

VOTING ARRANGEMENTS FAQs

1. Who is eligible to vote?

Each Trading Party Group, each Distribution Business Group and the Transmission Company are entitled to vote.

2. Who can exercise the right, on behalf of Voting Parties, to call a General Meeting or to vote?

ELEXON will use Authorised Persons who have been authenticated under BSCP38 in order to validate the various activities that are required under the BSC voting arrangements. Parties will need to appoint Authorised Persons for the following:

- To keep ELEXON informed of changes to Trading Party Groups and Distribution Business Groups
- To request a vote at a General Meeting or an Annual BSC Meeting
- To exercise a vote on behalf of a Voting Party at a General Meeting or an Annual BSC Meeting
- To appoint a proxy to vote on a Voting Party's behalf at a General Meeting or an Annual BSC Meeting

All of these activities can be authorised by a Category A signatory but you can also appoint category ZB and ZC Authorised Persons by submitting a new authorisation form by post, fax or email. The authorisation process and forms are set out in [BSCP38](#).

3. Who are Voting Parties

Voting Parties are:

- The Transmission Company;
- Each Trading Party Group and/or each Distribution Business Group;
- For each Trading Party and/or Distribution System Operator that does not form part of group, the individual party.

A register of Voting Parties is available on the ELEXON website.

4. When will votes take place?

Votes will take place at the Annual BSC Meeting and at ad hoc ELEXON General Meetings (i.e. meetings of Voting Parties).

At the Annual BSC Meeting, Voting Parties will be asked to approve directors who have been appointed by the BSCCo Board during the previous year. The Annual BSC Meeting takes place every year in July.

In addition to this, Parties will be able to vote to remove BSCCo's directors at any time by requesting that ELEXON organises a General Meeting.

5. What can Parties vote on?

Voting Parties can vote on three things:

- To approve any appointments or re-appointments of directors made by the Board during the previous year. This vote will only take place at the Annual BSC Meeting
- To remove any directors of ELEXON. This vote can take place at any time if Parties holding at least 5% of the Actual Voting Share request ELEXON to schedule a General Meeting for this purpose
- An advisory resolution on any matter relating to ELEXON. These resolutions are non-binding but can be requested at any time by Parties holding at least 5% of the Actual Voting Share

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6. How are voting shares calculated?

The BSC allocates voting rights between:

- Trading Party Groups are collectively allocated 86% of the total vote. These votes are allocated between Trading Party Groups based on their funding share i.e. the more that a Trading Party Group contributes towards ELEXON's funding the more votes it will receive. This, however, is subject to a cap, more details of which are set out below.
- Distribution Business Groups are collectively allocated 8% of the total vote. These votes are allocated equally between all Distribution Business Groups.
- The Transmission Company is allocated 6% of the total vote.

Voting rights are also subject to a cap so that no Party controls more than 6% of the vote. This cap is applied to Trading Party Groups so an organisation which operates through a number of group companies will still be subject to the cap. The cap also applies to those Voting Parties which include both Trading Parties and Distribution System Operators.

7. How do Voting Parties know what their Actual Voting Share is?

The bases on which Actual Voting Shares are calculated are set in in Annex C-2 Paragraph 2 of the BSC.

A register of Actual Voting Shares will be published on the ELEXON website and updated at least monthly. You can find the register of [Actual Voting Shares](#) here.

ELEXON will update its record of Actual Voting Shares each month within 5 Working Days of the publication of the Annual Funding Share values for that month or whenever a Trading Party Group or Distribution Business Group provides ELEXON with an update on the group companies comprising their group.

8. How can Parties request a vote?

Voting Parties can request a vote by requiring ELEXON to call a General Meeting. ELEXON is required to call a General Meeting where Voting Parties who hold at least 5% of the Actual Voting Share request a vote.

In order to request a vote you must send the General Meeting Request Form found on the [Who we are page](#) of our website to ELEXON's Company Secretariat at Companysecretary@elexon.co.uk or by post to The Company Secretary, ELEXON Limited, 4th Floor 350 Euston Road, London, NW1 3AW

In order to be a valid request, the General Meeting Request Forms must:

- Be received from Voting Parties holding at least 5% of the Actual Voting Share (as set out in the most recent published register of Actual Voting Shares). In order to be able to authenticate the request, if more than one Voting Party is requesting a vote at a General Meeting or the Annual BSC Meeting, we must receive completed form from all the Voting Parties who are requesting the General Meeting
- be authenticated by the Authorised Signatory of the Party or Parties making the request. The Authorised Signatory must be a category A signatory or a category ZC signatory
- state the nature of the business to be dealt with at the General Meeting i.e. whether the business is to discuss a non-binding resolution (and if so what is the general nature of the resolution) or whether the business is a binding resolution to remove a director
- include the Voting Party's rationale and any supporting documentation

You may also include the text of a proposed resolution, although ELEXON's Company Secretariat can also prepare this.

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9. What happens when a vote is requested?

When a General Meeting or a vote at an Annual BSC Meeting is validly requested, the following will happen:

- If the request relates to the removal of a director, the Company Secretary will inform the Board and the affected director within 2 Working Days
- ELEXON must send out a notice all Parties, the Authority and the Board within 15 Working Days
- ELEXON must arrange a General Meeting to take place not earlier than 20 Working Days and not later than 30 Working Days after the date of the notice

10. What can Voting Parties expect to receive when a vote is requested?

When a vote is requested, ELEXON will send out a notice of the General Meeting which will include:

- Details of the place, date and time of meeting
- A description general nature of business
- the text of the resolutions to be approved at the meeting
- the rationale and any supporting documentation provided by the proposer of the resolution
- any information that the Board wishes to include
- an Attendance Card
- a Proxy Appointment Card

11. How can Voting Parties cast a vote?

Votes must be cast in person by a category A or a category ZC Authorised Person on behalf of each Voting Party. If the Authorised Person cannot attend then they can appoint a proxy to vote on their behalf.

12. What if an Authorised Person cannot attend a meeting in person?

Voting Parties can appoint a proxy to attend, speak and vote on their behalf. A proxy can only exercise a vote on a Voting Party's behalf if they attend the meeting. It is therefore common practice in other companies to appoint the company chairman as proxy. The proxy will be obliged to follow your instructions, if you give him any, on how to vote.

13. What happens if more than one Authorised Person or proxy is appointed by a Voting Party?

This situation may well arise as Trading Party Groups are comprised of a number of Parties each of whom are likely to have several Authorised Persons.

- We will accept requests to arrange a General Meeting, or a vote at an Annual BSC Meeting, from any Authorised Person appointed by a BSC Party. In this case, the Authorised Person will need to confirm that they are authorised to act on behalf of all Parties which form part of their Trading Party Group.
- We will confirm identities at all attendees at General Meetings and Annual BSC Meetings. If any Voting Party has appointed multiple proxies and/or sent several Authorised Persons, we will only be able to allow one person to vote on behalf of the Voting Party. In this case we will ask the proxies and Authorised Persons to agree between themselves who will vote but if no agreement can be reached then ELEXON will select the Voting Party at random in accordance with Annex C-2 paragraph 1.1.3 of the Code.

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14. How do Voting Parties appoint a Proxy?

Voting Parties can appoint a proxy using the Proxy Appointment Form that is issued to you as part of the notice of a General Meeting.

Proxy Appointment Forms must be sent to ELEXON's Company Secretariat at Companysecretary@elexon.co.uk or by post to The Company Secretary, ELEXON Limited, 4th Floor 350 Euston Road, London, NW1 3AW

The Proxy Appointment Form must be signed by a category A or a category ZC Authorised Person and we will authenticate it using as follows:

- | | |
|----------|--|
| By Post | Proxy Appointment Forms submitted by post will require passwords and authorised signatures for authentication purposes. |
| By Email | Proxy Appointment Forms submitted via email will require a password, an authorised signature and must only originate from the email address registered to the relevant Authorised Person via this BSCP. Any email submissions that contain a correct password but an incorrect originating address will fail validation. |

The Proxy Appointment Form must be received by ELEXON no later than 2 Working Days before the General Meeting.

15. What will happen at General Meetings and for voting at Annual BSC Meetings?

When Authorised Persons or proxys arrive we will check their identities and hand out Poll Cards. Once there has been an opportunity to debate a resolution and ask questions the chairman will invite anyone who is entitled to vote to complete their Poll Cards and put them in the ballot box. These will then be counted by ELEXON's Company Secretariat.

16. What are the quorum requirements for General Meetings and for votes at Annual BSC Meetings

In order for a General Meeting, or a vote at an Annual BSC Meeting on the re-appointment of directors, to be valid there must be present at that meeting:

- At least 10 Voting Parties (either through their Authorised Person or through a duly appointed proxy)
- The Voting Parties present must hold an aggregate Actual Voting Share of at least 30% of the total Actual Voting Share
- An Authorised Signatory on behalf of the Transmission Company

17. What happens if a quorum is not present?

If a quorum is not present then the vote on a resolution cannot take place and the meeting will be adjourned and re-scheduled.

18. How will a resolution be passed?

A simple majority of votes cast at the meeting are needed to pass a resolution. Only votes for or against a resolution will be counted. Votes that have not been cast and any abstentions will not be counted.

The Actual Voting Share used to count the vote will be the Actual Voting Share published on the BSC Website at 17.00 on the last Working Day before the day of the vote.

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19. When will the results of a vote be known?

ELEXON's company secretariat will publish indicate results within 1 Working Day after the meeting and will publish a final confirmation of the vote within 5 Working Days.

20. Will the results of a vote be authenticated by an independent third party?

ELEXON will not do this as a matter of course but it is open to any Voting Party to request a audit of the vote. Any such request must be made within 5 Working Days of the vote being confirmed by ELEXON.

If an audit is requested then ELEXON will ensure that the audit is completed within 30 Working Days and the results published promptly thereafter.