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Action:	**For Information**

Change Board Decision Making

1. Purpose

The Panel have considered the Change Board's decision-making process, specifically regarding voting abstentions. They have encouraged Change Board members to cast a vote on all proposals based on their assessment of the Modification Proposal against the Applicable SEC Objectives, even when a proposal does not impact on their Party Category. The Change Board are requested to note this view from the Panel.

2. Panel's views on Change Board decision making

A Panel member highlighted to the Panel the volume of voting abstentions recorded at Change Board meetings recently, on the grounds that proposals do not impact on the abstaining members' Party Categories. It is their view that Change Board members should be voting based on their view against the Applicable SEC Objectives, and that whether there is an impact on their constituency or not is not relevant. This ensures that decisions from the Change Board, particularly on Self-Governance Modifications, are based on views across the whole industry.

It was believed that some members abstain on modifications which do not impact them as they do not believe they should be influencing the outcomes when other Parties pick up the costs. While they may have views on whether such proposals should be implemented based on whether or not they facilitate the Applicable SEC Objectives, the fact it was others who would pick up the costs based on the outcome meant they preferred to abstain than to cast a vote either way. The Panel member acknowledged this and proposed that Change Board members participate in a decision even if they are not affected.

After noting these views, the Panel encourages Change Board members cast their votes on all proposals, even where they do not impact on their Party Category, highlighting that they welcome all opinions on whether a proposal should be implemented or not. Where a member has not received a steer from their Party Category via the Modification Report Consultation, they should apply their own judgement to the situation, based on whether the solution would better facilitate the Applicable SEC Objectives. If members still believe they should abstain, clear rationale for this decision should be provided. The Panel also reminds members to provide their rationale against the Applicable SEC Objectives both when voting to approve and when voting to reject a proposal.

3. Recommendations

The Change Board are requested to **NOTE** the contents of this paper.

David Kemp

SECAS Team

15 May 2019