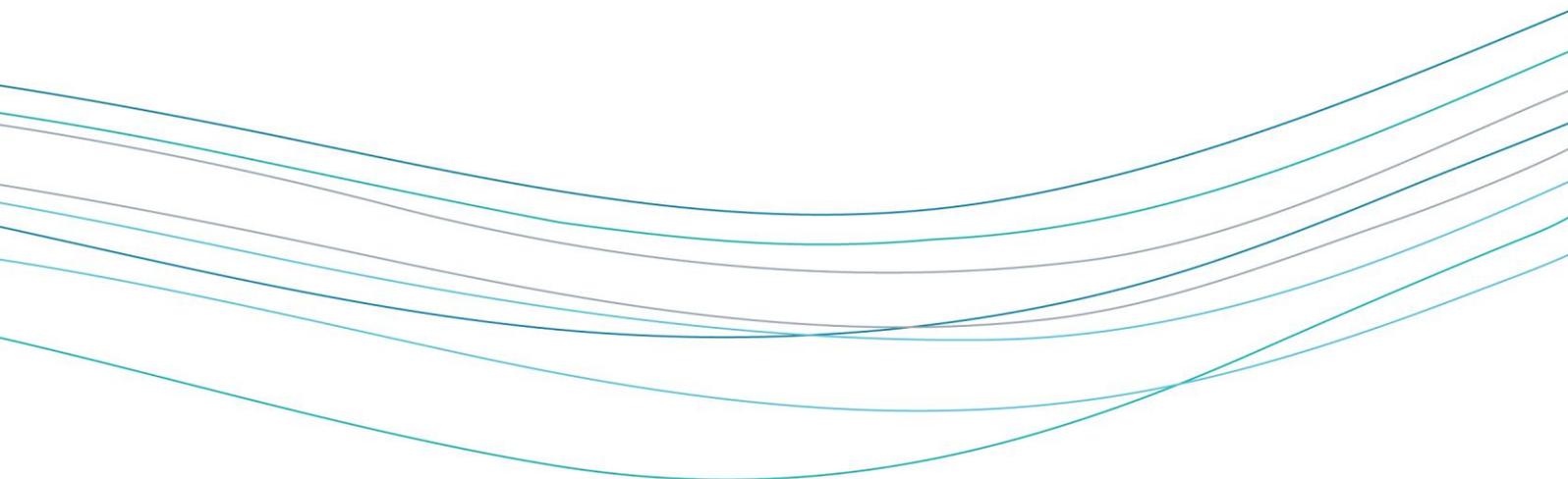


Disputes Guidance Document

16 November 2020



Introduction

The purpose of this document is to provide guidance for trading parties with regards to the disputes process. It is intended as a guide to best practice including timescales outlined within the market codes. For further guidance please refer to Schedule 9 of the Market Arrangements Code.

What is a dispute?

“Any query or dispute of whatsoever nature and howsoever arising under the Wholesale-Retail Code as to the existence, nature or effect of any errors in (including omissions from) any Data Item.” (Wholesale Retail Code - Part 1)

A dispute is defined as any query, difference or dispute which has arisen due to the existence of an error. This includes instances where errors have been identified but not resolved.

Disputes occur when two trading parties disagree on whether a data item has been accurately maintained. Under the Market Arrangements Code (MAC), in the event of dispute, raising a dispute escalates the query to ensure rectification.

Disputes are assessed against key criteria which must be met for the dispute to be considered as valid. These criteria are as follows:

- ◆ The trading party has attempted to resolve the dispute informally through existing procedures with the codes
- ◆ The trading party has notified the other disputing party that they wish to commence a formal dispute
- ◆ In the case of a dispute against the Market Operator, MOSL must provide or implement a suitable rectification plan.

In most cases, it is expected that parties will resolve the issue bi-laterally without the need to raise a dispute. Trading parties are expected to work collaboratively together and with MOSL to resolve potential issues before they are formally raised as disputes. This includes raising a query with MOSL via email to operations@mosl.co.uk prior to raising a dispute. This email should provide details of the issue, the background of the problem and what efforts have been made to resolve the issue to date. Disputes should not be raised until the parties involved have made all reasonable attempts to resolve the disagreement.

Disputes process

1. Raising a dispute

Disputes should be raised and managed through KissFlow. Any additional information to support the dispute can be attached to the application. MOSL will acknowledge the application within five business days and validate it against the key criteria.

Once validated, MOSL are obligated to publish the dispute to the website within five business days and will include sufficient details for other trading parties to assess whether they will be affected. If another trading party believe they have been affected by the dispute they have a period of seven business days from the point of publication in which to notify MOSL that they consider themselves to be an affected party.

If the dispute is not deemed to be valid or is unclear, MOSL may request additional information or clarity from the disputing party. Upon request for additional information, disputing parties have ten business days in which to respond to this request, or request an extension to this timeframe.

The disputing parties have maximum of ten business days from the date of publication in which to hold an initial meeting and a maximum of 20 business days in which to agree a resolution. If both parties agree, a timeframe extension can be requested, granting the parties another 20 business days.

If the disputing parties confirm to MOSL that the dispute has been resolved during the negotiation period, the dispute shall be closed. If MOSL does not receive updates from disputing parties, the dispute will be referred to the Disputes Committee for closure.

2. Resolving the dispute

From the point at which the dispute was raised, parties have twenty business days in which to negotiate to reach an agreement on a way forward. This meeting must involve representatives from the disputing parties with authority to resolve the dispute and can take place in the form of a meeting in person, a video conference or a conference call. At this meeting it is expected that disputing parties will act in good faith and shall use reasonable endeavours to reach an agreement.

3. Escalation to DC

If no agreement on resolution can be reached within 20 business days of the date the dispute was raised, MOSL may escalate the dispute to the Disputes Committee (DC). MOSL will provide all relevant documents to the DC within seven business days once provided by the disputing parties. The dispute may not be escalated to the DC if it is deemed that parties have been able to reach a suitable agreement and sufficient evidence of this has been provided.

All parties should keep to the timeframe outlined wherever possible. Where this is not possible, parties should contact MOSL to request an extension to the specified timeframe. MOSL will review this extension request and may grant the disputing parties another 20 business days before taking the step to escalate to the DC.

Once escalated, the dispute will be included on the agenda for the next DC meeting (or next practicable meeting) for discussion and consideration.

4. DC consideration

Upon consideration of the dispute, the DC may make further enquiries or request additional information and data from trading parties if required to reach a decision. It may also decide to defer a decision for necessary further information to be acquired. Having considered all relevant material, the DC will then decide as to:

- ◆ Whether there was an error by either trading party
- ◆ If so, what changes are appropriate to correct the error(s)

5. Following DC decision

Once the DC has reached a decision on the dispute, MOSL will publish the outcome of the dispute to its website within five business days of the decision. It will notify any affected parties and the market auditor of the identities of all affected trading parties and the decision made by the DC. It may also include further information as to the reasons behind the decision if deemed appropriate by the DC.

Following this, if any affected trading party does not agree with the decision reached by the DC it may refer the dispute to arbitration within twenty business days of receipt of the decision. The dispute may also be referred to arbitration if the DC did not determine the decision by majority.

If no notice of arbitration is received within the twenty business days window, then the decision of the DC will be final and binding.

If a settlement run is required following the correction of the incorrect data item, MOSL will ensure that either the next planned settlement run or a dispute settlement run is undertaken within 20 business days following the decision of the DC or as otherwise agreed in the rectification plan.

Arbitration

MOSL does not play an active role beyond monitoring the arbitration process once the dispute has been escalated. Responsibility remains solely on a trading party to organise, communicate to MOSL, and undergo the arbitration process, which must be raised under London Court of International Arbitration (LCIA) rules.

For more information on the trading party's obligations during the arbitration process, please refer to Section 19 of the Business Terms.

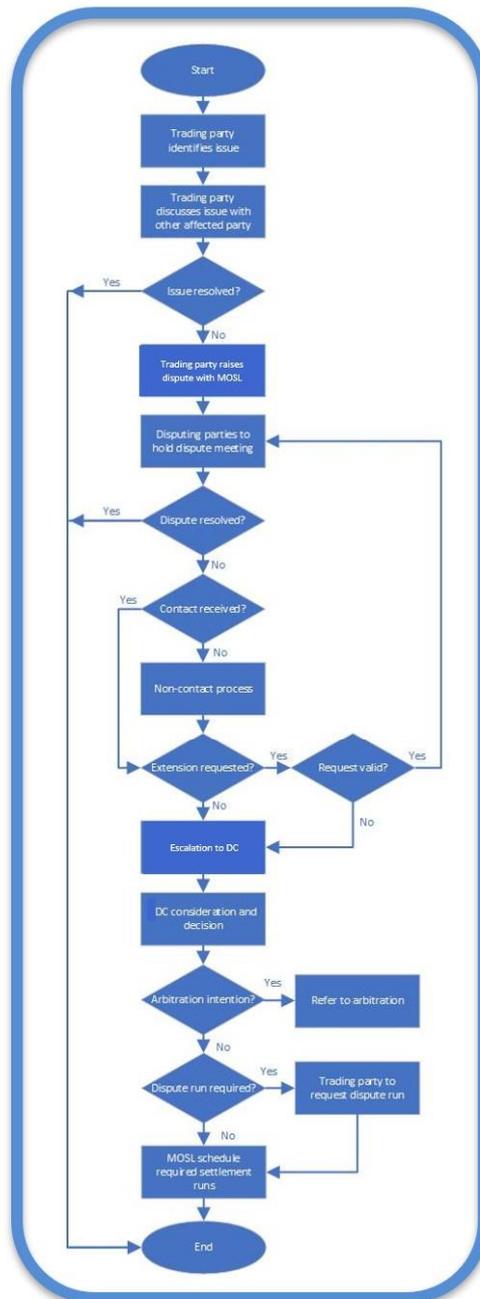
Non-contact

Please note, in any instance where a set timeframe is outlined it is expected that parties will adhere to this. In circumstances where this is not possible, parties should contact MOSL to request an extension to this timeframe. If the Service Level Agreement (SLA) has not been met and no reasonable contact has been received, MOSL will send a notification to the disputing party requesting an update. Following this, trading parties are given 10 working days to respond to the notification. After which, the dispute may either be escalated to the DC or closed if deemed appropriate by MOSL.

Appendices

1. Process map

The below process map is intended to provide further illustration to the process as described in the above document. For guidance on timeframes please refer to above document and relevant codes.



2. Process timeline

The below timeline is intended to provide illustration on the time frames as set out in the Market Arrangements Code and Business Terms. Please note, no set time period has been apportioned to the consideration of the DC as there are currently no time frames for this set out in code.

