

Triton Knoll OFTO Limited

**Annual Compliance Report
For the year ended 31 March 2025**

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1. Introduction

- 1.1 Triton Knoll OFTO Limited (“TK OFTO”) is the licensee of the Triton Knoll Offshore Transmission Owner Licence.
- 1.2 This report is prepared in accordance with the requirement of Amended Standard Condition E12 - C4 (Appointment of Compliance Officer) paragraph 8 which requires the Licensee to produce a report in a form approved by the Office of Gas and Electricity Markets Authority (“the Authority”)
- a. as to its compliance during the relevant year with the relevant duties; and
- b. as to its implementation of the practice, procedures and systems adopted in accordance with the statement referred to in paragraph 2 of Amended Standard Condition E12 - C2 (Separation and Independence of the Transmission Business).
- 1.3 The relevant duties of TK OFTO require compliance with the following conditions of the licence:
- Amended Standard Condition E12 - C1 (Conduct of the Transmission Business)
 - Amended Standard Condition E12 - C2 (Separation and Independence of the Transmission Business)
 - Amended Standard Condition E12 - C3 (Restriction on use of certain information)
 - Amended Standard Condition E12 - C4 (Appointment of Compliance Officer)
 - Standard Condition E6 (Prohibition of Cross-subsidies)
 - Standard Condition E7 (Restriction on Activity and Financial Ring Fencing)
- 1.4 In accordance with paragraph 2 of Amended Standard Condition E12 - C2 TK OFTO has prepared a Compliance Statement (dated 21 December 2023) which has been approved by the Authority and is published on TK OFTO’s website at <https://tkofto.co.uk/>

2. Compliance with the relevant duties

- 2.1 Compliance with each of the licence conditions which constitute the relevant duties detailed at 1.3 above are considered in sections 3 to 8 of this report.
- 2.2 As required by the Amended Standard Condition E12 - C4 paragraph 4, a Compliance Committee has been established as a permanent subcommittee of the board of TK OFTO.

The Compliance Committee consists of two directors of TK OFTO, being Tarkan Pulur and Kenichi Takada.

The director with day to day responsibility for compliance with the activities of this licence is Tarkan Pulur.

- 2.3 As required by Amended Standard Condition E12 - C4 paragraph 2 TK OFTO has appointed a Compliance Officer for the purpose of ensuring compliance with the relevant duties under the terms of the Licence. Henderson Loggie LLP was appointed as Compliance Officer on 10 October 2023.
- 2.4 Henderson Loggie LLP is not engaged in the management or operation of the licensee's transmission business system, or the activities of any associated business.
- 2.5 Details on the activities of the Compliance Officer during the period covered by this report can be found in section 8.
- 2.6 During the period under review the Compliance Committee has had no reports of any non-compliance with licence obligations and has not received any regulatory complaints. As a result, there have been no complaints that have required to be investigated by the Compliance Officer.

3. Amended Standard Condition E12 - C1: Conduct of the Transmission Business

- 3.1 This condition requires that:
- I. The licensee shall conduct its transmission business in the manner best calculated to secure that, in complying with its obligations under this licence:
 - a. the licensee;
 - b. any affiliate or related undertaking of the licensee that is a subsidiary of, or is controlled by the ultimate controller of, the licensee including, for the avoidance of doubt, any affiliate or related undertaking that is participating, or intends to participate in a competitive tender exercise to be appointed as an offshore transmission owner;
 - c. any user of the national electricity transmission system; and
 - d. any other transmission licenseeobtains no unfair commercial advantage including, in particular, any such advantage from a preferential or discriminatory arrangement, being, in the case of such an advantage accruing to the licensee, one in connection with a business other than its transmission business.
 2. Except insofar as the Authority may direct, the licensee shall secure and procure separate premises, equipment, systems for recording and storing data, facilities, staff, and property from those owned by the licensee and:
 - a. those owned by the system operator responsible for co-ordinating and directing the flow of electricity onto or over the national electricity transmission system; and
 - b. those owned by an associated business of the licensee that is authorised to generate or supply electricity.

- 3.2 Section 3 of TK OFTO's Compliance Statement together with its Compliance Policy details the measures taken by TK OFTO to ensure compliance with these requirements.
- 3.3 Although TK OFTO has no direct employees it has implemented processes to ensure that the relevant staff of its affiliates and related undertakings, including Equitix Management Services Limited ("EMS"), shall conduct the transmission business in the manner best calculated to ensure that it complies with the licence obligations. These processes include requiring all such relevant personnel to comply with the Compliance Policy. These staff are required to sign a contractual statement confirming that they are aware of and understand these requirements of TK OFTO's licence obligations and that any breaches will be dealt with by disciplinary procedures.
- 3.4 TK OFTO has conducted its transmission business in accordance with the terms of its Compliance Statement as confirmed in the report of the Compliance Officer.
- 3.5 With regard to the second requirement of this Licence Condition TK OFTO is not a holder of a co-ordination licence and does not have any associated business that is authorised to generate or supply electricity, nor does it share any resources with such entities.
- 3.6 TK OFTO has complied at all times during the period of this report with the requirements of Amended Standard Condition E12 - C1.

4. Amended Standard Condition E12 - C2 Separation and Independence of the Transmission Business

4.1 This condition requires that:

The licensee, in carrying out its licensed activities shall put in place and at all times maintain such systems of control and other governance arrangements which are necessary to ensure that the licensee complies with the obligations contained in Standard Condition E6 (Prohibition of Cross-subsidies), Standard Condition E7 (Restriction on Activity and Financial Ring Fencing) and Amended Standard Condition E12 - C1 (Conduct of the Transmission Business).

4.2 In accordance with paragraph 2 of Amended Standard Condition E12 - C2 TK OFTO has prepared a Compliance Statement which has been approved by the Authority and is published on TK OFTO's website at <https://tkofto.co.uk/>

4.3 TK OFTO has put in place an organisational and governance structure to ensure that it maintains managerial and operational independence from any associated business as per the requirements of Amended Standard Condition E12 - C2(4)(a).

4.5 Section 2 of TK OFTO's Compliance Statement details the ownership and operational structure of TK OFTO and sets out the measures taken to ensure compliance with the requirements of this condition.

4.6 The board of directors of TK OFTO, which is separate and independent, has approved a detailed Company Board Procedure document, which forms part of the company's management system and details controls and governance procedures, and this underpins the operation of the TK OFTO board.

4.7 The Compliance Officer has reported that there were no breaches of the terms of TK OFTO's Compliance Statement or any non-compliance with Licence obligations during the period under review.

4.8 TK OFTO has complied at all times during the period of this report with the requirements of Amended Standard Condition E12 - C2.

5. Amended Standard Condition E12 - C3: Restriction on use of certain information

- 5.1 Under the terms of this condition TK OFTO must not disclose or authorise access to confidential information which is defined as being any information relating to or deriving from the management or operation of the transmission business.
- 5.2 The exceptions to the requirement under 5.1 are where there is a requirement to provide information:
- to personnel engaged by TK OFTO in its transmission business
 - to personnel engaged by another transmission licence holder if necessary for the performance of their duties under that licence
 - as required by a competent authority
 - as required by the Licence
 - by another legal requirement
 - by the rules of the Electricity Arbitration Association or other arbitral process or tribunal
 - where TK OFTO has been notified it need not be treated as confidential
 - where the information is in the public domain
 - where it is necessary to assist the System Operator to plan and develop the national electricity transmission system
- 5.3 All directors and employees of EMS who provide services to TK OFTO under the terms of their relevant contracts are required to sign a contractual declaration which details the requirements that TK OFTO operates under in order to comply with the Licence obligations. In signing this declaration all directors and employees who assist with TK OFTO's operations confirm that they agree and understand the requirements of TK OFTO's Licence obligations and that any breach will result in disciplinary action.
- 5.4 The Compliance Officer has reported that there were no breaches of the terms of the TK OFTO's Compliance Statement or any non-compliance with Licence obligations during the period under review.
- 5.5 TK OFTO has complied at all times during the period of this report with the requirements of Amended Standard Condition E12 - C3.

6. Standard Condition E6 - Prohibition of cross-subsidies

- 6.1 Standard Condition E6 requires that:
- the licensee shall procure that the transmission business shall not give any cross-subsidy to, or receive any cross-subsidy from, any other business of the licensee or of an affiliate or related undertaking of the licensee.
- 6.2 The only business which TK OFTO is engaged in is activities under its Licence. TK OFTO is an SPV and therefore the significant majority of its activities are governed by contracts and long-term debt funding requirements established at financial close. Such business activities are monitored by the board of directors and the independent funders who would require formal consultation before a significant change to the business would be allowed.

- 6.3 EMS is the only affiliated business that provides services to TK OFTO.
- 6.4 EMS provides services to TK OFTO in accordance with a Management Services Agreement. These services are priced on a “cost plus margin” basis. In order to ensure that this is at “arm’s length” based on market prices, the TK OFTO board has carried out a sufficient level of benchmarking when negotiating pricing of the MSA. This ensures that the arrangement does not breach Standard Condition E6.
- 6.5 The operation of the EMS agreement is regularly considered by the TK OFTO board.
- 6.6 The Compliance Officer has reported that there were no breaches of the terms of TK OFTO’s Compliance Statement or any non-compliance with Licence obligations during the period under review.
- 6.7 TK OFTO has complied at all times during the period with the requirements of Standard Condition E6.

7. Standard Condition E7: Restriction on Activity and Financial Ring Fencing

- 7.1 Standard Condition E7 requires that:
- I. Save as provided by paragraphs 3 and 4 of Standard Condition E7, the licensee shall not conduct any business or carry on any activity other than the transmission business.
 - IA. The licensee must not own, develop, manage or operate an electricity storage facility, except where the licensee owns or operates an electricity storage facility which is situated on a site on which the licensee carries out its transmission business, for the purpose of continuity of supply and system resilience, and the electricity storage facility is not used to buy or sell electricity in the electricity markets.
 2. The licensee shall not without the prior written consent of the Authority hold or acquire shares or other investments of any kind except:
 - a. shares or other investments in a body corporate the sole activity of which is to carry on business for a permitted purpose;
 - b. shares or other investments in a body corporate which is a subsidiary of the licensee and incorporated by it solely for the purpose of raising finance for the transmission business; or
 - c. investments acquired in the usual and ordinary course of the licensee’s treasury management operations, subject to the licensee maintaining in force, in relation to those operations, a system of internal controls which complies with best corporate governance practice as required (or, in the absence of such requirement, recommended (by the UK listing authority (or a successor body) from time to time for listed companies in the United Kingdom.

- 7.2 TK OFTO is an SPV which is established solely for the purpose of managing and operating the Triton Knoll offshore transmission assets. Under the financing documents and the shareholder agreement there are restrictions in place which prevent TK OFTO from carrying out any other business activities outside of managing and operating the transmission assets.
- 7.3 TK OFTO is ring fenced being an SPV financed through non-recourse project finance and established as a separate legal entity which is not dependent upon the financial performance of any unauthorised business.
- 7.4 The board of TK OFTO have considered the nature of the activities undertaken during the period of this report and are satisfied that all the activities undertaken are permitted activities under the terms of the licence and this is confirmed within the Compliance Officer's report.
- 7.5 TK OFTO has complied at all times during the period of this report with the requirements of Standard Condition E7.

8. Amended Standard Condition E12 - C4: Appointment of Compliance Officer

- 8.1 As required by Amended Standard Condition E12 - C4 paragraph 2 TK OFTO has appointed a Compliance Officer for the purpose of ensuring compliance with the relevant duties under the terms of the Licence. Henderson Loggie LLP was appointed as Compliance Officer on 10 October 2023. On behalf of Henderson Loggie LLP, the Compliance Officer role is led by Gavin Black, a partner with over ten years' experience of performing similar roles within the electricity and gas sectors.
- 8.2 Henderson Loggie LLP is not engaged in the management or operation of the licensee's transmission business system, or the activities of any associated business.
- 8.3 As required by the Amended Standard Condition E12 - C4 paragraph 4, a Compliance Committee has been established as a permanent sub-committee of the board of TK OFTO.

The Compliance Committee consists of two directors of TK OFTO, being Tarkan Pulur and Kenichi Takada.

The director with day to day responsibility for compliance with the activities of this licence is Tarkan Pulur.

- 8.4 The Compliance Officer has confirmed that they have received:
 - a. such staff, premises, equipment, facilities and other resources; and
 - b. such access to premises, systems, information and documentation as they reasonably expect to require for the fulfilment of their duties as Compliance Officer

8.5 The Compliance Officer's work during the period under review included:

- a. preparation of a Compliance Review Programme which detailed the work to be carried out by the Compliance Officer in order to monitor compliance with TK OFTO's Compliance Statement and the relevant duties under its Licence obligations
- b. meetings with relevant personnel
- c. review of company contracts, agreements, board minutes and other relevant documentation
- d. review of controls and procedures in place relating to governance arrangements detailed in TK OFTO's Compliance Statement
- e. enquiring whether any relevant complaints had been received during the period
- f. advising on complaints procedure, annual compliance reporting and ongoing compliance monitoring
- g. reporting to the Compliance Committee and the Board of TK OFTO.

8.6 During the period no complaints were received from any person in respect of a matter arising under or by virtue of the relevant duties and therefore there was no requirement for the Compliance Officer to investigate any complaint in accordance with paragraph 6 of Amended Standard Condition E12 - C4.

8.7 The Compliance Officer's Annual Report has been received and considered by the Compliance Committee and by the board of directors of TK OFTO. The board noted that the Compliance Officer reported that nothing had come to their attention during the course of their review to prevent the directors of TK OFTO approving a resolution to sign the required certificate under Amended Standard Licence Condition E12 - C4 9(d) that TK OFTO has at all times during the year to 31 March 2025 been in compliance with the relevant duties of the Licensee and that the report of the Compliance Officer fairly represents the Licensee's compliance with its relevant duties.

9. Certificate of Compliance

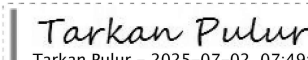
9.1 The certificate of compliance as required under Amended Standard Condition E12 - C4 9(d) is attached as Appendix I.

Appendix I

Certificate of compliance as required under Amended Standard Licence Condition E12 - C4 9(d)

The Board of Directors of Triton Knoll OFTO Limited hereby confirm that the Licensee has at all times been in compliance with the relevant duties of the Licensee and that the report of the Compliance Officer fairly presents the Licensee's compliance with its relevant duties.

Approved by the Resolution of the Board and signed on its behalf by:


Tarkan Pulur – 2025-07-02, 07:49:28 UTC

Tarkan Pulur
Director