ELEXON

1 Publication and Implementation Dates

1.1 The *Publish Date* and the *Implementation Date* for this Governance Document are as follows:

Term	Date
Publish Date	12 December 2025
Implementation Date	12 December 2025

1.2 The *Publish Date* and *Implementation Date* form part of the legal baseline for this Governance Document and shall be taken as the effective dates for the purposes of interpretation and version control.

1.3 In the event of any discrepancy between the dates stated above and those referenced in any accompanying publication, metadata, or communication, the dates recorded in this Governance Document shall prevail.

1.4 For the avoidance of doubt, the *Implementation Date* represents the date on which the obligations, rights, and procedures set out in this Governance Document take operational effect.

2 Introduction

2.1 Purpose and scope of this document

2.1.1 This governance document sets out the Terms of Reference for the *Stakeholder Advisory Board* and is to enable Elexon to execute its role as *Market Facilitator*.

2.1.2 The purpose of the *Stakeholder Advisory Board* is to provide open and transparent governance in an advisory capacity. The *Stakeholder Advisory Board* ensures that the *Flexibility Market Rules* and associated processes are governed and overseen to benefit the wider *flexibility market*. It is a critical function of the *Market Facilitator* to uphold transparency, accountability, and compliance across the *flexibility market* landscape.

3 Establishment, objectives and functions

3.1 Establishment

3.1.1 The *Stakeholder Advisory Board* (*SAB*) is hereby established in accordance with the *Governance Framework Document*.

3.1.2 Its establishment is grounded in four core design principles:

(a) Governance must be open and transparent, except where confidential or commercially sensitive matters require discussion in a closed session.

(b) The *SAB* serves in an advisory capacity only; however, the *Market Facilitator* must demonstrate how the advice has been considered.

(c) *SAB* Membership should reflect the diversity of impacted stakeholders.

(d) *Buyers*, *Sellers*, and *Enablers* of *flexibility* should have an equal voice.

3.2 Objectives

3.2.1 The primary purpose of the *SAB* is to ensure a strong role for market participants in advising, informing, and supporting the activities and decisions of the *Market Facilitator*.

3.2.2 The *SAB*'s objectives are to:

(a) **Ensure transparency and accountability:** Hold the *Market Facilitator* accountable for delivering transparent, objective, and consistent outputs aligned with the *Authority*-owned *Governance Framework Document* and any ancillary documents.

(b) **Support the *Market Facilitator* in delivering its objectives:** Offer constructive feedback on the *Market Facilitator Budget*, *Delivery Plan*, and the *Market Facilitator Rules* to enhance decision-making quality.

(c) **Support policy alignment:** Advise on alignment of the *Market Facilitator*'s activities with national policy objectives and identify regulatory barriers.

3.3 Functions

3.3.1 The main functions of the *SAB* shall be:

(a) Oversight and scrutiny

(i) Scrutinise the *Market Facilitator*'s *Delivery Plan*, *Delivery Schedule*, and *Market Facilitator Budget*.

(ii) Oversee the *Market Facilitator*'s decision-making processes and outputs.

(iii) Provide input to the *Authority*'s assessment of the *Market Facilitator*'s performance.

(b) Advisory

(i) Advise on potential *Market Facilitator* Change Proposal implementation delays and mitigation strategies.

(ii) Identify barriers to *flexibility* within the market and propose actionable solutions.

(iii) Provide structured feedback on relevant consultations, including the *Market Facilitator Budget* and *Delivery Plan*.

(iv) Advise on *System Operator* underperformance and potential escalations to the *Authority*, subject to confidentiality protocols.

(c) Governance and Change Management

(i) Provide input to proposed changes to *Market Facilitator Rules*, ensuring they reflect stakeholder needs and promote market efficiency.

(ii) Vote on Change Proposals, including alternative solutions, to *Market Facilitator Rules* to inform *Market Facilitator* decision-making and progression timelines.

(d) Limitations

(i) The *SAB* shall not have the *authority* to establish, or delegate its functions to, any sub-committees or sub-advisory boards.

4 Composition

4.1 The *SAB* shall be representative of the stakeholders impacted by the *Market Facilitator*'s decisions.

4.2 The *SAB* shall be made up of:

(a) An independent *SAB* Chair.

(b) Up to nine *SAB* Members from the *flexibility* industry, selected and appointed according to the process in paragraph 11.2, to achieve equal representation across the three core stakeholder groups of *Buyers*, *Sellers* and *Enablers* of *flexibility*.

(c) Up to two Independent *SAB* Members, appointed at the *SAB* Chair's discretion.

(d) Representatives from the following organisations:

(i) the *Authority*

(ii) *National Energy System Operator* (*NESO*)

(iii) a relevant government department

(iv) the *Market Facilitator*

(v) representative bodies, approved by the *Authority*, of each of the following groups: *Distribution Network Operators*, *Flexibility Service Providers*, and

consumers.

(e) Other *SAB* Attendees invited by the *SAB* Chair, as required.

4.3 *SAB* Members shall be entitled to speak and vote (via *Simple Majority*). Representatives shall be entitled to speak but not vote, and *SAB* Attendees shall not be entitled to vote and shall require the *SAB* Chair to invite them to speak at board meetings.

4.4 The *Market Facilitator* shall provide a *Technical Secretary* and any other resources reasonably necessary to support the board's functions.

5 SAB Alternates

5.1 *SAB* Members shall be able to appoint, by giving written notice to the *Technical Secretary* and subject to the *SAB* Chair's discretion, other *SAB* Members as *SAB Alternates* when it is not possible for them to be present at a board meeting.

5.2 A *SAB* Member shall be able to act as an *SAB Alternate* for only one *SAB* Member at any given time. The *SAB* Member acting as the *SAB Alternate* shall be considered as two while deciding if the meeting has a sufficient Quorum and will have two votes.

5.3 A *SAB* Member who is unable to attend for an extended period of time, or needs to resign, shall also be able to appoint an individual who is not an existing *SAB* Member. This *SAB Alternate* must sign the same paperwork as the *SAB* Member (paragraphs 7.2 and 8.2), and their appointment is at the discretion of the *SAB* Chair.

5.4 These Terms of Reference shall apply in respect of an *SAB Alternate* as though references to the *SAB* Member in any paragraph were to such *SAB Alternate*.

6 Roles and responsibilities

6.1 **SAB Chair**

6.1.1 The *SAB* Chair shall:

(a) ensure that the board's objectives are met and functions are fulfilled through:

(i) acting impartially and avoiding conflicts of interest or favouritism. The *SAB* Chair must be satisfied that they have no other interests that could compromise their independence.

(ii) ensuring that formal views of the board on *Market Facilitator Budget*, *Delivery Plan* and performance are clearly articulated and provided on time.

(iii) presiding over board meetings, ensuring they are conducted efficiently and effectively in accordance with paragraphs 12.1 –12.10, and that discussions are open, balanced and impartial to meet agendas and any meeting objectives.

(iv) setting the agenda for board meetings.

(b) appoint:

(i) the *Deputy SAB Chair*, in consultation with the *SAB* Members – this appointment must be an existing Independent *SAB* Member.

(ii) the *SAB* Members.

(iii) the Independent *SAB* Members, in consultation with *SAB* Members.

(c) decide whether to appoint, where a *SAB* Member leaves before the end of their term, the *SAB* Member's *SAB Alternate* as a replacement or whether to invite new applications.

(d) have the power to remove a *SAB* Member in specified circumstances (paragraph 11.2.8).

6.2 Deputy SAB Chair

6.2.1 The *Deputy SAB Chair* shall act as the *SAB* Chair of any board meetings where the *SAB* Chair is not present. They shall have the same functions and powers as the *SAB* Chair during that meeting.

6.3 SAB Members

6.3.1 *SAB* Members shall:

(a) make themselves available at all reasonable times to attend meetings and to carry out their duties and functions as a *SAB* Member, appointing a *SAB Alternate* whenever this is not possible.

(b) be entitled to speak at any meeting and to form part of the *SAB*'s advice making (i.e. vote).

(c) declare any Conflicts of Interest at the start of their tenure or meeting, as appropriate (paragraph 9).

(d) be required to treat confidential information as such (paragraph 8.2).

(e) recommend the *SAB* Chair to the *Authority* (paragraph 11.1.4).

6.4 Market Facilitator

6.4.1 The *Market Facilitator* shall:

(a) support the board in meeting its objectives by presenting relevant business to the board and keeping the board updated on its plans and activities.

(b) facilitate a public selection process for the *SAB* Chair to enable *SAB* Members to make a recommendation to the *Authority* (paragraph 11.1.1).

(c) facilitate a public selection process for *SAB* Members to enable the *SAB* Chair to select and appoint *SAB* Members (paragraphs 11.2.1 and 11.2.4).

(d) help identify and manage Conflicts of Interest by ensuring proper governance procedures are followed, working closely with the *SAB* Chair and *SAB* Members.

(e) declare if they believe that they have a potential *Conflict of Interest* and take appropriate mitigating actions, such as appointing a third party or declaring an interest on record.

6.5 Technical Secretary

6.5.1 The *Technical Secretary* shall:

(a) schedule meetings, take minutes and maintain records of the board's activities and actions.

(b) provide administrative and logistical support to the *SAB* Chair, *SAB* Members, Representatives, and the *Market Facilitator* as reasonably required.

(c) publish non-confidential board artefacts on the *Elexon website*.

(d) make all board artefacts available to *SAB* Members and Representatives, subject to *Conflict of Interest* considerations.

7 Independence and impartiality

7.1 SAB Chair

7.1.1 The *SAB* Chair shall be independent of the *Market Facilitator* and other industry stakeholders to ensure impartiality.

7.2 SAB Members

7.2.1 Each *SAB* Member shall act independently and impartially, and shall not be representative of, and shall act without undue regard to, the particular interests of any particular body, person or class of persons.

7.2.2 *SAB* Members who are employed must provide to the *Technical Secretary*, before taking up their appointment as a *SAB* Member, an *Employee Release Letter* from their employer, together with a '*Declaration of Independence*', confirming that they:

(a) may act as a *SAB* Member and that the declaration shall prevail over their duties as an employee.

(b) shall act impartially and in order to meet the board's objectives.

(c) shall not be representative of, and shall act without undue regard to, the particular interests of their employer or any related person.

7.2.3 Upon a change in employment, the *SAB* Member shall notify the *Technical Secretary* within 60 calendar days and shall provide an *Employee Release Letter* from their new employer. If such documentation is not provided, the provisions of paragraph 11.2.8 shall apply.

7.3 Independent SAB Members

7.3.1 In addition to the requirements relating to independence and impartiality in paragraph 7.2, Independent *SAB* Members shall also be subject to the following requirements:

(a) The Independent *SAB* Members shall not work for or be related to any organisation that participates in the transmission of electricity, generates, supplies or distributes electricity or buys or sells *flexibility* within Great Britain under licence or exemption.

(b) The Independent *SAB* Members shall be experienced professionals with deep expertise in energy markets, regulation, or governance and shall not have a direct financial or commercial stake in *Market Facilitator* decisions or activities.

(c) Any shareholder holding of the Independent *SAB* Member, directly or indirectly, shall not exceed 5% or more of the voting rights in the company. Anything above 5% shall be disclosed to the *SAB* Chair before appointment and shall in no event be higher than 15% of the voting rights in a company.

7.3.2 Upon a change in employment, the Independent *SAB* Member shall notify the *Technical Secretary* within 60 calendar days and shall provide an *Employee Release Letter* from their new employer. If such documentation is not provided, the provisions of paragraph 11.2.8 shall apply.

8 Confidentiality

8.1 The *SAB* Chair and *SAB* Members shall acknowledge that, in carrying out their duties and functions as *SAB* Chair or *SAB* Member, they may receive confidential information.

8.2 The *SAB* Chair and each *SAB* Member shall sign a *SAB Confidentiality Agreement*, which commits them to not disclosing any confidential information received in their capacity as *SAB* Chair or *SAB* Member to any person except where:

(a) expressly required under these Terms of Reference.

(b) the disclosure of data is to the *Authority*, or any other group/persons as directed by the *Authority*.

(c) the data is in the public domain.

(d) required to do so to comply with any dispute resolution process or legal requirement.

8.3 Representatives may share information internally within their organisations in their role as a Representative, but otherwise shall be bound by the requirements in paragraph 8.2.

9 Conflicts of interest

9.1 It is each *SAB* Member's responsibility to disclose to the *SAB* Chair any interests (including those that arise from time to time) which may constitute an actual or perceived *Conflict of Interest* with being a *SAB* Member.

9.2 If a *SAB* Member identifies an actual or perceived *Conflict of Interest* with an agenda item, the *SAB* Member may wish to abstain from voting or discussing such agenda item.

9.3 If the *SAB* Chair decides (which may include consultation with other *SAB* Members (if necessary)) that a *SAB* Member has an actual or perceived *Conflict of Interest*,

and the *SAB* Member does not volunteer to abstain from voting or discussions, the *SAB* Chair may determine that the *SAB* Member shall abstain from voting or discussing the agenda item.

9.4 If there is a *Conflict of Interest* that prevents a *SAB* Member from acting in line with these Terms of Reference, the *SAB* Chair may remove the *SAB* Member from the board.

10 Indemnity

10.1 The *Market Facilitator* shall indemnify the *SAB* Chair and each *SAB* Member in respect of all costs (including legal costs), expenses, damages and other liabilities properly incurred or suffered by such person when acting in or in connection with their office under the *SAB*, or in what such person in good faith believes to be the proper exercise and discharge of the powers, duties, functions and discretions of that office following *Market Facilitator Rules*, and all claims, demands and proceedings in connection therewith, other than:

(a) any such costs or expenses in respect of which such person is entitled to be reimbursed pursuant to paragraph 13.2.

(b) any such costs, expenses, damages or other liabilities incurred or suffered as a result of the wilful default or bad faith of such person.

11 Selection and appointment

11.1 SAB Chair

11.1.1 The *Market Facilitator* shall facilitate the selection process for the *SAB* Chair on behalf of *SAB* Members. The *Market Facilitator* shall issue a public invitation for applications to the *SAB* Chair and may engage third parties (including recruitment or headhunting agencies) to support this process.

11.1.2 Applicants shall be required to submit a CV and suitability statement covering at least the following areas:

(a) their key skills and competencies that they believe would make them an effective *SAB* Chair;

(b) confirmation that they are independent of the *Market Facilitator* and other industry stakeholders; and

(c) confirmation that they reasonably expect to have sufficient capacity to fulfil the role for the three-year term.

11.1.3 The *Deputy SAB Chair*, and/or nominated *SAB* Member/s, shall review the applications, conduct interviews and select a prospective *SAB* Chair for consideration by *SAB* Members. All applications will be made available to the *SAB* Members.

11.1.4 The *Deputy SAB Chair*, and/or nominated *SAB* Member/s, shall recommend the prospective *SAB* Chair to the *Authority*, following a vote amongst *SAB* Members. The appointment shall be subject to the *Authority*'s approval.

11.1.5 The *Market Facilitator* shall make public the outcome of the selection process through reasonable channels.

11.1.6 The duration of service for the *SAB* Chair shall be a term of three years. The *SAB* Chair shall be able to be in position for a maximum of two consecutive terms and can only re-enter the position after a break of one term (i.e. three years).

11.1.7 If *SAB* Members believe the *SAB* Chair has failed to act independently, or is failing in their duties (paragraph 6.1), they may vote to remove the *SAB* Chair. The board shall require a two-thirds majority support for this. Any such action shall trigger the selection process outlined in this section, and the *Deputy SAB Chair* shall assume the *SAB* Chair's duties until a new *SAB* Chair has been ratified by the *Authority* for replacement.

11.2 SAB Members

11.2.1 Beginning in 2027, the *Market Facilitator* shall facilitate an annual selection process for *SAB* Membership to the *Stakeholder Advisory Board*. By 15 October each year, the *Market Facilitator* shall notify interested stakeholders, via reasonable channels, that *SAB* Membership is open for application.

11.2.2 Applicants shall be required to submit a CV and suitability statement covering at least the following areas:

(a) their experience, expertise and knowledge of selling, buying and/or enabling *flexibility services* in a GB context;

(b) their key skills and competencies that they believe would make them an effective *SAB* Member; and

(c) confirmation that they reasonably expect to have sufficient capacity to fulfil the role for the forthcoming 24-month period.

11.2.3 Applicants to be an Independent *SAB* Member shall also be required to confirm that they meet the 'Independent *SAB* Member Criteria' (paragraph 7.3.1).

11.2.4 The *Market Facilitator* shall review applications and recommend prospective *SAB* Members to the *SAB* Chair with a view to ensuring equal representation from the three core stakeholder groups (paragraph 4.2). The *SAB* Chair shall have access to all applications and shall select and appoint the *SAB* Members. Successful applicants must provide the required documentation (paragraphs 7.2 and 8.2).

11.2.5 The *Market Facilitator* shall make public the outcome of the selection process through reasonable channels.

11.2.6 The duration of service for *SAB* Members shall be a term of two years. *SAB* Members shall be able to be in position for a maximum of two consecutive terms and can only re-enter the position after a break of one term (i.e. two years).

11.2.7 *SAB* Members' terms shall be spread across different time spans to avoid all *SAB* Member terms ending at the same time:

(a) five *SAB* Members (from across the three groups and one Independent *SAB* Member) shall be selected in years ending with odd numbers.

(b) six *SAB* Members (from across the three groups and one Independent *SAB* Member) shall be selected in years ending with even numbers.

11.2.8 The *SAB* Chair shall be able to remove a *SAB* Member where that *SAB* Member:

(a) resigns (before the end of their term) by giving the *SAB* Chair written notice.

(b) is unable to continue with their duties due to:

(i) Death or illness.

(ii) Conviction of an indictable offence.

(iii) Serious misconduct, including breach of *Conflict of Interest* or impartiality requirements.

(iv) Poor attendance or performance.

(v) A change of employment. For the avoidance of doubt, a change of employment does not necessarily trigger removal of a *SAB* Member provided the *SAB* Member and *SAB* Chair are satisfied that the nature of the new employment means the *SAB* Member can continue to provide the relevant expertise for which they were appointed, and the new employer completes the necessary release form (paragraph 7.2.2).

11.2.9 *SAB* Members shall cease to be a *SAB* Member when their term expires, except if re-appointed.

12 Meeting proceedings

12.1 Meetings

12.1.1 Meetings shall be held at least quarterly, in accordance with a timetable agreed by the *SAB* Members. Meetings shall be held in a hybrid format, i.e. virtually and in-person.

12.1.2 The *Technical Secretary* shall, at the request of the *SAB* Chair, convene meetings by giving notice, at least five *Working Days* before the proposed meeting (or such other period so determined by the *SAB* Chair), to each *SAB* Member and Representatives. Such notice shall set out:

(a) the date, time and place of the meeting

(b) an agenda of the matters for consideration at the meeting and any supporting papers available to the *Technical Secretary* at the time the notice is given (and the *Technical Secretary* shall, if necessary, circulate to *SAB* Members any late papers, as approved by the *SAB* Chair, as and when they are available).

12.1.3 The *Technical Secretary* shall ensure that details of forthcoming meetings are notified on the *Elexon website*. Such notification shall include agendas and non-confidential papers.

12.1.4 A scheduled meeting may be cancelled if:

(a) the *SAB* Chair determines there is no business for the board to consider, and so requests the *Technical Secretary* to cancel the meeting.

(b) the *Technical Secretary* notifies all *SAB* Members in writing of the proposal to cancel the meeting, not less than five *Working Days* before the date on which the meeting is, or is to be, convened.

(c) three *Working Days* before the date on which the meeting is, or is to be, convened, no *SAB* Member has notified the *Technical Secretary* that they object to such cancellation.

12.1.5 Where any matter not contained in the agenda is put before a meeting of the *SAB* that is, in the opinion of the *SAB* Chair, necessary (in view of the urgency of the matter) to consider, then, where all the *SAB* Members present at the meeting agree, the board may determine upon such matter.

12.2 Ad-hoc meetings

12.2.1 If, in the opinion of the *SAB* Chair, an exceptional matter arises which is of sufficient importance or urgency to require a decision earlier than is possible under the next convened meeting, then:

(a) the *Technical Secretary* shall, at the request of the *SAB* Chair, convene such a meeting and distribute an agenda and any papers in accordance with such notice as the *SAB* Chair considers appropriate.

(b) each *SAB* Member shall be deemed to have consented to the convening of such a meeting and the distribution of the agenda and papers in the manner and on such notice as the *SAB* Chair determines.

12.2.2 The remaining provisions of these Terms of Reference in respect of the proceedings of any meeting (including but not limited to Quorum and voting) shall apply to any ad-hoc meeting.

12.3 Attendance by other SAB Attendees

12.3.1 The *SAB* Chair may invite non-*SAB* Members to attend board meetings, as and when appropriate. Such *SAB* Attendees may be invited by the *SAB* Chair to speak at the meeting but shall have no vote and shall not be a *SAB* Member.

12.4 Transparency

12.4.1 The *SAB* will hold its meetings in public session, unless the *SAB* Chair determines that an agenda item contains sensitive information that requires the board to go into a confidential closed session.

12.5 Quorum

12.5.1 No business shall be transacted unless a Quorum is present at the meeting. A meeting shall be considered Quorate where at least 50% of *SAB* Members (or their duly appointed *SAB Alternates*) are present at the meeting, either in-person or virtually.

12.6 Voting

12.6.1 At any meeting of the *SAB*, where the *SAB* Chair considers a vote on a matter is required or advantageous to move forward, *SAB* Members (or their duly appointed *SAB Alternates*) shall vote using *Simple Majority*.

12.6.2 The *SAB* Chair shall have a casting vote where the *SAB* Member votes are tied. In deciding any matter, each *SAB* Member shall cast one vote only (except where acting as an *SAB Alternate*, in which case their vote shall count as two votes).

12.6.3 *SAB* Members may be asked by the *SAB* Chair to recuse themselves from voting where Conflicts of Interest have been identified.

12.6.4 *SAB* Members may also abstain from voting. Abstentions shall not be classed as votes.

12.6.5 Representatives and *SAB* Attendees shall not be entitled to vote.

12.7 Correspondence

12.7.1 Where the *SAB* Chair considers it appropriate, the *SAB* may consider matters by correspondence, including electronic channels of communication and collaboration.

12.7.2 A Quorum is obtained, in respect of matters considered via correspondence, where at least 50% of *SAB* Members (or their duly appointed *SAB Alternates*) provide a response (which shall include their vote, if required) to the correspondence.

12.7.3 Where a *SAB* Member would like to discuss a correspondence item with other *SAB* Members, they may request the *SAB* Chair to include this as an agenda item at the next meeting. Inclusion of the correspondence item on the agenda shall be at the discretion of the *SAB* Chair.

12.8 Minutes of Meetings

12.8.1 The *Technical Secretary* shall ensure that all board discussions are minuted and such minutes are distributed to *SAB* Members within ten *Working Days* following each meeting. Such persons entitled to receive the minutes may provide any such comments on the minutes. Minutes shall be agreed via correspondence, unless a *SAB* Member notifies the *Technical Secretary* within ten *Working Days* of receipt that they wish the minutes to be discussed at the next meeting before approval. A public version of the minutes (with any confidential or commercially sensitive material omitted) shall be published on the *Elexon website* following approval.

12.8.2 The *Technical Secretary* shall also prepare a *Headline Report* detailing the decisions and recommendations agreed at the meeting. Such *Headline Report* is to be made available on the *Elexon website* within two *Working Days* after the meeting. In addition, the *Technical Secretary* may, with the approval of the *SAB* Chair, include on the *Elexon website* copies of any non-confidential presentation materials used at the meeting.

12.9 Papers

12.9.1 The *Technical Secretary* shall circulate to *SAB* Members any papers as and when it is appropriate. Unless otherwise agreed by the *SAB* Chair,

papers shall not be circulated less than five *Working Days* before the meeting.

12.9.2 The *SAB* Chair may, by exception, bring additional matters to the attention of the board without advance notice when such information is deemed by the *SAB* Chair to be of a sufficiently urgent nature that requires immediate attention by the board.

12.10 Exceptions

12.10.1 Where approved by the *SAB* Chair, the timelines and requirements laid out in paragraphs 12.1 – 12.9 may be adjusted to reflect the urgency, complexity, or importance of any board business; however, this discretion should be exercised only as an exception.

13 Finance and Remuneration

13.1 The *SAB* Chair shall be entitled to be paid by Elexon such remuneration and benefits as determined by the *SAB* Members. The level of remuneration should be reasonable and consistent with that for comparable roles.

13.2 *SAB* Members shall not be entitled to remuneration or benefits. However, *SAB* Members shall be entitled to be reimbursed by Elexon for reasonable costs and expenses, such as travel and accommodation for attending board meetings.

13.3 Independent *SAB* Members shall be entitled to be paid by Elexon such remuneration and benefits as determined by the *SAB* Chair after consulting the board. The level of remuneration should be reasonable and consistent with that for comparable roles.

13.4 Any remuneration and benefits paid to the *SAB* Chair or independent *SAB* Members shall be reported by the *Market Facilitator* annually.

14 Amendment of the Terms of Reference

14.1 The board shall be consulted on any amendment of these Terms of Reference.

15 Acronyms and defined terms

15.1 List of Acronyms

15.2 List of Definitions

A master list of definitions can be found in the *Market Facilitator Glossary*.

The following definitions are specific to this Governance Document. These are supplemented by the definitions in the *Market Facilitator Glossary*. If there is an inconsistency between definitions, the definition in this document shall prevail.

Acronyms and defined terms

Term	Aliases	Definition
SAB	–	Stakeholder Advisory Board
Buyers	–	persons that procure flexibility services to manage demand or network constraints, such as system operators
Conflict of Interest	–	any situation where personal, financial, or organisational interests could, or could be perceived to, compromise impartial SAB participation
Declaration of Independence	–	a written statement made by a SAB Member committing them to acting independently and impartially whilst carrying out their business as a SAB Member throughout their term
Deputy SAB Chair	–	an Independent SAB Member chosen by the SAB Chair to assume the SAB Chair's duties during their absence
Employee Release Letter	–	a formal statement from a SAB Member's employer confirming that SAB duties take precedence over corporate interests
Enablers	–	persons that facilitate the operation or growth of flexibility markets, such as technology providers and data platforms

Term	Aliases	Definition
Headline Report	–	a brief report summarising SAB meeting outcomes, issued within two Working Days after each meeting
Indemnity	–	a guarantee by Elexon to cover reasonable costs and liabilities of SAB Members, provided they act in good faith
Independent SAB Member(s)	–	SAB Members with no affiliations or commercial interests in the energy sector, ensuring impartiality in accordance with the FGD-SAB - Stakeholder Advisory Board - Terms of Reference
SAB Quorum	–	a substitute appointed by a SAB Member to attend SAB meetings and vote in their absence
SAB Representative(s)	–	other individuals (e.g. change proposers) invited by the SAB Chair to participate in SAB meetings but without voting rights
SAB Alternate	–	an agreement which commits SAB Members to handling confidential information in accordance with the conditions laid down in FGD-SAB: SAB Terms of Reference
SAB Attendee(s)	–	appointed participants of the SAB, with voting rights, drawn from Buyers,

Term	Aliases	Definition
		Sellers, or Enablers of Flexibility Markets, and independent experts
SAB Confidentiality Agreement	–	the minimum attendance required for a valid SAB meeting
SAB Member(s)	–	non-voting participants attending SAB meetings on behalf of organisations set out in the SAB Terms of Reference
Sellers	–	persons that provide flexibility services, including generators, aggregators, or consumers capable of adjusting their electricity usage or output
Simple Majority	–	a voting threshold where more than half of those present at a SAB meeting and eligible to vote must agree

FGD: *Stakeholder Advisory Board* – Terms of Reference - Amendment record

> **Guidance**
>
> *This section is provided as guidance to this flexibility governance document. Therefore, it is not legally binding and falls outside of the formal change management process.*

Version	Published Date	Document Status	Description of Changes	Change Proposal Reference	*Market Facilitator* Decision Report Ref
1.0	12/12/2025	Final	Document Published	-	-

Annex 1: Associated meta-data

Guidance

This section is provided as guidance to this flexibility governance document. Therefore, it is not legally binding and falls outside of the formal change management process.

Identifier	FGD-*SAB*
Title	*Stakeholder Advisory Board* – Terms of Reference
Type	*Flexibility Market* Governance
Collection	**Governance Document**
Audience	*NESO*, *DNOs*, *Market Facilitator*, *Flexibility Service Providers*, Ofgem, *SAB*, other *interested persons*
Expertise	N/A
Owner	*Market Facilitator*
Expected benefit	N/A
Related end-to-end process reference	N/A
References	FGD-DPP, FGD-IMP, FGD-*SAB*, FGD-FMF, FGD-CMP
IsReferencedBy	
Published version number	1.0

Applicability	N/A
Published Date	12/12/2025
Implementation Date	12/12/2025
End Date	-
Terms of variations	
List of *Derogations*	N/A
IsReplacedBy	N/A
Replaces	N/A
Status	Final
Change since last version	N/A
Description	These Terms of Reference outline the purpose, objectives, functions, composition, and governance of the *Stakeholder Advisory Board* (*SAB*), which is designed to provide advisory support to the *market facilitator* while ensuring transparency, accountability, and representation of impacted stakeholders in decision-making processes.