

Memorandum of Understanding

THIS Memorandum of Understanding (“MOU”) is made the 18th day of January 2018

BETWEEN:

(1) **Lloyd’s Register EMEA**, (Registered No. 29592R) whose registered office is at 71 Fenchurch Street, London, EC3M 4BS (“LR”);

and

Thames Water Utilities Limited (Registered No. 2366661) whose registered office is at Clearwater Court, Vastern Road, Reading RG1 8DB;

1.0 Interpretation

1.1 Any reference in this MOU or any other agreement, scheme, or document is to be construed as a reference to that document in the form in which it has been or may from time to time by agreement be amended, revised, varied, restated, or supplemented.

1.2 In this MOU the following words and expressions shall have the following meanings:

“Accreditation Certificate” means a certificate awarded to a WIRSAE Provider by LR for a scope of work assessed under the Scheme.

“Accredited Entity (AE)” an organisation, which has been assessed in accordance with the Scheme accreditation requirements, as competent and has been issued with a valid and current Accreditation Certificate (see “assessment definition”

“Assessment” means objective and detailed evaluation of an AE to determine their competence in accordance with the Scheme criteria.

“LR” means the Water Industry Registration Scheme for Accredited Entities Scheme operator who undertakes the assessment of the competence of AE’s in accordance with the Scheme and has been approved for doing so by WIRSAEAP.

“MOSL” means the Market Operator a not-for-profit private company, limited by guarantee, that Companies wishing to enter the non-household water and sewerage market for retail services are required to become members of. MOSL’s remit is defined as: “to procure, deliver and operate the central information systems and processes required for the non-household retail water and sewerage services market in England (and to the extent required Wales) as required to implement the provisions of the market rules.

“OFWAT”	means the Director General of Water Services or the Water Services Regulation Authority as from time to time constituted under Part I of the Water Industry Act 1991.
“Retailer”	means a business who provides water services and waste water services to eligible businesses.
“Scheme”	means the processes, procedures and documentation established by WIRSAEAP against which AE’s are evaluated to enable award of Accreditation Certificates on behalf of WIRSAEAP.
“Voting Member”	means the appointed representatives of the WIRSAEAP.
“Wholesaler”	means those organisations that will provide water and/or wastewater services to retailers, who will in turn sell these services to eligible non household customers.
“WIRSAEAP”	means Water Industry Registration Scheme for Accredited Entities Advisory Panel, whose membership and terms of reference is detailed in Schedule 1
“WIRSAE Provider”	means the ‘Accredited Entity’
“WIRSAE Requirements”	means the Water Industry Registration Scheme for Accredited Entity force at the date of this MOU as may be amended in accordance with the provisions of Clause 6.0 of this MOU from time to time.

2.0 Purpose

- 2.1 The purpose of this MOU is to set out the WIRSAE Scheme governance arrangements between WIRSAEAP and LR including the Terms of Reference of the Advisory Panel and;
- 2.2 To facilitate Wholesalers to become an active member of the WIRSAE scheme at any time, and by signing this MOU as a named Wholesaler you have published and enclosed your Addendum to the Generic Code of Practice detailing the scopes that are available and any specific requirements for carrying out AE activities in your designated Wholesale area.

3.0 Background

- 3.1 The WIRSAEAP oversees and performs an ongoing review of the performance of the Scheme and LR which operates the Scheme under the terms of this MOU. The Scheme is operated in accordance with the guidance document; WIRSAE Requirements Document, which shall be made available on the LR website.

4.0 Duration

- 4.1 This MOU will come into effect on the date of issue and will continue in force for 5 years or until the renewal date whichever is the sooner unless terminated by WIRSEAP or LR.
- 4.2 Any individual Wholesaler signatory can withdraw from this MOU by giving 30 working days written notice to all other MOU signatories.

5.0 WIRSAEAP

- 5.1 The role of the WIRSAEAP will be as detailed in Schedule 1 of this MOU.

6.0 Amendment of the WIRSAE Scheme, Requirements Document and Generic Code of Practice

- 6.1 The WIRSAE Scheme, Requirements document and Generic Code of Practice can only be amended by the unanimous agreement of all Voting Members of the WIRSAEAP. Where the voting result is a split decision the elected Chair shall have the right to exercise a casting vote.
- 6.2 Amendments to the WIRSAE Scheme, Requirements document and Generic Code of Practice may be made by a majority agreement (75%) of all Voting Members. If all Voting Members approve the amendment it comes into force immediately or on such a date as the Voting Members agree. If any Voting Member is not present at the WIRSAEAP meeting the amendment can only become effective if;
 - (a) the Voting Member or Members who did not attend the WIRSAEAP meeting are served with details in writing of the proposed amendment, not less than 15 working days before the proposed date of amendment; and
 - (b) LR does not receive a written objection from a Voting Member or Members within 15 working days of them being given details in writing of the proposed amendment.

6.3 Wholesaler Addendum's to the Generic Code of Practice should be updated annually or on an ad hoc basis (whichever is the sooner). The Addendum or any revision to shall be dated and published on the Wholesaler's website and will come into force immediately, and will be made available on the wholesalers website via a link from Scheme Operators (LR) webpage. The WIRSAEAP shall monitor changes to Wholesaler Addendums for any common changes that should be introduced into the Generic Code of Practice as standard.

7.0 Role of Scheme Operator (LR)

7.1 The scheme operator (LR) shall commit to fulfilling the role as outlined in this clause 7.0. LR shall not relinquish the role except under the terms as described in clause 8.0 and only then provided that the replacement LR could demonstrate to the satisfaction of the WIRSAEAP that it was in a position to effectively take over the responsibilities associated with the operation of the Scheme.

7.1.1 Operate the Scheme and assessment documents.

7.1.2 To modify the processes and procedures associated with the Scheme as advised by the WIRSAEAP.

7.1.3 To ensure that the AE's seeking registration under the Scheme are competent to perform the scopes of work sought in a safe and consistent manner prior to registration.

7.1.4 Provide detailed reports to support and record the assessment activity and provide transparency of assessment to WIRSAEAP.

7.1.5 Perform ongoing surveillance assessments of Accredited Entity Service Providers.

7.1.6 Maintain the web site based register of Accredited Entity Service Providers.

7.1.7 Report on a regular basis to WIRSAEAP as to the Scheme performance.

7.1.8 Respond constructively to the advice provided by the WIRSAEAP.

7.1.9 Seek WIRSAEAP acceptance of proposed increases in assessment costs.

7.1.10 To record the minutes of WIRSAEAP meetings and to post them on LR web site.

7.1.11 To present any proposed changes to the Scheme or associated assessment processes, to WIRSAEAP for their review and recommendations.

7.1.12 Enter into a contract with AE's to provide services for accrediting AE's against the requirements of the WIRSAE Requirements Document.

7.2 WIRSAEAP members may perform audits on LR as part of their ongoing performance assessment

8.0 Termination

- 8.1 WIRSAEAP will, through the regular WIRSAEAP meetings, keep LR aware of their views on the performance of the Scheme. If however LR fails to demonstrate a commitment to address ongoing concerns relating to the operation of the Scheme and which is considered by WIRSAEAP members to adversely impact upon the perceived integrity of the Scheme, then WIRSAEAP may introduce another Operator into the Scheme with a view to replacing the incumbent Operator in accordance with the provisions of this Clause 8.
- 8.2 Termination may be effected by LR providing notice in writing of their intent to withdraw from the Scheme and withdrawal would be effective only once WIRSAEAP were satisfied that a replacement organisation was in a position to effectively perform the role.
- 8.3 Termination may be effected by the WIRSAEAP by giving one month's notice in writing to LR.

9.0 The Water Industry Registration Scheme for Accredited Entities (WIRSAE)

- 9.1 The Scheme is defined in the WIRSAE Requirements Document and the Generic Code of Practice Document which are posted on the LR website. The guidance documents were devised and worded such that any organisation, considered competent by WIRSAEAP may act as the Scheme operator and may access and use the guidance document to assist them in this endeavour.
- 9.2 The principles of the WIRSAE Requirements Document were assessed and accepted in principle by the WIRSAEAP.

10.0 WIRSAEAP Membership

- 10.1 The membership of the WIRSAEAP comprises of the organisations details in Schedule 1.

11.0 Enforceability

- 11.1 This MOU is not legally binding and shall not create any legal or equitable rights or any legally binding relationship or agreement between the parties, or between them and third parties. Neither party shall incur any liability whatsoever as a result of entry into the MOU or any action, task, obligation, omission or default under it.
- 11.2 This Memorandum of Understanding is signed for and on behalf of each party as an acknowledgement that the MOU reflects its intentions and understandings in relation to governance arrangements between WIRSAEAP and LR.

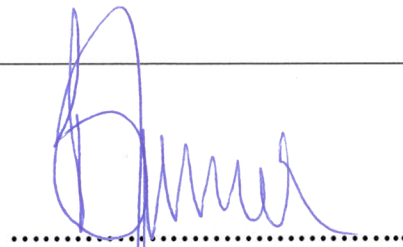
12.0 Publicity

- 12.1 By signing this MOU the wholesaler agrees to their organisation details being listed on the relevant WIRSAE page on the LR website.



**Signed for and on behalf of
Thames Water Utilities Limited**

Date: ...18/01/18.....



**Signed for and on behalf of
Lloyd's Register EMEA**

Date: .. 18/01/2018

SCHEDULE 1

Water Industry Registration Scheme for Accredited Entities - Advisory Panel

Membership and Terms of Reference

Membership

The WIRSAEAP shall operate under a minimum membership of 6 representatives and a maximum of 20 representatives. Membership of the Advisory Panel will be formed with representatives of the following organisations. The Chair and Secretary are to be elected. Membership shall be reviewed every 12 months and a new Chair elected:

1. Wholesaler members of the WIRSAE Scheme (maximum of eight individual company representatives)
2. Scheme Operator (LR) (maximum of two representatives)
3. Retailers (maximum of four individual company representatives)
4. Accredited Entities (maximum of four representatives)

Other independent parties may be invited to meetings as an observer by the Panel, such as;

1. Representative on behalf of Ofwat
2. Representative on behalf of MOSL
3. Representative on behalf of Water UK
4. Representative on behalf of Consumer Council for Water
5. Other organisations as invited by the panel from time to time

Terms of Reference

The role of WIRSAEAP is to provide a forum to:

1. Represent and ensure the interests of all participants are met in the day to day operation of the Scheme and to have authority to make decisions on behalf of the members of the Scheme.
2. Establish and maintain an overall view of the performance of LR and its compliance with the Scheme, WIRSAE Requirements Document and standards.
3. Establish a process, as necessary, to resolve disputes that may arise between WIRSAEAP and LR.
4. Provide final arbitration on appeal by an AE with regard to LR operation of the AE Scheme and/or the WIRSAE Requirements Document .

5. Act as a forum for feedback from Wholesalers, Retailers and AE's as to the Scheme performance and advice as to how the Scheme may be revised in the light of such feedback.
6. Review and accept Scheme, WIRSAE Requirements Document, assessment procedures and practices and provide guidance and advice on subsequent revisions thereto
7. The WIRSAEAP members will be responsible for informing their respective organisations of Scheme changes.
8. WIRSAEAP will meet on an ad hoc basis as deemed necessary by the WIRSAEAP, particularly where major changes are required.
9. Provide Scheme members with progress updates from WIRSAEAP meetings.
10. Each individual member of WIRSAEAP will be responsible for their own costs and expenses incurred for the purpose of fulfilling their role under this MOU.
11. WIRSAEAP members will not be held individually or jointly liable for any advice and direction provided to LR and which LR may have acted upon.