

EUROPEAN ENERGY TRADING CIO FORUM

ORGANISATIONAL TERMS OF REFERENCE

This document sets out the purpose and remit of the European Energy Trading CIO Forum.

Purpose

European energy trading currently faces significant implications driven by digitalisation of our businesses which imply huge challenges for the involved technologies, the supporting organizations as well as the role of the CIO itself. The Forum has been established in 2012 to enable members to openly discuss and progress IT questions which relate to the whole industry, it is recognised for its technology leadership in European energy trading.

Discussion topics will be restricted to subjects that are not commercially sensitive from a competition law perspective, in particular with respect to each member's trading strategy and organisation and with respect to their specific demand for IT-services. The Forum is open to any recognised Energy Trading businesses in Europe, represented by their CIOs or executives holding equivalent positions.

Scope

The Forum represents the CIOs of organizations that have a substantial proprietary or asset backed energy trading operation in Europe in any energy related commodity. Areas typically covered include:

- Discussing and where agreed, progression of Trading IT-solutions that apply to the whole industry e.g. Trade execution platforms, new post-trade execution solutions, reference definitions to enable common Smart Contract creation, Regulation reporting, and more Generic Technology landscape e.g. Management and productivity tools. This may involve a debate on best practices with regards to change and run of IT landscapes.
- Sharing industry best practices towards 'Commodity' technology topics such as Cloud Architecture, generic software architecture trends (e.g. data lakes, Blockchain, API) and related Cyber Security topics
- Discussing best practice HR topics in the Energy Industry and related industries, e.g. hiring for innovation, talent management, attracting millenians, future IT skills, people development.
- Focus on the personal development of both CIO and the Architecture groups with external speaking engagements and network effect
- Discuss Target IT Operating model and standards that apply to the whole industry
- Providing software and data vendors with a clear industry vision for their product development planning, e.g. common data sources, issues, data vendors and technologies¹.
- Support the development and funding of shared software and services in non-differentiating areas where there is mutual benefit and a clear cost saving, or quality

¹ Note: with terms and conditions to be individually determined on a bi-lateral basis between the vendor and each member.

improvement, for the industry as a whole. Non-differentiating areas are areas in which members are equally obliged to adopt IT-solutions with no margin for entrepreneurial choices. The Forum does not intend to act as a software developer or a service provider, but aims to leverage available capabilities in the market.

- Acting as an industry body to discuss topics of general interest with other energy business forums/organizations like covering the full energy trading value chain
- Acting as a catalyst for the development of process standardisation and process automation governance in collaboration with other industry platforms, providing guidance on better operations of the solutions
- Support and organise cross company events.

Membership

The Forum was founded in 2012, the terms updated in 2014, and re-chartered most recently in 2019 and is open to qualifying member organizations. All member companies need to meet the following criteria:

- Be recognised in the energy industry as active in wholesale and other trading activities.
- Have an operational base in Europe.
- Be willing to host the forum, at a time as shall be mutually agreed.

Member representatives should meet the following characteristics:

- Be represented by a directly accountable energy trading CIO or equivalent level of seniority (or delegate) who is empowered to make decisions regarding the relevant Forum topics.
- Be willing to participate in the Forum, and to actively contribute and support its scope as defined within these Terms of Reference.
- Be willing to comply with the Organisational Rules of the Forum, as defined below.

New prospective members wishing to join will first be invited as Guests to the Forum. To apply for membership, a membership application form must be completed and signed and submitted to the Chairman of the Forum for consideration by the Board of the Forum (**Board**). The application form confirms that the applicant organisation will comply with the Terms of Reference of the Forum as set out in this document and meets the criteria for membership.

Membership will be granted to the applicant by the Board once they have, in the reasonable opinion of the Board, made a visible contribution to the Forum. Membership qualification will be reviewed on a periodic basis but a minimum after 24 months (2 years) of first joining.

No membership fees or any other fees or payments shall be payable for joining or participating in the Forum.

Governing Board of the Forum

The Forum is governed by the Board, constituted by elected members. The Board will be constituted by 5 elected members. The term of service for Board members will be 24 months (2 years). Board membership is restricted to the CIO or equivalent level of seniority role of the member organizations of the Forum.

Candidates for Board membership must be nominated and seconded by other members of the Forum.

Where more than five candidates wish to stand for Board membership, an election will be held. Board members will be elected by members of the Forum, with each member organisation being given five votes cast by the CIO of that organisation. Where more than five candidates stand, the five candidates with the highest number of votes will be elected. Member organisations are not able to vote for their own candidate.

Once elected, the Board will select a Chairperson and Co-Chairperson of the Forum, who shall be the Board members. The maximum term of service for the Chairperson and Co-Chairperson is for 36 months (3 years).

Key responsibilities of the Board are as follows:

- Approve application for membership of the Forum
- Review of level of active participation by member organisations
- Terminate membership of member organisations for failure to actively participate in the Forum or for breaching the rules of the organisation
- To approve any public communications or statements made on behalf of the Forum
- To approve changes to the Terms of Reference of the Forum
- To approve any policies of the Forum
- To set the future business and development aims of the Forum
- Act as sponsor for one or more Communities of Practice

Resolutions of the Board can be approved by a simple majority vote of the Board, when the Board is quorate. In the event of no majority, the Chairperson casts the deciding vote.

Termination of Membership

An organisation can terminate membership of the Forum at any time, by writing to the Chairperson of the Forum.

The Board will review contribution of membership on a quarterly basis. Participation is important and will be assessed based on contribution to workstream activities of the Forum. If a member organisation fails to contribute to the Forum for a period of two consecutive meetings, the Board has the power to terminate membership. For the avoidance of any doubt, no liability shall ensue to the organisation whose membership of the Forum has terminated for whatever reason.

Other reasons for termination may include:

- Breach of terms of reference of the Forum
- Issuing public statements or endorsements that have not been approved by the Board
- Repeated refusal to host a Forum meeting

The Forum is open for organizations to re-apply after a certain period. The process is as described in the Membership section above.

Collaboration

The Forum cooperates on the basis of mutual commitment and benefits. From time-to-time, the Forum will partner with third parties that are typically not-for-profit, where they have particular skills that can aid in the scope of the Forum as defined above. The Forum can collaborate with commercial organizations as long as the purpose and scope of the collaboration is in line with the Terms of Reference.

Communities of Practice

The Forum may decide from time to time to establish a Community of Practice (**CoP**) which will exist on an ongoing basis until the Forum decides otherwise. Examples include (but are not limited to): Architecture, Digital, Information Security etc. Normally a CoP will be established according to the following criteria:

- There should be at least three working sessions on the topic in order that interest in the topic can be gauged. The Board will nominate a sponsor for a CoP and provide leadership guidance and direction to the CoP.

- The Forum will appoint a Leader from a member organisation to run any workshops and present results of the CoP. The Leader may appoint a Deputy. The Deputy and all others attending the CoP will be regarded as members of the CoP.
- The Forum will provide guidance on the objectives and aims of the CoP.

As part of operation of the CoP, the following operating procedure will apply:

- The CoP will create and manage their own agenda seeking advice from the Board sponsor as necessary.
- A tangible list of deliverables to be produced will be specified.
- The Organisational rules of the Forum apply to the CoP
- “Shared Best Practice” document(s) are created as a result of the work or findings of the CoP.

Organisational rules

The Forum intends to act on non-differentiating topics only. No competition relevant data will be exchanged; no influence on counterparty trading behaviour or IT vendor prices is intended.

It's the policy of the Forum to that all member comply with the applicable European antitrust laws. It is expected that each member is aligned with their respective legal counsel, and in case of doubt actively addresses the issue.

All presentations, material discussions and agreements of the Forum will be documented and published on the Forum's document repository. Meetings will always be prepared by an agenda naming all the topics to be discussed. Minutes to be shared amongst the members.

A summary of each meeting will be published on the Forum website in due course to provide transparency to non-member companies.

References

The Forum provides general information via its website: <http://www.energytradingcioforum.eu/>

Members may reference to the forum website in social media, e.g. LinkedIn.

Members will utilize the document repository on Podio (<https://podio.com/>)