

BRIEFING NOTE ON MOSL BOARD

The Board

The MOSL Board sets the strategic direction for MOSL (as outlined in its three-year strategy), future scanning as to the services MOSL can, and should provide, in consultation with its membership and Ofwat.

The Board is responsible for submitting an annual business plan to members for their approval and for monitoring MOSL's delivery of that plan. The Board is responsible for ensuring good governance.

Whilst MOSL is owned by its members, it is important that it remains independent of them and conducts its work impartially and without undue influence from any group or individual member.

The Board ensures that these obligations are met by setting the values and standards of the company, overseeing the performance of the management team and ensuring that the required resources are available to enable MOSL to achieve its objectives. MOSL's purpose statement is 'Advancing simple and effective water markets to unlock value and choice for customers'.

The Board is responsible for the appointment of, and succession planning for, the CEO.

Current Members

- Anne Heal - Chair
- Sarah McMath - Chief Executive Officer
- Hunada Nouss – Senior Independent Non-Executive Director
- Chris Pond – Independent Non-Executive Director
- Cliff Kamara – Independent Non-Executive Director
- Johanna Dow - Non-Executive Director elected by unassociated retailer members (the position must be filled by an employee of an unassociated retailer member)
- Paul Stelfox - Non-Executive Director elected by wholesaler members (the position must be filled by an employee of a wholesaler member)
- Anita Adam - Non-Executive Director elected by associated retailer members (the position must be filled by an employee of an associated retailer member)

Board Meetings

The Board currently holds four full meetings per year (one combined with a strategy day), usually in Southampton, and these generally run for five to six hours. In addition, there are usually at least two shorter meetings, and one to two Board dinners.

Board Committees

Board members are also expected to be members of Board Committees. There are four Board Committees – Audit and Risk, Nomination, Digital and Data, and Remuneration, presently chaired by Hunada Nouss, Anne Heal, Cliff Kamara, and Chris Pond respectively. Board Committees meet one to four times per annum. These meetings usually take place by videoconference.

The Role of Elected Board Members

In addition to their normal role as Board members, the elected Directors are expected to seek out and report on the views of those who appointed them. They must have the seniority to represent the community which appointed them.

The elected Directors also need to be close enough to the market to hear the “drumbeat” and be challenging enough of management.

The elected Directors also have a role in promoting MOSL Board decisions and MOSL as Market Operator amongst MOSL members, notably with those who appointed them.

All Board members are required to perform their role in accordance with their director’s duties, which are set out in the Companies Act 2006. These include the duty to avoid a situation in which they have a conflict of interest or a possible conflict of interest with MOSL’s interests and the duty to act in a way that the Director considers (in good faith) is most likely to promote the success of MOSL for the benefit of its members.

Elected Directors owe their director duties to all members of MOSL, not just to the class of members who elected them to the Board. If issues proposed for discussion at a Board Meeting could potentially divert a director’s attention from solely promoting MOSL’s success, then they must disclose this to the Board at the outset of the meeting.

The Role of the Market Operator

As the enduring market operator (**‘MO’**), MOSL’s remit is to ensure that the market operates effectively and efficiently, provide a ‘level playing field’ for all companies operating in the market, and to identify and mitigate risks to these goals. In exercising its mandate, the MO does so in a manner that best seeks to protect and promote the interests of, and participation by, existing and future non-household customers. The MO plays an important role in enabling market participants to enter and exit the market and trade with each other smoothly and efficiently.

MOSL currently has approximately 85 employees based at its office in Southampton. It is intended to be a small organisation with a budget agreed by members each year. A new rolling three-year business plan was approved by members in 2024, and a new three-year strategy was completed in the autumn of 2023.

MOSL operates according to its business plan and within a budget that is approved by its members annually. MOSL aims to be a lean and efficient organisation that uses the latest technology to help

visualise market data and enable as much 'self-service' as possible by its members. The 2024-2025 business plan and the 2024-2027 strategy are available on the [MOSL website](#).

Registration and switching services

The MO administers a central register of unique supply points ('**SPIDs**') in the market. This central data is maintained and updated by the relevant retailer via the central market operating system ('**CMOS**'). The system is supplied by CGI who continue to provide support and development services to MOSL for CMOS.

The MO is responsible for the process of assigning a retailer to any SPIDS that do not have one. The MO does not provide customer advice, recommendations or provider comparisons, nor does it manage enquiries from customers regarding central registration data.

Financial settlement services

The MO determines 'settlement' charges due between market participants. Invoicing and payment handling are managed bi-laterally between organisations and not by the MO.

Market governance services

The MO administers the market codes and the code modification process, provides secretariat functions to the Strategic Panel, it's committees and working groups, and administers accession to codes during market entry and exit.

The requirements for market governance mean that the MO carries out monitoring and reporting of market code compliance and has delegated authority to issue warnings and financial and non-financial penalties for low-level infractions. Enforcement of significant market issues is a matter for Ofwat. Similarly, MO administers, but does not arbitrate on, market disputes.

The MO produces and publishes market statistics. The MO provides training on codes, processes and systems to market participants.

The Market Arrangements Code ('**MAC**') provides that MOSL's CEO attends the Strategic Panel, as an affiliate member, which, alongside the Code Change Committee, has oversight of both the Wholesale Retailer Code ('**WRC**') and the MAC.

MOSL Service Delivery

The MO operates the necessary IT applications, infrastructure and service delivery aspects which will underpin its operations via CMOS, the Bilateral Hub and other MO systems.

While fit for purpose for market opening, CMOS and other MO systems continue to be developed and the Business Plan includes a number of technology improvement programmes, notably the Bilateral Transaction Programme, and the modernisation of market systems, which incorporates the migration of CMOS to a public cloud and containerisation through distinct microservices.