

Market Incident Management Plan Committee Terms of Reference v1.0

The Market Incident Management Plan (MIMP) Committee has been established in accordance with Schedule 11 of the Market Arrangements Code (MAC).

Unless otherwise stated, words and expressions that are used in the Terms of Reference (ToR) shall have the meanings and application attributed to them under the Schedule 11 of the MAC and CSD 0007 (Business Continuity Management).

Changes to the ToR can be proposed to the Panel at any time. All changes to the ToR will be voted on, in line with the Panel operating procedures.

1. Overview

The MIMP Committee has been set up to support the Panel in overseeing the Market Incident Management Plan of the market. Under the provisions set out in Schedule 11 of the MAC, the Market Operator shall establish, on behalf of the MIMP Committee, a sub-group which shall consist of a small number of individuals and will be tasked solely with the strategic management of an incident, as delegated to it by the MIMP Committee.

The sub-group will be known as the Incident Management Group and will play a central role in managing an incident if the MIMP has been invoked or is about to be invoked and will issue instructions to all affected Trading Parties and formulate a course of action in relation to returning the Market Operator and/or Trading Parties to Normal Operations.

The Terms of Reference for the sub-group will be developed by MOSL and the MIMP Committee will be invited to review and endorse the Incident Management Group ToR. The ToR will then be put forward to the Panel for approval.

The Business Continuity Management Framework is made up of three major components:

1. Market Incident Management Plan
2. Market Operator Business Continuity Management System
3. Trading Party Business Continuity Management Systems

The MIMP is a clearly defined and documented plan of action for use at the time of an incident which affects, or has the potential to affect, the overall market functioning. The plan covers key personnel, resources, services and actions needed to implement the incident management processes. It will also describe the necessary steps to Invoke the plan, how affected parties are notified and will include explicit steps to return to agreed Normal Operations, or the necessary steps that need to be taken should a different measure of Normal Operations be required.

The Market Operator Business Continuity Management System is formed of the Business Continuity Plan and the Disaster Recovery Plan, which cover how the Market Operator plans for the occurrence of an

incident which can affect the operation of the Market Operator Systems and, respectively, how the Market Operator recovers from an issue.

The Trading Party Business Continuity Management System is also formed of a Business Continuity Plan and a Disaster Recovery Plan, and cover the systems that are used by Trading Parties to interact and transact with the Market Operator Systems.

In accordance with CSD 0007, the Market Incident Management Plan is to be maintained by the Market Operator and only be invoked when an Incident is deemed to be sufficiently material (e.g. the Market Operator and multiple Trading Parties are affected and Business Continuity arrangements have been formally invoked). Invocation will occur where it is determined that:

- a) The Market Operator can no longer contain or recover from a significant incident having invoked its business continuity arrangements; or
- b) The Market Operator has determined that at a future point it will be unable to contain an incident within its business continuity arrangements it has invoked or is about to invoke.

2. Objectives and Principles

In accordance with CSD 0007, the purpose of the Business Continuity Management Framework is to ensure an on-going acceptable and proportionate level of resilience across the market. It is therefore the purpose of the MIMP Committee to review and make recommendations to the Market Operator of any changes to the Market Incident Management Plan in order to continue to achieve this.

Provisions in Schedule 11 of the MAC require the MIMP Committee to delegate some of its functions to a sub-group. The sub-group will act as the central governing body when the MIMP is invoked. The principle behind having a small group of individuals actively managing an incident is to enable an efficient and timely response. In the event of an invocation, the Incident Management Group will form a single, cohesive body which will direct affected Trading Parties and the Market Operator, updating them on the status of the incident and communicating actions that need to be carried out in order to return to Normal Operations.

In addition, following an invocation of the Market Operator or a Trading Party's Business Continuity Plans, or a planned exercise, the MIMP Committee shall review the lessons learned based on the report produced by the Market Operator.

3. Role and Functions

The Panel is required to establish the MIMP Committee but may delegate tasks at its discretion. It is the duty of the MIMP Committee to:

- Oversee the governance processes surrounding the Business Continuity Management Framework; and
- Delegate its role and functions which relate to the strategic management of an incident to a sub-group which will be established by the Market Operator on behalf of the MIMP Committee.

As set out in Schedule 11 of the MAC, the MIMP Committee has the following functions:

1. Reviewing and making recommendations to the Market Operator of any changes to the MIMP on an annual basis in accordance with best practice guidelines;

2. Reviewing the lessons learned report;
3. facilitating Plan Rehearsals between the Market Operator and Trading Parties;
4. Making recommendations to the Panel that the Wholesale-Retail Code (including any Code Subsidiary Document) be modified in order to enhance the Business Continuity Management Framework;
5. Delegating the Market Incident Management Plan Committee role and functions which relate to the strategic management of an incident to a sub-group, including, but not limited to:
 - a. Where the Market Incident Management Plan has been Invoked, issuing instructions to all affected Trading Parties;
 - b. Agreeing a revised measure of Normal Operations with the Market Operator in cases where the predefined Normal Operations point within the Market Operator's Business Continuity Plan is unachievable; and
6. Such other role and functions as the Panel may delegate to it from time to time.

The first duty of the MIMP Committee will be to review and endorse the MIMP Committee sub-group ToR and to nominate two (2) Trading Party members (1 Wholesale member and 1 Retail member) which are members of the MIMP Committee to be members of the Incident Management Group.

4. Membership

4.1 Chair and Secretary

The Chair of the MIMP Committee shall be the Market Operator's IT Director. The Chair's role will be to chair meetings, facilitate discussions, and encourage consensus, but shall have no casting vote.

The MIMP Committee shall have a secretary who shall be a person provided by the Market Operator. They will be responsible for taking minutes, agreeing and circulating agendas, scheduling and organising the meetings and producing the papers and reports on behalf of the MIMP Committee. The secretary will also attend meetings to support the activities of the MIMP Committee and advise on provisions in the market Codes. The secretary will neither vote nor be a member of the MIMP Committee.

4.2 Voting Members

The MIMP Committee shall be composed of the following members:

- Two (2) directors of the Market Operator (including the Chair);
- One (1) Market Operator Business Continuity/ Disaster Recovery manager, or deputy;
- One (1) representative of the Authority;
- Five (5) Retailer Trading Party Contract Managers, or deputies; and
- Five (5) Wholesaler Trading Party Contract Managers, or deputies.

Each MIMP Committee Member shall act impartially and independently of the interests of their employer and of any person or class of persons in exercising the functions under this ToR.

Before being appointed as a MIMP Committee Member, each MIMP Committee Member shall provide a member confirmation to the Market Operator that they agree to being a MIMP Committee Member, and that they agree to remove themselves from any consideration of relevant matters in relation to its own

employer or any affiliate. Members must also provide a letter from their employer agreeing that they may act as a MIMP Committee Member, in accordance with Schedule 5.7.1 of the MAC.

MIMP Committee Members shall be appointed by the Panel for a term of office of one (1) year, which may be extended subject to the review of the Panel. If the MIMP Committee is not fulfilling its obligations as set out in the code and this ToR, the MIMP Committee Chair has the right to review membership and make a recommendation to the Panel.

4.3 Alternates

If a Committee Member cannot attend a meeting of the MIMP Committee, the member may propose an Alternate. The Alternate can be any individual notified to the MIMP Committee secretary in good time before the MIMP Committee meeting. Alternates should possess sufficient knowledge and expertise to act as a MIMP Committee Member.

Subject to the approval of the MIMP Committee Chair, the Alternate may attend the MIMP Committee meeting and vote and speak as a MIMP Committee Member.

Alternates will be required to act in accordance with Schedule 11 of the MAC and this ToR.

A person appointed as an Alternate is bound by the provisions of the code. Alternates must act impartially, in the best interests of the market and should not be representative of or have regard to the interests of anybody or person, including the MIMP Committee Member that appointed them.

If an Alternate attends a meeting as well as their standing MIMP Committee Member, he or she attends only as an Observer and will have no voting rights. If a member is unable to attend, they must notify the MIMP Committee secretary.

5. Quorum and Decision Making

No business is to occur at the meeting unless a quorum is present. A quorum is a minimum of nine (9) Committee Members in total including:

- One (1) director of the Market Operator (the Chair);
- One (1) Market Operator Business Continuity/ Disaster Recovery manager, or deputy;
- One (1) representative of the Authority;
- Three (3) Retailer Trading Party Contract Managers, or deputies; and
- Three (3) Wholesaler Trading Party Contract Managers, or deputies

Members must inform the meeting secretary if they or their Alternate is unable to attend at least five (5) Working Days prior to the meeting.

If a quorum of members has not confirmed attendance, the MIMP Committee Chair may determine that the meeting should be cancelled and a notification be issued to MIMP Committee Members no later than five (5) Working Days prior to the meeting. The meeting will be deemed as cancelled if no Member has notified the meeting secretary that he or she objects to the cancellation, not later than three (3) Working Days before the meeting.

If the Chair is not present and has appointed an alternative member to act in their place, this member will only fulfil the role of Chair for purposes of quorum.

In the event that a meeting of the MIMP Committee is convened and a quorum is not present within one hour, the meeting will be adjourned and re-scheduled by the MIMP Committee secretary at the earliest convenience.

A meeting shall be quorate if the necessary members are present in person at the meeting or are contactable by telephone conference call.

5.1 Voting Procedure

Votes will not be attributable to individual Members. Any decision made by the MIMP Committee shall be decided by a simple majority of voting members.

When voting on any one decision, each MIMP Committee Member shall be entitled to exercise one (1) vote.

6. Secretariat

The Market Operator will provide the secretariat services and appoint the MIMP Committee secretary. The MIMP Committee secretary is the officer of the group that is responsible for its administration. The secretary must have integrity and must not only be, but also be seen to be, impartial and free from proximity to vested interests. The work of the secretary encompasses:

- Convening of meetings, provision of relevant papers and materials, taking minutes of meetings and recording actions;
- Maintaining registers of MIMP Committee Members, interests, contracts and agreements;
- Communicating with the Panel, Trading Parties and Ofwat on behalf of the MIMP Committee;
- Management and administration of the MIMP Committee Member appointment processes; and
- Supporting the MIMP Committee Chair in ensuring compliance with regulations and obligations by the MIMP Committee and Panel Members (and the MIMP Committee and Panel as a whole).

7. Proceedings of the Meeting

7.1 Frequency of Meetings

A 12-month schedule of meetings will be maintained by the MIMP Committee secretary and published on the Market Operator website.

The MIMP Committee will meet every six (6) months, but meetings may be cancelled if there is insufficient business on the agreement of the MIMP Committee Chair. In such cases, the MIMP Committee secretary will notify members (and confirm on the website) that the meeting is cancelled not later than five (5) Working Days prior to the meeting. The meeting will be deemed as cancelled if no MIMP Committee Member has notified the secretary that he or she objects to the cancellation, not later than three (3) Working Days before the meeting.

Additional meetings may be held at such a time and place as notified to the MIMP Committee Members by the Secretary in accordance with these ToR.

Unless otherwise decided by the Panel, the MIMP Committee secretary shall convene MIMP Committee meetings by giving notice via email at least ten (10) Working Days prior to the proposed meeting, accompanied by publishing an agenda and any non-confidential papers on the website, as necessary. A copy of such notice and papers shall also be sent to any Alternate appointed.

The custom and practice is that there will be no late papers issued outside of the agreed meeting notice period. From time to time, there may however be a need for additional matters or late papers, and the approach will be agreed by the MIMP Committee Chair on a case by case basis. The MIMP Committee secretary will provide notice to MIMP Committee Members and the other persons entitled to receive notice, as soon as a reasonably practical. Late papers will only be considered upon the agreement of the MIMP Committee Members.

7.2 Urgent Meetings

Where the MIMP Committee secretary, with the agreement of the MIMP Committee Chair, is of the opinion that an urgent meeting is required, the ten (10) Working Day notice period shall be waived.

The MIMP Committee secretary will notify MIMP Committee Members by email and/or telephone as soon as a reasonably practical prior to the calling of an urgent meeting.

7.3 Meetings via Teleconference

A meeting of the MIMP Committee may consist of a tele- or video-conference between members. A MIMP Committee Member taking part in such a conference or telephone call is deemed to be present in person and is entitled to vote and be counted in the quorum accordingly.

7.4 Minutes of Meetings

The MIMP Committee secretary shall minute the proceedings and resolutions of all meetings, including the names of those in attendance. Draft minutes will be circulated to all MIMP Committee Members as soon as a reasonably practical after the meeting, where approval will be sought at the next MIMP Committee meeting. Following MIMP Committee approval, the minutes will be published on the Market Operator's website.

The secretary will also provide regular updates to the Panel on the activities of the MIMP Committee, in the form of a six-monthly (or otherwise agreed) Committee Report, as determined by the Panel and agreed by the MIMP Committee Chair.

The MIMP Committee secretary will also record and maintain an Action Log of all the actions that arise from each meeting. The secretary shall ensure the outcome of all MIMP Committee decisions are communicated to the Panel.

7.5 Recording and Broadcasting

For transparency, audio and/or video recording may be made of MIMP Committee meetings. The agreed recording and broadcasting policy is as approved by the Panel and published on the Market Operator's website.

8. Code of Conduct

MIMP Committee Members and all other attendees must refrain from the use of inappropriate or offensive behavior during the meetings. This includes, but is not limited to:

- Defamatory comments regarding another person or persons;
- Unsubstantiated statements that could be considered slanderous or subject to libel proceedings;
- Use of foul language; and
- Use of threatening language towards other persons whether present or not.

The MIMP Committee Chair reserves the right to remove any attendee in the event that they consider the guidelines set out above are breached, or to adjourn the meeting as appropriate.

9. Transparency and Confidentiality

The MIMP Committee meetings are open and public. While custom practice will be to allow any person to attend the open session of MIMP Committee meetings, provided that the MIMP Committee secretary is notified and prior consent of the MIMP Committee Chair is required (and that such approval will not be unreasonably withheld), exceptions may apply which call for a closed meeting session. Such exceptions include where confidential information will be considered, in which case the meeting shall be held in confidence.

Any Panel Member is entitled to attend closed sessions of the MIMP Committee, subject to informing the MIMP Committee Chair first.

In the event of closed session papers or minutes, the necessary paperwork will be circulated to MIMP Committee Members and will not be published on the Market Operator's website.

The MIMP Committee may invite such Trading Party and/or the Market Operator to send a representative to attend the relevant part of such meeting. MIMP Committee Members shall not disclose confidential information received in that capacity.

10. Conflict of Interest

MIMP Committee Members shall declare in advance any actual or perceived conflict of interest.

In the event of any conflict of interest is declared by a MIMP Committee Member, the Member shall notify the Secretary for the matter to be discussed at the next appropriate Committee meeting. At the MIMP Committee meeting, the members shall decide the most appropriate course of action.

11. Expenses

Where the Panel agrees, any MIMP Committee Member who is not employed by the Market Operator can claim reasonable costs and expenses incurred in attending meetings or otherwise conducting business. The agreed Panel and Committee Expenses Policy is published on the Market Operator's website.

12. External Communication

MIMP Committee Members may be approached by members of the press or requested to speak at public events either on behalf of the Committee or in personal capacity. The agreed Committee Communication Policy is as approved by the Panel and published on the Market Operator's website.