

Action 0101b update:

The process for appointing Shipper Nominated Directors to Xoserve's Board at a high level is:

- 1) Shipper Nomination Committee (SNC) is convened and shall comprise of at least 4 members (2 nominated by Energy UK and 2 nominated by ICoSS)
- 2) SNC is exclusively responsible for identifying and nominating candidates to fill the roles of Shipper Director
- 3) SNC agree with Board and company CEO, a description of the role and capabilities required for the appointment of Shipper Director
- 4) SNC shall have exclusive right to appoint up to 4 directors who shall be the Shipper Directors

Once appointed the Shipper Nominated Director shall act in a manner that is most likely to promote the success of the company for the benefit of its members as a whole.

Additional update received 20 April 2023:

In the normal course of business, any issues that a DSC party feels the need to raise about the conduct of SNDs would be expected to be raised in the first instance at CoMC, to understand in what respect it is believed that the SND had failed to discharge their statutory duties under the Companies Act 2006. If appropriate, a meeting of Shipper Nominations Committee (SNC) could then be organised to discuss,

There are two possible routes that the relevant SND's tenure on the Board would end prior to the maximum term of 9 years:

1. SNC could decide not to extend the tenure of a nominated SND at the end of year 3 or year 6; or
2. There is an issue with the performance and delivery of duties by the nominated SND which cannot be resolved, and it is agreed to remove the Director prior to the end of their tenure.

Either route would be managed with SNC as appropriate and facilitated by Xoserve.