NGN Response to Energy Networks Ring-Fence Review Statutory Consultation

We thank Ofgem for the opportunity to respond to the Energy Networks Ring-Fence Review (ENRFR) Statutory Consultation and for the collaborative engagement offered ahead of this consultation.

To date, this engagement has already resulted in the resolution of several issues. However, we still consider that certain issues remain, which we address in this document. For efficiency, we limit our response to material issues only. We have grouped these into "Key Issues", covering conceptual problems with certain proposed modifications, and "Snagging Issues", addressing errors in licence wording and paragraph cross-references.

In light of the concerns set out in this document, NGN requests that Ofgem:

1. Removes the proposed requirement for a SID to sign ring-fence submissions, notifications and Availability of Resources / Dividend Certificates;
2. Removes the additional licence conditions from the list of conditions that can prevent a Dividend Certificate from being given, or, as a minimum, provides clear licence wording and guidance confirming that minor, temporary, immaterial or justified non-compliance will not prevent distributions;
3. Removes the proposed requirement for Authority consent before alterations to capital or reserve categories, or narrows it to a clearly defined anti-avoidance provision targeted only at transactions whose purpose is to facilitate a distribution that would be unlawful or imprudent;
4. Removes the separate cash-flow forecast requirement where the same information is already embedded in the financial metrics supporting the extended certificates; and
5. Corrects the drafting and cross-reference errors identified in the snagging section.

We remain committed to working with Ofgem towards the best possible outcome for all stakeholders.

Background

Ofgem's rationale for the ENRFR is largely unchanged from the November 2025 consultation[1], with only limited updates, including the removal of references to ongoing concerns with Thames Water as a main driver of the review.

We recognise the value of periodically reviewing the ring-fence framework. However, Ofgem has not shown that the issues it cites, including "*the retail energy crisis*" and "*changes in group structures*"[2], create a material risk for NGN or GDNs more generally. We therefore do not consider

[1] Ofgem (2025). Energy Networks Ring-fence Review Consultation.
[2] Ofgem (2026). Energy Networks Ring-fence Review – Statutory Consultation, p 8.

these points to be sufficient to justify further tightening of the ring-fence without clearer evidence and a proper impact assessment, including consideration of how the proposals may affect the existing balance of risk and return.

Ofgem has recently described the RIIO-2 framework as containing "*robust*" licence-based protections against financial distress, with RIIO-3 measures strengthening those protections further[3]. We agree: the RIIO-GD3 licence already provides sufficient safeguards for the financial resilience of regulated gas networks.

We understand the appeal of Ofgem's stated aim to align financial resilience measures across sectors. However, given clear differences in sector risks, ownership models and governance arrangements, even that potentially simple objective in principle is unlikely to make a fully uniform approach workable in practice.

That said, by Ofgem's own admission, the current proposals go beyond simple alignment with the RIIO-GD3 framework. They introduce additional and more intrusive obligations, some of which may change the fundamentals of the risk/reward balance that was developed through three years of consultation before the RIIO-GD3 framework was settled. A six-week consultation focused on the specifics of licence wording is disproportionately short in relation to the significance of the changes being considered.

Furthermore, Ofgem cites the "*energy transition changing market dynamics*" as a key driver of the ENRFR. Gas plays a central role across all NESO's net zero pathways, making GD-sector investability essential to delivering the transition. In this context, it is important to weigh the hypothetical benefits of *encouraging "licensees to adopt best practice in corporate governance"*[4] against the heightened regulatory burden and risk from Ofgem's interventions, particularly so soon after completion of the RIIO-GD3 price review.

Given the absence of any identified regulatory failure in the GD sector, the case for further intervention has not been established. This is particularly concerning where the proposals may alter the balance of risk and return that underpinned the RIIO-GD3 settlement. Regulatory interventions of this nature should be clearly justified and proportionate to the issue being addressed. Otherwise, they risk increasing regulatory uncertainty and weakening confidence in the stability and predictability of the regulatory framework. Preserving investor confidence will be critical to maintaining the substantial long-term investment required from gas networks throughout the energy transition. Regulatory interventions that weaken confidence in the stability and predictability of the regulatory framework therefore risk harming consumers' interests as reflected in section 4AA of the Gas Act 1986[5].

Key Issues

[3] Ofgem (2026). State of the Market Report: Energy infrastructure markets highlights, p.24

[4] Ofgem (2026). Energy Networks Ring-fence Review – Statutory Consultation, pp. 8,11.

[5] Following amendments introduced by the Energy Act 2023, section 4AA(1A)(a) of the Gas Act 1986 provides that the interests of existing and future consumers include the Secretary of State's compliance with the duties in sections 1 and 4(1)(b) of the Climate Change Act 2008 (the 2050 net zero target and statutory carbon budgets).

Standard Special Condition (SSC) A42: Requirement for Sufficiently Independent Directors (SIDs)

Ofgem is proposing to modify SSC A42 and add it, alongside other licence conditions, to the compliance requirement list referenced in other SSCs. Overall, we do not consider the proposed expansion of the SID role to be necessary and proportionate. Without evidence that the current arrangements have failed to ensure appropriate SID engagement or effective Board oversight, we do not consider the proposed modifications to be justified. We consider each proposal in turn below.

Checklist

Paragraph 5(b) introduces an explicit requirement for Licensees to complete a checklist and template each year, confirming that each SID meets the stated requirements and possesses the skills, knowledge, experience and personal qualities necessary to perform their duties with reasonable care, skill and diligence. We do not oppose this requirement in principle. However, we note that UK company law already imposes duties on directors to exercise reasonable care, skill and diligence, and that Licensees already appoint and maintain SIDs who can fulfil those responsibilities. Accordingly, we view this provision primarily as a documentation and evidencing requirement rather than the introduction of a new substantive governance standard.

Ring-fence submissions sign-off

NGN strongly disagrees with the proposed requirement for at least one SID to act as signatory on ring-fence submissions and notifications. The proposal is not merely unnecessary; it is inappropriate as a matter of corporate governance principle.

Under the Companies Act 2006, all directors, including SIDs, are subject to the same statutory duties and obligations. Ring-fence compliance, financial resilience and regulatory submissions are matters for the Board as a whole, with accountability already resting collectively with all directors. Regulatory submissions are approved through formal Board processes and are signed by a director on behalf of the Board.

The Board, not an external party, is responsible for approving regulatory submissions and determining which director signs on its behalf. Where a submission has been considered and approved by the Board, all directors, including SIDs, have had the opportunity to consider the matter, challenge management, request further information, dissent, abstain or vote against the resolution. Therefore, a mandatory SID signature does not add a substantive governance control. Instead, it risks implying that non-SID directors cannot be relied upon to discharge their statutory duties, despite all directors being subject to the same duties under the Companies Act 2006.

The proposal may also have unintended consequences, making it even more problematic. For example, it may:

- Imply an inequality or a hierarchy between directors, creating the impression that SIDs have a distinct responsibility for regulatory compliance and financial resilience matters, when these responsibilities properly belong to the Board as a whole.
- Increase costs to consumers, e.g. due to incremental administrative and/or other costs.

We understand that Ofgem is concerned that a Board resolution might be approved without SIDs being part of the decision-making process or without their knowledge. However, we emphasise that Ofgem has not provided any evidence that this practice has ever occurred in the past or is more likely to occur in the future, nor has it demonstrated why a SID acting as signatory provides any further assurance over the existing arrangements. The Board approval process already provides SIDs with ample opportunity to challenge the recommendations of management, request any further information, and vote on the resolution.

Ofgem already possesses significant powers to investigate and address any concerns regarding governance, ring-fence compliance or other inappropriate practices. For example, under SSC A26 Provision of Information to the Authority, licensees are required to provide such information and reports as Ofgem may reasonably require for the exercise of its functions under the Gas Act 1986 and Utilities Act 2000. Where Ofgem identifies potential issues, it therefore already has the means to obtain evidence, investigate the matter and, where appropriate, pursue further regulatory or enforcement action. If Ofgem has evidence that particular licensees have weak governance or that particular Boards are approving submissions without proper SID involvement, the appropriate response is to use existing information-gathering, investigatory and enforcement powers in relation to those licensees. It is not proportionate to impose a blanket requirement across the sector in the absence of evidence that the existing Board approval process has failed.

A more proportionate alternative would be to require the relevant Board minutes or certificate pack to record SID attendance, any SID dissent, and whether the relevant submission was approved by the Board. This would directly address Ofgem's stated objective of "*improving transparency of SID awareness of relevant matters discussed at licensee board meetings*"[6] and provide a clear record of whether SIDs had "*an opportunity to express their views and contribute to decisions taken by the licensee board*"[7], without cutting across the principle of collective Board responsibility.

SID attendance at Remuneration Committee

Considering that SIDs are already standing members of our remuneration committee (RemCom), the requirement for at least one SID to be in attendance at the licensee remuneration committee is not problematic to NGN in principle.

However, the same problems as outlined above apply, alongside other equally important practical issues that may arise. There are multiple scenarios where at least one SID cannot attend the Board and/or a RemCom meeting where the licensee should not be found at fault. For example, one SID may resign close to the RemCom, leaving the licensee unable to replace them in time, while the other SID may fall ill. In this case, one possible interpretation is that the licensee would be in breach of SSC A42. Given that compliance with SSC A42 is now required for the purposes of SSC A37 Dividend Certificate, alongside the Compliance certificates, the licensee could be prevented from making a distribution. This consequence seems completely disproportionate given that the licensee has no control over a SID's personal decisions or health.

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[6] Ofgem (2026). Energy Networks Ring-fence Review – Statutory Consultation, paragraph 5.25, p.26

[7] Ofgem (2026). Energy Networks Ring-fence Review – Statutory Consultation, paragraph 5.25, p.26.

Furthermore, SSC A42.17 requires that SIDs "*must make verbal representations on the licensee's recommendation for remuneration to the committee*"[8]. We understand that Ofgem would like to ensure that executive remuneration is not excessive, and that granting SIDs this responsibility explicitly may help achieve this aim. However, SIDs are not remuneration experts and, therefore, it is unclear what value a SID's verbal representation will add to a sophisticated RemCom decision-making process. The concern is with converting good governance practice into an absolute licence requirement with potentially disproportionate consequences if, for reasons outside the licensee's control, a SID cannot attend or make a verbal representation. Remuneration decisions remain decisions of the committee, operating under delegated authority from the Board and supported by appropriate papers, challenge and minutes. The Licence should therefore avoid creating a technical breach, or potential distribution consequence, from a procedural requirement that does not itself determine whether executive remuneration is appropriate.

Our view is that this licence modification provides little further assurance as to the reasonableness of executive remuneration yet adds ambiguity to a key governance area, which is highly important to achieving the best outcomes for consumers.

SSC A37 Availability of Resources

1C/2C Compliance and Dividend Certificates

Ofgem proposes to modify SSC A37 so that compliance certificates 1C and 2C, together with the dividend or other distributions certificate (Dividend Certificate), refer to ten ring-fence licence conditions rather than the six conditions currently specified[9]. The four additional conditions are:

- SSC A42 Requirement for Sufficiently Independent Directors;
- SSC A33 Restriction on Use of Certain Information and Independence of the Transportation Business;
- SSC A27 Disposal of Relevant Assets and Restrictions on Charges; and
- SSC A35 Prohibition of Cross-subsidies.

We do not agree that the Dividend Certificate should require compliance with these additional conditions. The key reasons can be summarised as follows:

[8] Ofgem (2026). Proposed modifications to the Gas Transporter Standard Special Licence Conditions (Word Version), SSC A42, paragraph 17. Note, the corresponding paragraph in the PDF version, published with this consultation, is 14.

[9] The six existing conditions are: SSC A26 Provision of Information to the Authority, SSC A36 Restriction on Activity and Financial Ring Fencing, SSC A37 Availability of Resources, Standard Condition 45 Undertaking from Ultimate Controller, SSC A38 Credit Rating of the Licensee and resulting obligations and SSC A39 Indebtedness.

1. The existing protections in the Licence already prevent imprudent distributions;[10] therefore, we do not consider that this modification is targeted at a case "in which action is needed"[11].
2. Any material change to Dividend Certificate requirements must be preceded by an assessment of its impact on the Cost of Equity and on sector investability, given the central role of the Return on Capital in a price control[12].
3. Non-compliance should not automatically and completely prevent licensees from making distributions without recourse to the regulator's discretion.
4. Ofgem conflates compliance assessment with financial resilience and licensees' dividend capacity, which are distinct and should not be confused.

The Licence already contains various safeguards designed to shield licensees from imprudent distributions. For example, SSC A39 prescribes a comprehensive list of circumstances that trigger a distribution lock-up, including limits on regulatory gearing and strict controls over the licensee's credit quality when it falls to unacceptable levels. These safeguards, together with the existing ring-fence conditions in the Dividend Certificate, provide sufficient protection against financially damaging distributions, and Ofgem has not evidenced that they have failed historically, or explained why they are inadequate to prevent reckless distributions in future. In any case, additional provisions or safeguards are not proportionate.

It should not become a general enforcement mechanism for all material ring-fence compliance issues. Where Ofgem considers that a licensee has materially breached a licence obligation, it already has regulatory tools to investigate and enforce that breach. Converting such issues into an automatic or quasi-automatic distribution restriction risks confusing two distinct questions: whether a distribution is financially prudent, and whether a licensee has complied with all aspects of the Licence.

Furthermore, Ofgem has provided no impact assessment of its proposed modification on the Cost of Equity and investability. Given that a higher bar of material compliance needs to be met for distributions to be made, this may make it harder and more expensive for licensees to attract and retain equity capital, which is particularly important in the gas sector in light of the Net-Zero imperative.

In the absence of evidence of a specific failure in the existing ring-fence framework, and without a full assessment of the impact on Cost of Equity, investability and the RIIO-GD3 risk and reward balance, NGN does not consider that Ofgem has demonstrated that these modifications are necessary or proportionate. Implementing the proposals in their current form would therefore risk being inconsistent with the principles of proportionate regulation and with Ofgem's obligation properly to assess the impact of measures that may materially affect the sector's investability.

We emphasise that non-material, temporary, and otherwise justified non-compliance should not automatically prevent a distribution. We do not consider such an interpretation to be Ofgem's

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[10] For example, as detailed in SSC A37, SSC A38, and SSC A39.

[11] Section 4AA(5A)(e) of the Gas Act 1986 requires that the Authority and the Secretary of State have regard to the principle that regulatory activities should be "targeted only at cases in which action is needed".

[12] Section 5A of the Utilities Act 2000 requires Ofgem to assess the likely costs and benefits of important proposals. Given the central role of the allowed return in supporting investability and efficient financing, any material change to dividend certification requirements should be accompanied by an assessment of its impact on the cost of equity and sector investability.

intent. We note that the wording of this SSC refers to compliance "*in all material respects*", which we consider must exclude situations of minor, temporary or otherwise trivial non-compliance. Situations that we refer to may include, but are not limited to the following examples:

- If at least one SID could not attend a RemCom meeting.
- If licensees had fewer than two SIDs in appointment at a point in time for a good reason.
- If Ofgem deemed that the licensee's SIDs did not have the level of skill and knowledge required to perform their duties.
- A SID was unable to sign off on one of the ring-fence notifications to Ofgem required under SSC A42 due to circumstances beyond the licensee's control.

For the avoidance of doubt, we suggest it is reasonable for Ofgem to stipulate at least a high-level framework explaining how the Authority would assess whether a breach is material.

However, should Ofgem's policy intent change, the consequences of the proposals would be fundamental to the calibration of the price control in terms of altering the risk and reward balance that investors agreed to following the RIIO-GD3 Final Determinations, which would make them totally unacceptable.

Furthermore, it appears that Ofgem is implicitly conflating the concepts of performance assessment (in terms of material compliance with the Licence) with the licensee's dividend capacity and its financial resilience. We do not imply that material non-compliance with the Licence should not affect the licensee's dividend decisions. However, such regulatory constraints should not be linked to the ring-fence. Ring-fence Licence conditions should ensure that the licensee has sufficient resources to pay a dividend without compromising its financial integrity. Any performance-related regulatory constraints should be introduced and consulted upon separately.

Overall, Ofgem has not demonstrated that the proposed modifications, particularly in relation to the Dividend Certificate, would provide material additional protection for consumers. Ofgem has not provided satisfactory evidence that the existing protections have failed or are likely to fail in the future, nor has it provided an impact assessment of the incremental value from this modification. At the same time, there is a clear link between this proposal and the potentially higher Cost of Equity that may be required following its implementation. Significant alteration of the risk and reward balance that investors agreed to at RIIO-GD3 Final Determinations may negatively impact Ofgem's duty to facilitate the energy transition.

Alterations to Capital and Reserves

Ofgem proposes to modify SSC A37.15 to prevent licensees, without Authority consent, from making "*alterations to a capital or reserve category, which are usually non-distributable by nature, to facilitate a dividend payment or other distribution*". Licensees would also be required to provide "*reasoning and justification for any proposed alteration*".

We understand Ofgem's implied rationale for this policy to be as follows: if a licensee wishes to eliminate accumulated losses to facilitate a dividend payment, Ofgem wants to impose additional controls. However, a hypothetical case when Ofgem's underlying objective may have merit, does not mean that this measure is necessary for all networks.

Existing Safeguards

We consider that the existing safeguards in both the Gas Transporters Licence and the Companies Act 2006 are sufficient to prevent financially impairing distributions, with Ofgem providing no evidence that is contrary to this view.

Under the Companies Act 2006, directors cannot simply make an informal accounting reclassification and distribute that amount. Instead, such an action would require a formal statutory process and shareholder approval by special resolution. A director who makes a solvency statement without properly factoring in all the company's contingent and prospective liabilities commits an offence. Therefore, high personal liability is attached to any malfeasance on the part of directors.

Furthermore, as mentioned in relation to the Dividend Certificate, there are multiple provisions in the existing SSC A37, SSC A38, SSC A39 of the Licence that protect licensees from making distributions that could adversely impact their financial resilience. Ofgem, in its State of the Market Report 2026, referred to the protections in the Licence as "robust"[13], and it has not provided an example, or other evidence, of residual risk sufficient to justify this proposed modification.

Capital structures

In addition, this modification represents a significant departure from Ofgem's longstanding position on licensees' capital structures.

Ofgem has consistently maintained that capital structures are for shareholders to determine, and that they should bear the consequences of the associated risks and opportunities. For example, in the RIIO-GD3 Final Determinations, Ofgem states, "*We expect companies to manage their own financial risks and for shareholders, rather than consumers, to bear the direct consequences, whether gains or losses, of those decisions*"[14].

Requiring Ofgem's consent for alterations to an existing capital structure is clearly at odds with this long-held position and with the design of the RIIO-GD3 price control, which is based on the status quo. This change in Ofgem's stance may adversely affect investor confidence, capital allocation decisions and ultimately the sector investability.

Notional dividends

Should this proposal be implemented, we note that it will have revenue implications in terms of the notional dividends that Ofgem factors in during the price review.

In the past, notional dividends have largely been a modelling assumption; however, this new modification elevates the imperative of the price control to provide sufficient cash flows to licensees to pay dividends. The counterfactual would mean that Ofgem has not only erroneously performed its financeability assessment but has also not created the requisite conditions for networks to satisfy their licence requirements.

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[13] Ofgem (2026). State of the Market Report: Energy infrastructure markets highlights, p.24

[14] Ofgem (2025), RIIO-3 Final Determinations – Finance Annex, para 6.2.

Overall, given the existing and newly proposed restrictions on distributions, it is unclear what additional benefit this measure would provide. Conversely, it could create unnecessary constraints on licensees' capital management flexibility, which may become increasingly important for gas networks in the long term, as they adapt to changing gas demand during the energy transition.

Therefore, we believe that the new requirement stipulated in SSC A37.15 should be removed from the Licencedue to the reasons listed above. However, if Ofgem is unwilling to remove the provision entirely, it should be narrowed to an anti-avoidance requirement applying only where the purpose, or one of the main purposes, of the alteration is to facilitate a distribution that would be prohibited or financially imprudent. It should not apply to ordinary capital management, accounting or corporate simplification steps undertaken for legitimate business reasons and in compliance with the Companies Act 2006.

Enhanced SID Role in Compliance Certificates

Ofgem proposes to modify SSC A37 so that a SID and at least one other director must sign off on the financial resources (1F/2F/3F and extended versions), operational resources (1R/2R/3R), compliance (1C/2C), and Dividend Certificates. We disagree with this expanded role of the SIDs. For brevity, we refer the reader to our comments on SSC A42.

Cash Flow Forecast in Extended Certificates

Ofgem proposes to modify SSC A37 to require cash flow forecasts within the statement of factors for the extended financial resources certificates. We consider paragraph 5(e) to be unnecessary because the inputs needed to project the key financial metrics under paragraph 5(b) already depend on a cash flow forecast. Requiring a separate cash flow forecast document would therefore create additional administrative burden without providing any material incremental value. We do not consider Ofgem to have demonstrated that the benefits of this requirement are proportionate to the additional burden it would impose, having regard to the better regulation principles reflected in section 72(1) of the Regulatory Enforcement and Sanctions Act 2008.

We therefore request that Ofgem removes the separate cash-flow forecast requirement.

Snagging Issues

In this section, we set out our findings on paragraph cross-reference inconsistencies and wording errors in the "*Proposed modifications to the Gas Transporter Standard Special Licence Conditions"* documents published with this statutory consultation.

For efficiency, we do not repeat our disagreement in relation to every word or phrase under consultation where, in our opinion, the existing Licence Condition should remain unchanged.

We also note that the paragraph numbering/itemisation is not consistent between the Word and PDF versions of the proposed licence modifications. For the issues identified below, we specify where an error relates only to the Word or PDF version; where an error applies to both, we refer to the relevant SSC.

1. **SSC A3 (Word version).** The tracked changes do not produce grammatically correct final wording. For example, "*which are held by themor of which*", and "*persons connected withthem*".
2. **SSC A27 (Word version).** The paragraphs in SSC A27 are itemised via letters rather than numbers, resulting in the paragraph references in this SSC being incorrect and inconsistent with the 1 April 2026 licence.
3. **SSC A27.k (Word version)**. This paragraph references SSC A42.10(c). This paragraph does not exist in the proposed GT SSCs modifications document. For the Word version, the corresponding paragraph is 13(c).
4. **SSC A33 (PDF version).** The three paragraphs following paragraph 6 are incorrectly numbered 2, 3 and 4. Instead, they should be numbered 7, 8 and 9. We acknowledge that the Word version does not contain this numbering error.
5. **SSC A36.a (Word version)**. The first paragraph, paragraph "*(a)*", should be numbered 1 for consistency with the 1 April 2026 licence.
6. **SSC A37.7.** Paragraph 7 incorrectly states that the operational-resources statement must accompany "*the certificate given to the Authority under paragraph 4*". This should refer to paragraph 6.
7. **SSC A37.9(a).** Paragraph 9(a) refers to the reasonable expectations expressed in certificates given under paragraphs 2(a), 2(b), 4(a), or 4(b). The references to 4(a) and 4(b) should be replaced with references to 6(a) and 6(b).
8. **SSC A37.9(b).** Paragraph 9(b) refers to Certificate 3R being given under paragraph 4(c). This should refer to paragraph 6(c), because Certificate 3R is set out in paragraph 6(c).
9. **SSC A37.8(a), SSC A37.8(b), and SSC A37.11(a).** These paragraphs refer to "*SSC A27 (Disposal of relevant assets and restriction on charges)*". This licence condition does not have the word "*relevant*" in its title and, hence, should be "*Disposal of Assets and restrictions on charges*".
10. **SSC A37.10**. Paragraph 10 begins "*Subject to paragraph 11*". Instead, this should refer to paragraph 13, which contains the exception under which the licensee does not have to provide a standalone Dividend Certificate (i.e., through the 1C and addendum route). Paragraph 11 merely contains the first requirement for the Dividend Certificate.
11. **SSC A37.10.** Paragraph 10 states that the dividend certificate must comply with "*the three requirements set out in paragraphs 9 and 10 below*". This should refer to paragraphs 11 and 12.
12. **SSC A37.13.** Paragraph 13 refers to "*a certificate of the type referred to in paragraph 8*". This should refer to paragraph 10. Paragraph 8 concerns certificates 1C and 2C, not the requirement for a standalone Dividend Certificate.
13. **SSC A37.13(a)**. Paragraph 13(a) refers to Certificate 1C being given under the requirement in paragraph 6. This should refer to paragraph 8, which contains the annual compliance-certificate requirement and the prescribed forms of Certificates 1C and 2C.
14. **SSC A37.13(b).** Paragraph 13(b) refers to the "*addendum using the form of wording given at paragraph 9(b)*". This should refer to paragraph 11(b). Paragraph 11(b) contains the forward-looking statement that the proposed distribution, redemption or repurchase will not cause the licensee materially to breach the applicable obligations in the future. Paragraph 9(b) concerns circumstances underlying Certificates 3F and 3R having materially worsened.
15. **SSC A37.14.** Paragraph 14 refers to "*the certificate given under paragraph 8*". This should refer to paragraph 10, because the standalone Dividend Certificate is required under paragraph 10.

16. **SSC A37.14.** Paragraph 14 refers to the certificate "*relied upon under paragraph 11*". This should refer to paragraph 13, because paragraph 13 permits reliance upon a 1C certificate with the appropriate addendum. Paragraph 11 concerns the first requirement for the standalone dividend certificate.
17. **SSC A39 (Word version).** Paragraph 1 is not numbered, and then the following paragraph, which should be numbered 2, is incorrectly numbered paragraph 3.
18. **SSC A39.7/8(c)**. The paragraph numbering does not match between the PDF and Word versions. However, in both cases, the reference to paragraph 6 is wrong. Instead, the reference should be to the paragraph itself.
19. **SSC A39.8/9(b)**. The paragraph numbering does not match between the PDF version (paragraph 8) and the Word version (paragraph 9). However, the error still applies to both versions. Paragraph 8/9(b) refers to Certificate 3R being given under SSC A37.4. Instead, They should refer to SSC A37.6.
20. **SSC A39.9(c) (PDF version).** Paragraph 9(c) refers to "*paragraphs 3 and 10*". This should refer to paragraphs 3 and 11. Paragraph 11 contains the Restricted Category 3 provisions governing permitted transactions after the prohibition has been triggered, while paragraph 10 is the Actual Regulatory Gearing trigger and does not contain the applicable restrictions or exceptions.
21. **SSC A39.10(c) (Word version).** Paragraph 10(c) refers to "*paragraphs 3 and 10*". This should refer to paragraphs 4 and 12 for the same reasons listed in point 20.