

Eclipse Power Networks Limited SLC 31B Compliance Statement

1. Introduction

This Statement of Compliance (the “Statement”) is prepared pursuant to licence condition 31B of the electricity distribution licence (the “Licence”) for Eclipse Power Networks Limited (Eclipse).

The purpose of this Statement is to set out the practices, procedures and systems put in place by Eclipse, to ensure compliance with Standard Licence Condition 31B of the Electricity Distribution Licence (Independence of the Distribution Business and restricted use of Confidential Information) where the licensee is not a Distribution Service Provider but is part of a Vertically Integrated undertaking.

Eclipse is wholly owned by Sky Networks Holdings Company, a HoldCo 100% owned by Octopus Renewables Infrastructure SCSp (“Fund Partnership”). The Fund Partnership is managed by Octopus Renewables Limited (ORL) via a General Partnership Agreement .

To ensure Eclipse’s managerial and operational independence from ORL’s generation activities, ORL will maintain a Holding Company (HoldCo) structure whereby:

- HoldCo, where non-conflicted directors (i.e., who are not also directors of generation or supply businesses) appointed by ORL would sit, would have a high-level / strategic oversight of Eclipse through standard shareholders’ reserved matters designed to protect ORL’s investment; and
- day-to-day activities and management of Eclipse’s distribution network would be decided by Eclipse itself, whose directors will also not be directors of ORL’s generation business, or the wider Octopus Group’s owned supply business operated by Octopus Energy Limited.

For the avoidance of doubt, the Octopus Group’s supply activities are already held in an entirely separate entity, 100% owned by Octopus Group and therefore these activities are already wholly separate and benefitting from the appropriate managerial and operational independence.

Eclipse shall take all reasonable steps to ensure it complies with the terms of this Compliance Statement.

2. Contents of the Statement

The Statement is made in accordance with the provisions of Standard Condition 31B of the electricity distribution licence granted to Eclipse:

Standard Condition 31B of the electricity distribution licence requires the licensee to have in place a statement setting out the managerial and operational systems that prevent any Relevant Undertaking¹, including affiliated Distribution Licence Holders, from having access to Confidential Information except and to the extent that such information:

¹ **Relevant Undertaking** means either a Relevant Licence Holder, or a Relevant Exemption Holder

Relevant Licence Holder means the holder of: (a) a Supply Licence; or (b) a gas supply licence; or (c) a gas shipper licence; or (d) an electricity generation licence; that is also an Affiliate or a Related Undertaking of the licensee

- (a) is made available on an equal basis to any Electricity Supplier, gas supplier, or gas shipper;
- (b) is referable to a Customer who at the time to which the information relates was a Customer of the Relevant Undertaking; or
- (c) is of a type that has been confirmed by the Authority in Writing as corporate information.

The Statement sets out the practices, procedures and systems adopted by Eclipse to:

- (a) maintain the full managerial and operational independence of the Distribution Business from any Relevant Undertaking;
- (b) maintain the branding of the Distribution Business so that it is fully independent from the branding used by any Relevant Undertaking; and
- (c) manage the transfer of employees from the Distribution Business to any Relevant Undertaking.

3. Managerial and operational independence

Eclipse is a separate legal entity, having an independent management structure. It is structured in such a way to ensure the independence of its strategic aims, management and performance - in short Eclipse operates as an entirely separate business to the ultimate controller.

ORL has the right to appoint directors to the board of Eclipse. At the time of the acquisition (2nd July 2021), ORL appointed two directors to the Eclipse Board. These appointments were notified to Ofgem and following discussions with them, ORL agreed that it replace such Directors to reduce the risk of any potential conflict due to holding directorships on generation companies. ORL is in the final stages of replacing the conflicted directors that were appointed to the Eclipse Board as at the time of the acquisition with two non-conflicted directors and expects that these new appointments will be completed in May 2022. The new directors do not hold directorships within any of ORL's generation businesses and are not conflicted as per the distribution licence conditions.

ORL will also appoint two non-conflicted directors to the HoldCo and these directors will only have a high-level / strategic oversight of the Eclipse business. HoldCo does not influence the commercial decision making of Eclipse with respect to day-to-day activities and management of the distribution network, which would be decided by Eclipse, whose directors (as above) will also not be conflicted and not hold directorships of generation or supply businesses within the wider Octopus Group.

The above suite of changes preserve the managerial and operational independence required by the distribution licence conditions.

4. Branding of the Licensee

The Licensee Eclipse is a separate and distinct identity from other activities of Octopus Energy Group and is branded as such.

5. Access to Confidential Information

Eclipse is, and will continue to be, managed from separate premises to the rest of the Octopus Group with separate staff and IT systems. In addition, employees of the Octopus Group's generation

Relevant Exemption Holder means a person who: (a) carries out the activity specified in Section 4(1)(a) of the Act [electricity generation], (b) is authorised to do so by an exemption pursuant to Section 5 of the Act, and (c) is an Affiliate or a Related Undertaking of the licensee

and supply businesses have no ability to access such systems and servers. Eclipse is therefore comfortable that there is no risk of confidential information relating to Eclipse's distribution business from being shared with the wider Octopus Group (other than during HoldCo's board meetings, which is addressed below).

With regards to the ring-fencing of prohibited confidential information relating to Eclipse's distribution business during the HoldCo's board meetings (given that these would not be attended by directors who are also directors of generation companies in the wider Octopus Group), Eclipse will:

(a) ensure that Eclipse's Compliance Manager or a member of ORL's internal legal team review the HoldCo board meetings' agendas and draft presentations relating to Eclipse's distribution business (and potentially attend the meetings) to ensure that no prohibited confidential information relating to Eclipse's distribution business is disclosed to the wider Octopus Group;

(b) prevent any HoldCo board meeting materials relating to Eclipse's distributions business from being shared with the Octopus Group outside of these meetings to the extent such disclosure would involve sharing confidential information that is restricted by the relevant distribution licence;

(c) capture the above in the Compliance Reports required under Eclipse's Electricity Distribution Licence, and the Parties' ongoing compliance with the policies would be monitored by the independent Compliance Officer as required by condition 31C of the Distribution Licence.

6. Staff transfers

Staff transfers from the Licensee to affiliates or Relevant Undertakings, where the matters in the Statement are of concern, are discussed between the Eclipse Board and the Independent Compliance Officer where this is deemed necessary.

7. Ensuring compliance with the Statement

Eclipse adopts multiple methods for ensuring compliance with the Statement:

- All internal business processes and procedures are easily accessible and subject to regular review.
- The Compliance Officer will provide advice and will conduct regular reviews of business practices.
- The Compliance Officer will conduct an annual review of compliance with the Statement.

The Eclipse Board is responsible for compliance with the Statement and, through the Compliance Officer will receive reports on business practices.

8. Breach reporting and complaints

For complaints, and allegations of breaches to this Statement, a procedure will be agreed with the independent Compliance Officer for them to be notified and to investigate the matter.

9. Contact

Enquires in relation to this statement should be addressed to:

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