

LETTER OF AGREEMENT FROM COMPANY

EMPLOYING A PANEL COMMITTEE MEMBER

To: the PAB Secretary

Dated as of [*Date*]

Dear Sirs:

We are aware that [*name of candidate for PAB Membership*] has been appointed as a member of the Performance Assurance Board established under the Balancing and Settlement Code (the "Code").

We agree that [*name of candidate for PAB Membership*] may act as a PAB Member, and that when [he/she] is acting in her capacity as such a Member the requirement in Section B2.8.1(b) of the Code shall prevail over [his/her] duties as an employee.

(A copy of Section B2.8 of the Code is attached to this letter.)

Yours faithfully,

Name of Employing Company

Attachment

Section B2.8 of the Code reads as follows:

2.8 Duties of Panel Members

- 2.8.1 A person appointed as Panel Member, when acting in that capacity:
- (a) shall act impartially and in accordance with paragraph 1.2.1; and
 - (b) shall not be representative of, and shall act without undue regard to the particular interests of:
 - (i) the body or person or persons by whom he was appointed as Panel Member; and
 - (ii) any Related Person from time to time.
- 2.8.2 A person shall not be appointed as a Panel Member unless he shall have first:
- (a) confirmed in writing to BSCCo for the benefit of all Parties:
 - (i) that he agrees to act as a Panel Member in accordance with the Code and acknowledges the requirements of paragraphs 2.8.1 and 2.8.3; and
 - (ii) that (in the case of an Industry Panel Member) he agrees to accept appointment (if appointed) as a Director of BSCCo (and its Subsidiaries) under Section C4.2;
 - (b) where that person is employed, provided to the Panel Secretary a letter from his employer agreeing that he may act as Panel Member and (if appointed) as a Director of BSCCo (and its Subsidiaries), and that the requirement in paragraph 2.8.1(b) shall prevail over his duties as an employee.
- 2.8.3 A Panel Member shall, at the time of appointment and upon any change in such interests, disclose (in writing) to the Panel Secretary any such interests (in relation to the Code) as are referred to in paragraph 2.8.1(b).
- 2.8.4 Upon a change in employment of a Panel Member, he shall so notify the Panel Secretary and shall endeavour to obtain from his new employer and provide to the Panel Secretary a letter in the terms required in paragraph 2.8.2(b); and he shall be removed from office if he does not do so within a period of 60 days after such change in employment.