSL's role as the enduring market operator and the new business structures that are starting to emerge. It was agreed that management would work with the Board and legal counsel to bring a proposal for the articles to a future board. **(Action SL)**

10 Any other business

The Board were asked to consider the Retail market opening review which is to take place 21-23 April.

11 Close of meeting

11.1 There being no further business, the chairman declared the meeting closed at 14.23.

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Chairman