

Summary

This document comprises the Project Agreement template.

TransGrid publishes this information under clause 5.2A.5 of the National Electricity Rules.

Document Control

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Disclaimer and important notice

This document and the information in it is for general guidance only and may be subsequently updated or amended.



TransGrid

Project Agreement – Negotiated

[Customer project name]

NSW Electricity Networks Operations Pty Limited (ACN 609 169 959) as
trustee for **NSW Electricity Networks Operations Trust** (ABN 70 250 995 390)
trading as **TransGrid**

[Customer name] (ABN [Customer ABN])

[Date]

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AGREEMENT MADE AT SYDNEY ON [DATE]

PARTIES **NSW Electricity Networks Operations Pty Limited** (ACN 609 169 959) as trustee for **NSW Electricity Networks Operations Trust** (ABN 70 250 995 390) of Level 1, 180 Thomas Street, Sydney, NSW, 2000 ("**TransGrid**")

[**Customer name**] (ABN [Customer ABN]) of [Customer address] (the "**Customer**")

Background

- A. TransGrid is required to *connect* the Customer's Facilities to its Transmission System in accordance with the Rules.
- B. Certain works will need to be completed by TransGrid in order to enable TransGrid to *connect* the Customer's Facilities to its Transmission System.
- C. The Customer has requested TransGrid and TransGrid has agreed to undertake the Connection Work in accordance with the terms and conditions of this agreement.

The parties agree

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following words have these meanings in this agreement unless the contrary intention appears.

"ACCC" means the Australian Competition and Consumer Commission.

"Acceptance Tests" has the meaning given in Item 3 of Schedule 2.

"AEMC" means the Australian Energy Market Commission.

"AEMO" means the Australia Energy Market Operator.

"AER" means the Australian Energy Regulator.

"Applicable Laws" means the ESA, the NEL, the Rules and any other legislation, rules, regulations, codes, Directives, licence conditions and other regulatory instruments which are directly or indirectly binding on or are expressed to apply to TransGrid or the Customer (as applicable), and which relate to the Transmission System (including the Assets), the Customer's Facilities, the performance of the Connection Work and the Customer's Work and/or the provision and receipt of any of the Services (and for the avoidance of doubt includes any Emissions Requirements).

"Assets" means the Network Assets and the Upstream Works.

"Asset" means an asset which forms part of those Network Assets or Upstream Works.

"Assignment" has the meaning given to that term in clause 21.1.

"Associates" means, in relation to a party:

- (a) each of that party's holding companies (as defined in the *Corporations Act 2001* (Cth)), Subsidiaries or Related Bodies Corporate;

[Insert addition footer text here if required, e.g. Commercial in confidence]

- (b) each of that party's sub-contractors;
- (c) all officers, employees, authorised agents, (sub-)contractors and professional advisers engaged or employed by or on behalf of that party and any person or entity referred to in limbs (a) and (b) above; and
- (d) any other person engaged or employed by or on behalf of the party in the performance of the Connection Work.

"Authorisation" means:

- (a) any consent, authorisation, registration, filing, lodgement, agreement, notarisation, certificate, permission, licence, approval, declaration, permit, ruling, statutory required policy of insurance, authority or exemption from (and any renewal or variation of any of them), by or with an Authority, including any plans, strategies or protocols required to be approved and implemented under any such Authorisation; or
- (b) in relation to anything which will be fully or partly prohibited or restricted by law if an Authority intervenes or acts in a way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action,

"Authority" means any government, governmental, semi-governmental or judicial entity or authority, including any self-regulatory organisation established under statute, AEMO, TransGrid acting as a *System Operator* or service provider to AEMO under clause 4.3.3 of the Rules, AER, AEMC and ACCC, provided that for the avoidance of doubt, while acting in any capacity other than as a *System Operator* or service provider to AEMO under clause 4.3.3 of the Rules, TransGrid is not an Authority under this definition.

"Benefitted Party" means any party benefitted by a Security Interest as referred to in clause 24(b).

"Business Day" means any day other than:

- (a) a Saturday, Sunday or public holiday in New South Wales; or
- (b) 27, 28, 29, 30 or 31 December.

"Charges" means the charges and other amounts payable under the Connection Agreement from time to time.

"Claims" means all claims, demands, actions, disputes and proceedings whether arising in contract, tort (including breach of statutory duty and negligence), equity or otherwise.

"Commencement Date" means [the date on which the last party executes this agreement] / [OPTION – NOTICE TO PROCEED] [the date on which TransGrid receives a Notice to Proceed in accordance with clause 1.2A].

"Connection Agreement" means the connection agreement entered into between the Customer, TransGrid and the Dedicated Assets Provider on or about the date of this agreement.

"Connection Point" means an agreed point or points of supply as described in the Connection Agreement.

"Connection Work" means:

- (a) all work undertaken by TransGrid and its Associates (whether before or after the Commencement Date) related to the processing of the Customer's *application to connect*, the preparation of TransGrid's offer to connect, the preparation of the Functional Specification and the preparation, negotiation, approval and execution of this agreement, the Connection Agreement, the Construction Coordination Deed and the Network Operating Agreement, the Scope of Works, any relevant Preliminary Agreements, Easements, Licences and any other document which is required to be prepared under the terms of this agreement or any of the foregoing documents;
- (b) the design, procurement, supply, construction, commissioning and project management by TransGrid and its Associates of the Assets and any other work which is described as being part of the Connection Work in the Scope of Works and includes the Upstream Works and (where applicable) any variations or additions to that work under clause 7.6, 7.9 or 12.1;
- (c) the performance of TransGrid's obligations under the Construction Coordination Deed;
- (d) any Preliminary Work (other than Preliminary Work covered by limb (a) above) undertaken by TransGrid and its Associates; and
- (e) anything else done by TransGrid and its Associates in relation to the satisfaction of any Preconditions.

"Connection Site" means that portion of the Land on which some or all of the Assets is to be constructed and located, as shown in Schedule 4.

"Construction Coordination Deed" means the construction coordination deed between TransGrid, the Customer, the Shared Assets Provider and the Dedicated Assets Provider dated on or about the date of this agreement.

"Construction Program" means the program for the performance of the Connection Work set out in Schedule 3 as that program is:

- (a) updated by TransGrid from time to time in accordance with clause 9 and
- (b) adjusted by TransGrid from time to time in accordance with clauses 7.8 or 12.1.

"Consultant's Fees" means all costs reasonably and necessarily incurred by TransGrid in relation to the engagement of any consultants, and the provision of any services by those consultants, in relation to the performance of the Connection Work and (where applicable) any Termination Work, excluding any Sub-Contractor's Costs.

"Corrective Action Plan" means a document setting out:

- (a) a feasible, reasonable and practical program to cure a Relevant Default;
- (b) the relevant Cure Period; and
- (c) specifications of tests which are reasonably necessary to show that the Relevant Default has been cured.

"CPA" means the Connection Process Agreement between the parties dated the [DATE].

"Credit Support" has the meaning given to that term in the Connection Agreement.

"Cure Period" means in respect of a Relevant Default, the period of time specified in the Corrective Action Plan to:

- (a) cure the Relevant Default; and
- (b) demonstrate such cure to the reasonable satisfaction of the non-defaulting party in accordance with the tests (if any) set out in the Corrective Action Plan.

"Customer Connection Assets" means the assets described as such in the Scope of Works (including the Dedicated Assets and the Shared Assets) and which are part of the Customer's Facilities.

"Customer's Facilities" means:

- (a) all *facilities* that will be:
 - (i) directly or indirectly *connected* to the Transmission System at a Connection Point; and
 - (ii) described in Schedule 1; and
- (b) all plant and equipment related to the *facilities* described in limb (a) above, whether or not owned, controlled or operated by the Customer,

including the Customer Connection Assets.

"Customer's Representative" means the person described by that title in Schedule 5.

"Customer's Senior Manager" means the person described by that title in Schedule 5.

"Customer's Work" means those activities and items of work (other than the Connection Work) which must be undertaken and completed by, on behalf of or for the Customer so that:

- (a) the Connection Work or an identified component of the Connection Work can be completed in accordance with the Scope of Works and Construction Program; and
- (b) the Customer's Facilities can be connected to TransGrid's existing Transmission System via the Assets,

including any work which the Scope of Works states must be undertaken and completed by the Customer in accordance with the Scope of Works and Construction Program so as to allow TransGrid to undertake and complete the Connection Work or an identified component of the Connection Work. **[Note: It is important that the Scope of Works and Construction Program set out the items of the Customer's Work (including work on the dedicated connection assets and contestable IUSA) that must be completed and the date by which they must be completed so as to allow TransGrid to complete the Connection Work.]**

"Customer Variation" has the meaning given to that term in clause 7.9(c).

"Damages" means all liabilities, injuries, expenses, losses, damages and costs of any nature (including legal costs on a full indemnity basis and whether incurred by or awarded against a party).

"Date for Practical Completion" means the date on which Practical Completion is scheduled to be achieved as set out in the Construction Program and includes (where applicable) any variation to that date under clause 12.1.

"Date of Final Commissioning" means the date on which Final Commissioning is achieved.

"Date of Practical Completion" means the date on which Practical Completion is achieved.

"Dedicated Assets" means the assets to be designed, constructed, commissioned, operated and maintained by the Dedicated Assets Provider, and are described or shown as such in [insert].

"Dedicated Assets Provider" means [insert].

"Default" means a failure to observe a provision of this agreement.

"Default Notice" has the meaning given to that term in clause 16.1.

"Default Rate" means the Interest Rate plus a margin of 2.5%.

"Delay Period" means the period commencing on the day following the Date for Practical Completion and ending on the Date of Practical Completion.

"Directive" means any present or future requirement, instruction, direction or order of an Authority (whether formal or informal) which is binding on, or expressed to apply to TransGrid or the Customer or relates directly or indirectly to the design, construction, operation or maintenance of the Transmission System or the Customer's Facilities.

"Easements" means the easements which are required to be granted to, or obtained by, MHC in accordance with clause 25.2.

"Easement Costs" means all costs (if any) incurred by TransGrid and its Associates in relation to obtaining, varying, completing and/or registering the Easements in accordance with clause 25.2 and the Scope of Works (and includes any Third Party Owner's Costs and any Other Expenses in respect of the Easements).

"Eligible Delay" has the meaning given to that term in clause 12.1(g).

"Emissions Requirements" means any legislation, rule, regulation, code, Directive, licence condition or other regulatory instrument which has as one of its purposes the reduction or limitation of greenhouse gases, reporting greenhouse gas emissions or any related information, trading in greenhouse gas emissions, off sets or other types of greenhouse gas emissions related permits, addressing the effects of climate change, encouraging the generation of renewable energy or the minimisation of the impact on the environment of the electricity industry generally, or the imposition of any tax, levy, charge, impost or other cost levied in connection with the emission of greenhouse gases, and includes the *National Greenhouse and Energy Reporting Act 2007* (Cth), the *National Greenhouse and Energy Reporting Regulations 2008* (Cth) and the *Carbon Credits (Carbon Farming Initiative) Act 2011* (Cth).

"ESA" means the *Electricity Supply Act 1995* (NSW).

"Excepted Risk" has the meaning given to that term in clause 7.6.

"Execution Date" means the date this agreement is executed by the last party to do so.

"Expert" means an independent expert engaged for the purpose of resolving a dispute under this agreement.

"Facility Deficiency" has the meaning given to that term in clause 10.3(a)(i).

"Final Commissioning" means that stage after Practical Completion of the Connection Work when the Customer Connection Assets are ready to be connected to the Transmission System via the Assets and energised following the successful completion of the joint commissioning and testing process referred to in clauses 7.10 and 10.2.

"Financial Bond" has the meaning given to that term in clause 5.1.

"Financial Cure Period" has the meaning given to that term in clause 16.5(a).

"Financial Default" means a failure by one party to pay to the other party an amount due to the other party under this agreement at the due time for that payment, including any failure to timely provide the Financial Bond in whole or in part in accordance with clause 5.1 and Schedule 2.

"Financial Year" means the period of 12 months commencing on the 1st July in any year and concluding on the 30th June in the following year.

"Force Majeure Event" has the meaning given to that term in clause 15.1(a).

"Functional Specification" means the functional specifications TransGrid is required to provide under clause 5.3.3(9) of the Rules.

"Fund" means a trust, a partnership, a body corporate or similar vehicle that is used for collective investment by investors or members.

"GST" has the meaning given to that term in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

"GST Amount" has the meaning given to that term in clause 14.3(d).

"Inclement Weather Conditions" means the existence of climatic conditions which cause a delay to the undertaking of the Connection Work in accordance with the Construction Program.

"Insolvency Event" means, in respect of a party, any of the following events:

- (a) an administrator is appointed or a resolution is passed or any steps are taken to appoint, or to pass a resolution to appoint an administrator to that party;
- (b) a receiver, receiver manager, official manager, trustee, administrator, other controller (as defined in the *Corporations Act 2001* (Cth)) or similar officer is appointed over the assets or undertakings of that party;
- (c) that party enters into or proposes to enter into any arrangement, composition or compromise with or assignment for the benefit of, its creditors or a class of them;
- (d) that party is deemed by the provisions of the *Corporations Act 2001* (Cth) to be insolvent; and/or
- (e) anything occurs that has a substantially similar effect to any of the events set out in limbs (a) to (d) above.

"Insurance Cover" means the insurance cover TransGrid needs to maintain during the term, as set out in clause 22.1.

"Intellectual Property Rights" means intellectual property rights being all rights conferred by law, including those in and in relation to inventions, patents, designs, copyright, registered and unregistered trademarks, trade names, brands, logos and get up, names, circuit layouts and confidential information and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.

"Interest Rate" means, in relation to a particular day, the Overdraft Index Rate applied that day by the Commonwealth Bank of Australia (ACN 123 123 124) (which rate is published at <https://www.commbank.com.au/business/rates-fees.html>). If the bank stops publishing that rate, then it means an equivalent rate used on that day by the Commonwealth Bank of Australia at which it lends money to its corporate customers.

"Land" means the land described in Schedule 4.

"Landowner Agreements" has the meaning given to that term in clause 25.8.

"Latent Conditions" means any physical conditions on the Land affecting the performance of the Connection Work, including man-made objects (for example the presence of other services), Inclement Weather Conditions and the effects thereof, poor soil conditions, rocks or other sub-surface or surface conditions) which differ materially from the conditions which should reasonably have been anticipated by TransGrid as at the Commencement Date, having regard to:

- (a) any information provided by the Customer to TransGrid prior to the Commencement Date;
- (b) TransGrid's preliminary assessment of the surface conditions in relation to the Land prior to the Commencement Date; and
- (c) the assumptions in the Scope of Works.

"Licences" means all licences or approvals to enter and place any Asset or part of an Asset on or over any land or equipment belonging to a third party, which are necessary to be obtained and held by MHC in order for TransGrid to install, complete and maintain that Asset or that part of that Asset.

"Licence Costs" means all costs reasonably and necessarily incurred by TransGrid and its Associates in relation to:

- (a) acquiring the Licences in accordance with this agreement; and
- (b) the exercise of MHC's rights under those Licences prior to the Date of Practical Completion,

and includes any Third Party Owner's Costs and any Other Expenses in respect of the Licences.

"Line Route" means the proposed route of the Easement granted to MHC for the New Transmission Line as referred to in clause 25.2(a)(i), shown as the "proposed New Transmission Line" in Schedule 4.

"MHC" means Electricity Transmission Ministerial Holding Corporation (ABN 19 622 755 774).

"National Electricity Law" or "NEL" means the 'National Electricity Law' set out in the Schedule to the *National Electricity (South Australia) Act 1996* (SA) as it applies to New South Wales.

"Network Assets" means the assets described as such in the Scope of Works. **[Note: Network Assets will include supervisory control and data acquisition systems and cabling assets.]**

"Network Operating Agreement" means the network operating agreement between TransGrid and the Shared Assets Provider dated on or about the date of this agreement.

"Network Service Provider" has the meaning given to that term in the Rules.

[OPTION – NOTICE TO PROCEED] **"Notice to Proceed"** means a written notice given by the Customer to TransGrid which directs TransGrid to proceed with the Connection Work and expressly states it is given under clause 1.2A.

"Notice to Proceed Deadline" means the date that is 20 Business Days after the Execution Date, or such later date as may be agreed by the parties in writing.]

"Other Expenses" means:

- (a) in relation to an Easement, any compensation payable to the relevant Third Party Owner on account of unavoidable damage to crops or loss of use of land caused by the undertaking of the Connection Work in accordance with the Scope of Works (and in particular the Construction Program) and for which compensation has not already been provided for by TransGrid or the Customer;
- (b) in relation to an Easement or a Licence, all registration fees, productions fees, stamp duty and other disbursements which may be payable in relation to the completion and registration of the Easement or Licence; and
- (c) in relation to an Easement, the cost of any required remediation in relation to any land owned by a Third Party Owner as a result of the undertaking of the Connection Work in accordance with the Scope of Works,

other than any costs which are already being recovered as TransGrid's Costs, Consultant's Fees, Third Party Owner's Costs, Sub-Contractor's Costs, Project Management Fees or Out of Pocket Expenses.

"Other TransGrid Customer" has the meaning given to that term in the Connection Agreement.

"Outage Event" means where:

- (a) TransGrid is prevented by an Authority from taking a network outage or is unable to procure an Authority's agreement to take an outage at the time and for the duration proposed by TransGrid;
- (b) an Authority withdraws its agreement to any network outage;
- (c) an Authority requires TransGrid to recall the network elements which are affected by an network outage before the end of the time period which was nominated for that outage; or
- (d) TransGrid determines (acting reasonably and applying *good electricity industry practice*) that a network outage cannot be taken at the time that was originally scheduled for that network outage (including where TransGrid is acting as an Authority for the purposes of this agreement),

other than as a result of a breach of this agreement by TransGrid.

"Out of Pocket Expense" means any amount that is:

- (a) payable by TransGrid to a third party;
- (b) related to the performance of the Connection Work and (where applicable) any Termination Work; and

- (c) not otherwise being recovered as Consultant's Fees, Sub-Contractor's Costs, TransGrid's Costs, Easement Costs, Licence Costs or Project Management Fees,

and includes application fees, registration fees, deposits, break costs, cancelation fees and any other 'out of pocket' expenses which are reasonably incurred by TransGrid in relation to the performance of the Connection Work and (where applicable) any Termination Work.

"Payment Commencement Date" has the meaning given to that term in the Connection Agreement.

"Performance Default" means:

- (a) a breach by the Customer of its obligations under this agreement which causes, or is reasonably likely to cause, a material adverse effect to TransGrid; or
- (b) a breach by TransGrid of its obligations under this agreement which causes or is reasonably likely to cause, a material adverse effect to the Customer,

excluding any Financial Defaults.

"PPSA" means the *Personal Property Securities Act 2009* (Cth), as referred to in clause 24.

"Practical Completion" means the circumstance where the Connection Work has been completed to the stage where TransGrid has reasonably demonstrated to the Customer that:

- (a) the construction and commissioning of the Assets has been completed in accordance with this agreement (including the Scope of Works), excluding, for the avoidance of doubt, the joint commissioning and testing referred to in clauses 7.10 and 10.2 of this agreement;
- (b) the Assets are operating and can provide the Services to the Customer for the Customer's Facilities in accordance with the requirements of the Connection Agreement and this agreement; and
- (c) the Assets are fit for their intended purpose as described in this agreement (including the Scope of Works),

as evidenced by the successful completion of the Acceptance Tests in accordance with Item 3 of Schedule 2.

"Preconditions" means the preconditions (if any) set out in Item 4 of Schedule 2.

"Preliminary Agreement" means the CPA **[OPTION – PWUA]** [and the PWUA].

"Preliminary Costs" means in relation to any Preliminary Work, all costs reasonably incurred and all other amounts paid or payable, by TransGrid or a Related Body Corporate in relation to that Preliminary Work including all:

- (a) Sub-Contractor's Costs;
- (b) Consultant's Fees;
- (c) TransGrid's Costs (to the extent that those costs have not already been included within the Sub-Contractor's Costs or the Consultant's Fees);
- (d) Licence Costs;
- (e) Easement Costs;

- (f) Project Management Fees;
- (g) Out of Pocket Expenses; and
- (h) any other costs or amounts which are reasonably incurred or are payable by TransGrid or the Customer under or in relation to a Preliminary Agreement,

but excluding any amount or cost which:

- (i) relates to work undertaken prior to the Commencement Date; and
- (j) has been separately invoiced by TransGrid and paid by the Customer under the terms of any Preliminary Agreement.

"Preliminary Work" means anything done by TransGrid and its Associates pursuant to the terms of a Preliminary Agreement.

"Project" means the design and delivery of the Connection Work, including associated Upstream Works, in accordance with this agreement.

"Project Consultation Group" has the meaning given to that term in clause 11(a).

"Project Management Fee" means:

- (a) in relation to any Preliminary Work (other than any Preliminary Work which is related to obtaining the Easements), an amount equal to 10% of the aggregate of the Sub-Contractor's Costs and the Consultant's Fees for that Preliminary Work;
- (b) in relation to the calculation of any Variation Costs, an amount equal to 10% of the aggregate of the Sub-Contractor's Costs and the Consultant's Fees for that portion of the Connection Work to which those Variation Costs relate;
- (c) in relation to the calculation of the costs referred to in clause 16.12(b)(ii), an amount equal to 10% of the aggregate of the Sub-Contractor's Costs and the Consultant's Fees for all Connection Work up to the date of termination; and
- (d) in relation to the calculation of any costs that are reasonably incurred in relation to the undertaking of any Termination Work, an amount equal to 10% of the aggregate of the Sub-Contractor's Costs and the Consultant's Fees for that work.

[OPTION – PWUA] **"PWUA"** means the agreement between TransGrid and the Customer known as the "Preliminary Works Underwriting Agreement" and dated [DATE].

"Rectification Period" has the meaning given to that term in clause 2.1(f).

"Related Body Corporate" means

- (a) in the case of TransGrid, NSW Electricity Networks Assets Pty Limited (ACN 609 169 922) as trustee for the NSW Electricity Networks Assets Trust and each of their respective related bodies corporate (within the meaning of limb (b) below); and
- (b) otherwise in the case of any party or entity has the meaning given in the *Corporations Act 2001* (Cth), but on the basis that "subsidiary" has the meaning given to Subsidiary in this agreement and that "body corporate" includes a Fund.

"Relevant Default" has the meaning given to that term in clause 16.2.

"Representative" means either the Customer's Representative or TransGrid's Representative.

"Required Date" means, in relation to a Precondition, the date set out in Item 4 of Schedule 2 for the satisfaction of that Precondition.

"Rules" means the National Electricity Rules as defined in the National Electricity Law.

"Scope of Works" means the document set out in Item 1 of Schedule 2 and describing the activities and work TransGrid has agreed to undertake in relation to the connection of the Customer's Facilities to the existing Transmission System (including the construction and commissioning of the Assets) as that document is amended from time to time in accordance with clause 7.6, 7.9 or 12.1.

"Security Interest" means any bill of sale (as defined in any statute), mortgage, charge, lien, pledge, hypothecation, title retention arrangement, trust or power, as or in effect as security for the payment of a monetary obligation or the observance of any other obligation.

"Senior Managers" means the Customer's Senior Manager and TransGrid's Senior Manager.

"Separate Contractors" means any contractors engaged by the Customer to perform works on the Land concurrently with the execution by TransGrid and its Associates of the Connection Work, including the Dedicated Assets Provider and the Shared Assets Provider.

"Services" has the meaning given to that term in the Connection Agreement.

"Settled Corrective Action Plan" has the meaning given to that term in clause 16.2(e).

"Services Commencement Date" means the Date of Final Commissioning.

"Shared Assets" means the assets to be designed, constructed and commissioned by the Shared Assets Provider, and operated and maintained by TransGrid under the Network Operating Agreement, and are described or shown as such in [insert].

"Shared Assets Provider" means [insert].

"Sub-Contractor's Cost" means all amounts reasonably incurred by TransGrid and payable to its alliance partners, third party suppliers and other contractors of TransGrid in relation to the carrying out of the Connection Work and (where applicable) any Termination Work.

"Subsidiary" has the meaning given to "subsidiary" in the *Corporations Act 2001* (Cth), amended as necessary such that:

- (a) a trust may be a Subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share; and
- (b) a body corporate or trust may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a body corporate.

"Substation" means the new substation which is to be constructed by the Shared Assets Provider on the [Substation | Connection Site], which is more particularly described in the Scope of Works.

["Substation Site" means that portion of the Land on which the Substation is to be constructed and located, as shown in Schedule 4].

"Term" means the term of this agreement specified in clause 4.

"Termination Work" means all work of the type referred to in clause 16.12(a)(iii).

"Technical Obligations" means the "Technical Obligations" applying to each party, as set out in the Connection Agreement.

"Third Party Owner" means any owner of land or equipment over or in relation to which a Licence or an Easement is required by TransGrid for the purposes of undertaking any part of the Connection Work.

"Third Party Owner's Costs" means the final and total amount (if any) paid by TransGrid to the Third Party Owner(s) for the Easements and/or Licences which are acquired by MHC in accordance with this agreement.

"TransGrid's Costs" means all of TransGrid's internal costs but excluding any Sub-Contractor's Costs, Consultant's Fees, Licence Costs, Easement Costs, Out of Pocket Expenses or Project Management Fees, reasonably and necessarily incurred by TransGrid (or a Related Body Corporate) in undertaking any activities associated with the Connection Work and (where applicable) any Termination Work, calculated in accordance with the rates which would have applied to those activities at that time if they had been undertaken under a Preliminary Agreement (or in the case of any Termination Work, under the standard TransGrid rates applying at that time) but excluding any costs that have been paid or are payable by the Customer to TransGrid under the relevant Preliminary Agreement.

"TransGrid's Representative" means the person described by that title in Schedule 5.

"TransGrid's Senior Manager" means the person described by that title in Schedule 5.

"Transmission System" means the *connection assets* and *transmission network* used by TransGrid to provide *transmission services*.

"Trust" means the NSW Electricity Networks Operations Trust (ABN 70 250 995 390).

"Trustee" means the trustee of the Trust.

"Updated Schedules" has the meaning given to that term in clause 3(b)(i).

"Upstream Works" means any work which is required to be undertaken by TransGrid in relation to its existing Transmission System in order to facilitate the connection of the Network Assets and the Customer's Facilities to TransGrid's existing *transmission network*, which work is described in more detail in the Scope of Works. **[Note: This covers the cut-in works and will be described in the Scope of Works.]**

"Validity Date" means the date being 3 months after the Commencement Date or such later date as is agreed between the parties, as referred to in clause 2.1(n).

"Variation Costs" means an amount which is determined under clause 7.6 or 12.1.

"WHS Legislation" means the *Work Health and Safety Act 2011* (NSW), WHS Regulation and any "Codes of Practice" made under those laws, each as amended, replaced or updated from time to time.

"WHS Regulation" means the *Work Health and Safety Regulation 2011* (NSW), as amended, replaced or updated from time to time.

1.2 NER definitions and references

In this agreement, unless the context otherwise requires:

- (a) words appearing in italics have the meaning assigned to them from time to time by the Rules; and
- (b) if a word in italics is no longer defined in the Rules, it will have the meaning last assigned to it by the Rules until the parties otherwise agree.

1.3 General interpretation

In this agreement unless the contrary intention is specifically expressed:

- (a) a reference to a recital, clause, paragraph, limb, schedule or attachment is a reference to a recital, clause or paragraph, limb of or schedule or attachment to this agreement and references to this agreement include any schedule or attachment;
- (b) a reference to this agreement, any other agreement, deed or instrument or any provision of any of them includes any amendment, variation or replacement of that agreement, deed, instrument or provision;
- (c) a reference to a statute, ordinance, licence, code or other law includes regulations and other instruments under, and consolidations, amendments, re-enactments, extensions or replacements of that statute, ordinance, licence, code or law;
- (d) a reference to a thing (including an amount) is a reference to the whole and each part of it;
- (e) the singular includes the plural and vice versa;
- (f) the word "person" includes a natural person, firm, body corporate, partnership (whether limited or otherwise), joint venture, trust, an unincorporated association and any authority;
- (g) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and permitted assigns;
- (h) a reference to one gender includes all genders;
- (i) if a period of time is specified and the period dates from a given day or the day of an act or event, it is to be calculated exclusive of that day and, if a period of time is specified as commencing on a given day or the day of an act or event, it is to be calculated inclusive of that day;
- (j) a reference to a day is a reference to a period of time commencing at midnight and ending the following midnight;
- (k) a reference to a month is a reference to a calendar month;
- (l) a reference to time is a reference to Sydney time;
- (m) if a word or phrase is specifically defined in this agreement other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (n) mentioning anything after include, includes or including does not limit what else might be included;

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- (o) any reference to a party complying with the requirements of the Rules will in the case of the Customer include all requirements of the Rules which are expressed to apply to a *Generator* in relation to the Customer's Facilities even if the Customer is not registered or ceases to be registered as the *Generator* for the Customer's Facilities under the Rules or appoints an *intermediary* for the Customer's Facilities under clause 2.9.3 of the Rules; and
- (p) a reference to "\$", AUD or dollars is to Australian currency.

1.4 Relationship between Customer and Rules

- (a) The parties acknowledge that the Rules contain certain provisions which are relevant to the operation of this agreement, and which need to be incorporated into this agreement:
 - (i) to enable TransGrid to properly comply with its obligations as a registered *Network Service Provider* and *Primary Transmission Network Service Provider* under the Rules; and
 - (ii) to require the Customer to comply with various technical obligations imposed upon the Customer in relation to the operation of the Customer's Facilities under the Rules.
- (b) For the period while the Customer is not a *Registered Participant*, any provisions of Chapters 4, 5, 7 and 8 of the Rules that set out:
 - (i) rights and obligations of a *Generator* and a *Customer* (as applicable) against a *Network Service Provider* and vice versa; and
 - (ii) technical and operational specifications that are relevant to the Customer's Facilities that are the subject of this agreement;

and are required for either of the purpose set out in clause 1.4(a), are incorporated into this agreement mutatis mutandis and any reference to the application of the Rules to the Customer, or the compliance by the Customer with the Rules, under this agreement will be taken to be the application of, or compliance with, those Rules referred to in this clause 1.4(b).

- (c) Any provisions that are incorporated into this agreement under clause 1.4(b) must be read and construed in accordance with the following:
 - (i) references to *Generator*, *Customer* (as applicable) and analogous terms are to be taken to be references to the Customer as appropriate;
 - (ii) references to *Non-Registered Customer*, *Transmission Customer*, *Transmission Network User* and *Network User* are to be taken to be references to the Customer as appropriate;
 - (iii) references to *Market Generator* and *Market Customer* (as applicable) will not be taken to be a reference to the Customer;
 - (iv) references to *Network Service Provider* and analogous terms are to be taken to be references to TransGrid;
 - (v) any other terms relevant to the abovementioned terms must be construed accordingly; and
 - (vi) to the extent the provision purports to impose an obligation on a party to:
 - A. interact in some manner with a third party;

- B. comply with a requirement of a third party;
- C. provide information to a third party; or
- D. be subject to the jurisdiction of a third party,

that requirement will have no effect.

- (d) This clause 1.4 does not affect TransGrid's obligation to comply with the Rules as a registered *Network Service Provider* and the Customer's obligation to comply with the Rules, as the case may be, as a *Registered Participant*, a *Non-Registered Customer*, a *Transmission Customer*, a *Transmission Network User* and/or a *Network User*.
- (e) In addition, in order to interpret the above provisions, the following provisions of the Rules apply to the extent necessary to give meaning to any provisions incorporated into the agreement in accordance with clause 1.4(b) above:
 - (i) Clause 4.1.1;
 - (ii) Clause 5.1.2;
 - (iii) Clause 7.1.1;
 - (iv) Clause 8.1.3;
 - (v) Chapter 9, to the extent that it modifies any provisions incorporated into the agreement in accordance with sub-clause (b) above;
 - (vi) Chapter 10; and
 - (vii) any other provisions which are specifically referred to in Chapter 10 and are necessary to give meaning to the definitions set out in Chapter 10.

1.5 Rights of MHC

Where this agreement confers a right on MHC, the Customer agrees that TransGrid holds the benefit of that right, and can exercise and enforce that right, for MHC.

1.6 No double recovery

Despite any other provision of this agreement, where an amount payable by any party under this agreement falls within more than one category of costs recoverable from that party by the other party under this agreement, the latter party will not be entitled to recover under more than one category in respect of the same amount.

1. A [OPTION – NOTICE TO PROCEED] [A COMMENCEMENT]

1.1 A Condition precedent

- (a) Clauses 1, 1A, 4, 8, 17 to 21 (inclusive), 23, 24, 26 and 27 come into force and effect on the Execution Date.
- (b) Subject to clause 1.1A(a), this agreement does not come into force or effect until a Notice to Proceed has been issued by the Customer in accordance with clause 1.2A.

[Insert addition footer text here if required, e.g. Commercial in confidence]

1.2 A Notice to Proceed

- (a) The Customer must issue a Notice to Proceed within 3 Business Days after reaching financial close of the project for which the Connection Work will be performed.
- (b) If the Customer has not given a Notice to Proceed under clause 1.2A(a) on or before the Notice to Proceed Deadline, either party may terminate this agreement by serving written notice to the other party.
- (c) If this agreement terminates under clause 1.2A(b), neither party has any liability to the other party as a result of the termination of this agreement. However, the rights and obligations of the parties which accrued before the date of termination (including, for the avoidance of doubt, TransGrid's right to seek compensation of any Preliminary Costs incurred in accordance with the provisions of the PWUA) are not excluded or reduced.]

2. PRECONDITIONS

2.1 Preconditions

- (a) Each party will:
 - (i) use its reasonable endeavours to satisfy the Preconditions applying to that party as soon as reasonably possible after the Commencement Date (but in any event by no later than the Required Date for the satisfaction of the relevant Precondition); and
 - (ii) notify the other party when it has satisfied a relevant Precondition.
- (b) Each party will provide to the other party such assistance as the other party may reasonably request from time to time in relation to any activity required to be undertaken by that party in order to satisfy any Precondition.
- (c) Except as provided in clauses 2.1(d) and (e), the requirement for TransGrid to commence to undertake any aspect of the Connection Work will not commence until all of the Preconditions have been satisfied.
- (d) The obligations of the parties under this clause 2.1 will commence on the Commencement Date. Notwithstanding this clause 2.1(d), TransGrid will:
 - (i) continue to undertake any aspect of the Connection Work which forms part of the work referred to in the Preliminary Agreements in accordance with the terms of the Preliminary Agreements; and
 - (ii) commence to undertake any activities which the parties specifically agree in writing should be undertaken by TransGrid as Preliminary Work prior to the satisfaction of the Preconditions.
- (e) Without limiting clauses 2.1(d)(i) or 2.1(d)(ii), the Preliminary Work will include:
 - (i) the design, planning and costing of the Connection Work as required under the Preliminary Agreements or as agreed in writing between the parties;
 - (ii) any activity undertaken by TransGrid in accordance with its obligations under clause 2.1(a) or (b) in order to satisfy a Precondition;

[Insert addition footer text here if required, e.g. Commercial in confidence]

- (iii) the entering into of contracts by TransGrid with its contractors and/or suppliers as required under the Preliminary Agreements or as agreed in writing between the parties; and
 - (iv) any other work referred to in a Preliminary Agreement.
- (f) If a Precondition is not satisfied by the Required Date for the satisfaction of that Precondition (despite the party who is specifically stated in Item 4 of Schedule 2 to be responsible for satisfying that Precondition (the "**first party**") having used all reasonable endeavours to satisfy that Precondition), then the first party must serve a notice on the other party (the "**second party**") advising that the relevant Precondition has not been satisfied by the Required Date. Upon receipt of that notice, the parties must negotiate and consult to determine whether the relevant Precondition can be or is likely to be satisfied by the first party within 10 Business Days after the date of that notice (the "**Rectification Period**").
- (g) If the relevant Precondition is not satisfied during the Rectification Period, the parties will enter into good faith negotiations with a view to agreeing a fair and reasonable alternative manner for addressing the concerns of each party in relation to the continued delay in the satisfaction of the relevant Precondition.
- (h) A party may terminate this agreement immediately by giving written notice to the other party if:
- (i) that party has complied with its obligations under this clause 2.1;
 - (ii) the relevant Precondition is still not satisfied after the end of the relevant Rectification Period; and
 - (iii) the parties have been unable to agree upon a fair and reasonable alternative manner for addressing the concerns of each party in relation to the continued delay in the satisfaction of the relevant Precondition within 20 Business Days after commencing negotiations in accordance with clause 2.1(g),

and the agreement will be taken to have terminated on the payment of the Preliminary Costs by the Customer or when TransGrid exercises its rights under clause 5.2.

- (i) If a Precondition is satisfied after the end of the relevant Rectification Period, but before either of the parties serves a notice under clause 2.1(h), then the parties will cease to have the right under clause 2.1(h) to terminate this agreement for failure to satisfy that Precondition.
- (j) If this agreement is terminated by any party in accordance with clause 2.1(h):
 - (i) the Customer will pay to TransGrid in accordance with clause 2.1(k), that portion of the Preliminary Costs incurred by TransGrid (including any Preliminary Costs which are incurred on or prior to the date of termination but are not payable until after the date of termination and any Preliminary Costs which are incurred after the date of termination despite TransGrid complying with clause 2.1(l)) which exceeds the amount that has already been paid to TransGrid by the Customer at that time; and
 - (ii) TransGrid will refund to the Customer in accordance with clause 2.1(k) that portion of the amount that has been paid to TransGrid by the Customer on account of Preliminary Costs which exceeds the total Preliminary Costs incurred by TransGrid.
- (k) If a notice of termination is given under clause 2.1(h) then:

- (i) on or before the date being 20 Business Days after the giving of the notice of termination under clause 2.1(h), TransGrid will render to the Customer an invoice setting out its reasonable estimate of the total Preliminary Costs that are still payable by the Customer and TransGrid must ensure that the invoice will be valid for GST purposes and will include such particulars of the estimated Preliminary Costs payable by the Customer as are available at that time (including all information in relation to such costs that is available at that time to reasonably enable the Customer to verify the basis of the relevant costs);
- (ii) subject to TransGrid providing the information referred to in clause 2.1(k)(i)), the Customer must pay TransGrid the amount stated as payable on that invoice by direct credit to the bank account from time to time specified for this purpose by TransGrid or by such other payment method as agreed in writing between the parties;
- (iii) on or before the date being 120 Business Days after giving the notice of termination under clause 2.1(h), TransGrid will render to the Customer a final invoice setting out the total Preliminary Costs payable by the Customer under this agreement;
- (iv) TransGrid must ensure that the invoice provided under clause 2.1(k)(iii) will be valid for GST purposes and will include particulars of the total Preliminary Costs payable by the Customer (including sufficient information available at that time in relation to such costs to reasonably enable the Customer to verify the basis of the relevant costs and the total Preliminary Costs payable by the Customer under this agreement);
- (v) if the amount paid by the Customer to TransGrid on account of Preliminary Costs exceeds the total Preliminary Costs set out in that invoice, TransGrid will reimburse the excess to the Customer (together with interest on that excess from the date of termination to the date of payment at a rate equal to the Interest Rate calculated on a daily basis) at the same time as TransGrid issues the invoice;
- (vi) subject to TransGrid providing the information referred to in clause 2.1(k)(iv) if the amount paid by the Customer to TransGrid on account of Preliminary Costs is less than the total Preliminary Costs set out in that invoice, the Customer must pay the shortfall to TransGrid (together with interest on that shortfall from the date of termination to the date of payment at a rate equal to the Interest Rate calculated on a daily basis); the Customer must pay TransGrid the amount stated as payable on that invoice by direct credit to the bank account from time to time specified for this purpose by TransGrid or by such other payment method as agreed in writing between the parties;
- (vii) payments by the Customer must be made no later than 4:00 pm on the 10th Business Day after the date of an invoice rendered by TransGrid under clause 2.1(k)(i) or clause 2.1(k)(iii);
- (viii) in the event of any dispute concerning an invoiced amount (including any dispute concerning whether TransGrid has provided information to the Customer which satisfies the requirements of clause 2.1(k)(i) or clause 2.1(k)(iv)) the Customer will, within 10 Business Days after the date it received the invoice, notify TransGrid in writing identifying the amount in dispute and giving full reasons for the dispute;
- (ix) even if the Customer notifies a dispute under clause 2.1(k)(viii), the Customer must pay the full amount of the invoice by the due date for payment under clause 2.1(k)(vii); and
- (x) the parties will meet to try to resolve the dispute, and failing resolution within a further 10 Business Days, the dispute will be determined in accordance with clause 19.

- (l) TransGrid must use its reasonable endeavours to minimise the Preliminary Costs by:
 - (i) cancelling any orders placed for plant and equipment as soon as possible after the date of termination where that is possible under the terms of those orders;
 - (ii) redirecting any plant or equipment which have already been supplied or orders which cannot be cancelled to other projects (if any) being undertaken by TransGrid (but only where that is reasonable practicable in the circumstances); and
 - (iii) ceasing all Preliminary Work (including by instructing all sub-contractors to cease undertaking any Preliminary Work) as soon as possible after the date of termination.
- (m) The parties agree that any Connection Work which was undertaken by TransGrid pursuant to the Preliminary Agreements prior to the Commencement Date will:
 - (i) be taken to have been performed by TransGrid for the purposes of complying with its obligations under this agreement; and
 - (ii) be subject in all respects to the terms and conditions of this agreement.
- (n) If any of the Preconditions have not been satisfied by the date being 3 months after the Commencement Date or such later date as is agreed between the parties (the "**Validity Date**"), then despite any other provision of this agreement, TransGrid will be entitled to vary its Charges in accordance with clause 7.6 (as if that event was an Excepted Risk which results in a change to the Connection Work of the type referred to in clause 7.6(b)) to reflect any changes that occur after the Validity Date in relation to the terms (including as to price) upon which TransGrid will acquire any plant, equipment or services which will make up the Connection Work.
- (o) Subject to clause 2.1(p), the quantum of Preliminary Costs payable by the Customer under this agreement (including clauses 2.1(j), 2.1(k) and 16.12(b)(i)) will be calculated and paid for under this agreement.
- (p) Any Preliminary Costs incurred in relation to Preliminary Work performed under the any Preliminary Agreement will be calculated and paid for under the relevant Preliminary Agreement and not this agreement.
- (q) Clauses 2.1(j), (k), (l), (o) and (p) will survive the termination of this agreement.

3. COMPLETION OF SCHEDULES IN THE CONNECTION AGREEMENT

- (a) The parties agree and acknowledge that the schedules to the Connection Agreement have been developed on the basis of the information available at the time of execution of this agreement. Once the construction and commissioning of the Connection Work is completed, the schedules to the Connection Agreement will be updated to reflect the detailed technical specifications and parameters for the completed Connection Work in accordance with the process set out in clause 3(b).
- (b) The process for updating the schedules to the Connection Agreement is as follows:
 - (i) within 30 Business Days after Practical Completion or such timeframe as may apply under the Rules, TransGrid will provide to the Customer proposed changes to the schedules to the Connection Agreement (the "**Updated Schedules**"), together with all information which is reasonably required to enable the Customer to verify the detailed technical specifications and parameters for the completed Connection Work;

[Insert addition footer text here if required, e.g. Commercial in confidence]

- (ii) the Customer may provide comments on the Updated Schedules to TransGrid within 20 Business Days after receiving the Updated Schedules;
- (iii) if the Customer provides comments under clause 3(b)(ii), the parties will meet to discuss those comments and, to the extent necessary to reflect the detailed technical specifications and parameters for the completed Connection Work, negotiate in good faith to agree the terms of the Updated Schedules; and
- (iv) if the parties cannot agree the terms of the Updated Schedules within 20 Business Days after receiving the Customer's comments either party may refer the matter for resolution in accordance with clause 19.

4. TERM

[This] / **[OPTION – NOTICE TO PROCEED]** [Subject to clause 1A, this] agreement:

- (a) commences on the **[Commencement Date]** / **[OPTION – NOTICE TO PROCEED]** **[Execution Date]**; and
- (b) ends on the earlier of:
 - (i) the Services Commencement Date or the date upon which the final aggregate of the Variation Costs and the final alteration of the Charges are completed in accordance with clause 14.1 (whichever is the last to occur); and
 - (ii) the date that this agreement is terminated in accordance with its terms.

5. FINANCIAL BOND

5.1 Financial Bond

The Customer must within 10 Business Days after the Commencement Date provide TransGrid with an unconditional and irrevocable bank guarantee in TransGrid's favour that:

- (a) is for an amount equal to the amount set out in Schedule 2; **[Note: The amount of the financial bond needs to cover the cost of the Termination Works as well as costs incurred by TransGrid under the Construction Coordination Deed.]**
- (b) is payable on demand by TransGrid; and
- (c) satisfies the requirements set out in clause 5.1A,
(the "**Financial Bond**").

For the avoidance of doubt, the provision of this Financial Bond is one of the Preconditions which the Customer must satisfy under clause 2.1.

Without limiting TransGrid's rights under this agreement, if the Customer fails to provide a Financial Bond when required under clause 5.1, TransGrid may immediately cease undertaking the Connection Work (including Preliminary Work) until such time as the Customer provides the outstanding Financial Bond.

5.1 A Requirements

The Financial Bond must:

[Insert addition footer text here if required, e.g. Commercial in confidence]

- (a) be issued from a branch located in Australia by a bank or a financial institution approved by TransGrid (acting reasonably) which:
 - (i) has a credit rating of A- or better by Standard and Poors, and
 - (ii) is under the prudential supervision of Australia Prudential Regulation Authority;
- (b) without limiting the application of clause 5.4, be valid for the period commencing on its date of issue and ending no earlier than 6 months after the Date for Practical Completion or such later date as is subsequently agreed in writing by the parties;
- (c) be addressed to TransGrid on letterhead of the proposed issuing bank, signed by a duly authorised bank officer with the officer's full contact information; and
- (d) in all other respects be in a form acceptable to TransGrid (acting reasonably).

5.2 TransGrid's recourse to the Financial Bond

- (a) TransGrid has an irrevocable and unconditional right to draw on the Financial Bond in the following circumstances:
 - (i) if this agreement is terminated by either party under clause 2.1(h) and the Customer fails to pay any amount due under clause 2.1(k) by the time prescribed for payment of that amount in clause 2.1(k);
 - (ii) if this agreement is terminated by either party under clause 15.4, by TransGrid under clause 16.3, 16.5 or 16.6 or by the Customer under clause 16.9 and the Customer fails to pay any amount due under clause 16.12 by the time prescribed for payment of that amount in clause 16.12; or
 - (iii) if the Customer fails to provide a replacement Financial Bond when required in accordance with clause 5.5.
- (b) Where TransGrid has a right to draw on the Financial Bond in accordance with this clause 5.2, TransGrid may draw on the Financial Bond up to an amount which is equal to the estimated value of:
 - (i) in the case of the right referred to in clause 5.2(a)(i), the Preliminary Costs incurred by TransGrid at that time which have not already been paid to TransGrid by the Customer;
 - (ii) in the case of the right referred to in clause 5.2(a)(ii), the amount payable by the Customer to TransGrid under clause 16.12; and
 - (iii) in the case of the right referred to in clause 5.2(a)(iii), the amount of the replacement Financial Bond.

5.3 Refund of drawing

If TransGrid has drawn on a Financial Bond:

- (a) for an amount which the Customer was not liable to pay or reimburse TransGrid under the terms of this agreement; or

- (b) in excess of an amount for which the Customer was liable to pay or reimburse TransGrid under the terms of this agreement,

then, TransGrid must:

- (c) in the case of a drawing referred to in clause 5.3(a), refund the amount drawn to the Customer; or
- (d) in the case of a drawing referred to in clause 5.3(b), refund the difference between the amount that was drawn and the amount for which the Customer is liable to pay TransGrid.

5.4 Return of Financial Bond

- (a) Subject to TransGrid exercising any rights under this agreement to call on the Financial Bond and subject to clause 5.4(b), TransGrid must return the Financial Bond to the Customer:
 - (i) if the Payment Commencement Date has occurred, on the date that the Customer provides the Credit Support required under the Connection Agreement, which satisfies the requirements of the Connection Agreement; or
 - (ii) if this agreement is terminated before the Payment Commencement Date has occurred, on the date at which the Customer has paid all amounts still owing to TransGrid (or which have been satisfied by recourse to the Financial Bond) under this agreement, any Preliminary Agreement and the Connection Agreement (as the case may be).
- (b) In the case of clause 5.4(a)(i), TransGrid will not be required to return the Financial Bond to the Customer until the Customer provides to TransGrid the Credit Support required under the Connection Agreement, which satisfies the requirements of the Connection Agreement to TransGrid's reasonable satisfaction. The parties acknowledge and agree that the Financial Bond may be used to satisfy, in whole or in part, the requirements of the Connection Agreement in relation to the Credit Support, without prejudice to TransGrid's right to claim such additional Credit Support as it may be entitled to under the Connection Agreement.

5.5 Expiry of the Financial Bond

- (a) If a Financial Bond is due to expire prior to the date when TransGrid must return that Financial Bond under clause 5.4, then not less than 20 Business Days prior to the expiration of the term of the Financial Bond (and any replacement Financial Bond in accordance with this clause 5.5) the Customer must provide to TransGrid a replacement Financial Bond from an issuer described in clause 5.1A(a) on the same terms as the Financial Bond it replaces.
- (b) The Customer agrees that in addition to any other right of TransGrid to draw on any Financial Bond, TransGrid may make a drawing on a Financial Bond if the obligation to provide a replacement Financial Bond in accordance with clause 5.5(a) is not satisfied prior to the expiry of the Financial Bond, in which event TransGrid may draw the full face value of that Financial Bond prior to its expiry and hold that amount as security until such time as the Customer provides a replacement Financial Bond.

6. ACKNOWLEDGEMENTS RELATING TO CONNECTION WORK

6.1 Configuration of the connection

The Customer agrees that it has requested that the configuration for the connection between the Customer's Facilities and the Transmission System comply with the configuration set out in the Scope of Works.

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7. PERFORMANCE OF THE CONNECTION WORK

7.1 Customer's responsibilities

- (a) The Customer must:
 - (i) undertake and complete any component of the Customer's Work (including any component of the Dedicated Assets and Shared Assets work) which is separately identified in the Scope of Works:
 - A. by the date set out in the Construction Program and/or the Scope of Works for the completion of that component of the Customer's Work; and
 - B. in accordance with the requirements (if any) set out in the Scope of Works for that component of the Customer's Work; **[Note: Per note at the definition of Customer's Work, the Scope of Works and Construction Program will set out the items of the Customer's Work (including work on the Dedicated Assets and Shared Assets) that must be completed and the date by which they must be completed so as to allow TransGrid to complete the Connection Work.]**
 - (ii) in undertaking and completing the Customer's Work (including the Dedicated Assets and the Shared Assets work), exercise due care, skill and judgement and at all times act in accordance with relevant professional principles and standards (including the Rules and *good electricity industry practice*); and
 - (iii) provide all information relating to the Customer's Work that is reasonably requested by TransGrid from time to time prior to Practical Completion nominally within 10 Business Days after receiving a written request from TransGrid for that information.
- (b) The Customer must provide to TransGrid all information reasonably specified by TransGrid relating to the design of the Assets, the design of the Customer's Facilities and the conditions prevailing on the Land which could reasonably impact on TransGrid's construction of the Assets such as environmental conditions.
- (c) The Customer must use its reasonable endeavours to comply with its obligations under clause 7.1(b) within 20 Business Days after a request from TransGrid for it to do so.
- (d) The Customer must use its reasonable endeavours to promptly provide any other information, documentation or data reasonably requested by TransGrid in the form reasonably requested by TransGrid.
- (e) Clauses 7.1(b) to 7.1(d) do not limit any information the Customer is required to provide to TransGrid under the Rules.

7.2 TransGrid's responsibilities

- (a) Subject to clauses **[OPTION – NOTICE TO PROCEED]** [1A,]2, 12.1 and 15, TransGrid must undertake and complete the Connection Work with due expedition and without delay and in accordance with the Scope of Works and so as to:
 - (i) enable TransGrid to provide the Services to the Customer in accordance with the Connection Agreement;
 - (ii) achieve Practical Completion of the Connection Work by the Date for Practical Completion;

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- (iii) ensure that the Connection Work is fit for its intended purpose as specified in the Scope of Works; and
 - (iv) comply in all respects with the requirements of this agreement (including the Scope of Works).
- (b) In undertaking and completing the Connection Work, TransGrid must:
 - (i) exercise due care, skill and judgement and at all times act in accordance with relevant professional principles and standards (including the Rules and *good electricity industry practice*); and
 - (ii) comply with all Applicable Laws and Authorisations.
- (c) TransGrid must provide to the Customer all information reasonably requested by the Customer and relating to the design of the Assets and conditions prevailing on the Land.
- (d) TransGrid must use its reasonable endeavours to comply with its obligations under clause 7.2(c) within 20 Business Days after a request from the Customer for it to do so.
- (e) Clauses 7.2(c) and 7.2(d) do not limit any information TransGrid is required to provide to the Customer under the Rules.

7.3 Standard of care

TransGrid and the Customer must each carry out their responsibilities under this agreement in accordance with:

- (a) all Applicable Laws and Authorisations; and
- (b) *good electricity industry practice*.

7.4 Co-operation

- (a) The parties agree that the implementation and undertaking of the Connection Work, the Customer's Work and various other activities relating to the development of the Customer's Facilities will require:
 - (i) the co-ordination of their respective activities and responsibilities; and
 - (ii) the establishment of an effective interface between their respective contractors and sub-contractors (including the co-ordination of program details, technical issues and safety matters).
- (b) The parties will use their reasonable endeavours to facilitate this co-operation, including by TransGrid and its Associates attending open discussions with the Customer's contractors and sub-contractors.
- (c) The terms of the Construction Coordination Deed will prevail over the terms of this clause 7.4 to the extent of any inconsistency.

7.5 Authorisations

- (a) The Customer will be responsible for:

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- (i) obtaining and maintaining at its cost all Authorisations which the Customer is required under Applicable Laws to obtain or hold before the performance of the Customer's Work can commence and be completed;
 - (ii) obtaining and maintaining at its cost all Authorisations which the Customer is required under Applicable Laws to obtain or hold in order to operate the Customer's Facilities;
 - (iii) without limiting clauses 7.5(a)(i) and (ii), obtaining at its cost the Authorisations identified in paragraph 1(a) of Item 4 of Schedule 2 (if any) relating to the Connection Work; and
 - (iv) undertaking at its cost the activities identified in paragraph 1(a) of Item 4 of Schedule 2 in relation to the Connection Work and the Authorisations required for the Connection Work.
- (b) TransGrid will be responsible for:
- (i) obtaining and maintaining all Authorisations which TransGrid is required under Applicable Laws to obtain or hold before the performance of the Connection Work can commence and be completed (excluding any Authorisations identified in paragraph 1(a) of Item 4 of Schedule 2);
 - (ii) undertaking all activities in relation to the Authorisations for the Connection Work (excluding any activities identified in paragraph 1(a) of Item 4 of Schedule 2);
 - (iii) obtaining and maintaining during the Term and the term of the Connection Agreement, all Authorisations which TransGrid is required under Applicable Laws to obtain or hold in order to provide the Services in accordance with the requirements of the Connection Agreement; and
 - (iv) paying all costs associated with the activities referred to in clauses 7.5(b)(i), (ii) and (iii), which costs will be recovered from the Customer via the Preliminary Costs, the Charges and/or payments under clause 16.12 (whichever is applicable in the circumstances).

7.6 Excepted Risks

- (a) In this agreement, "**Excepted Risk**" means the occurrence of any of the following events:
- (i) any Authorisation which was granted to TransGrid or the Customer before the Execution Date or any condition or requirement of an Authorisation which was granted to TransGrid or the Customer before the Execution Date is varied after the Execution Date;
 - (ii) any Authorisation which was granted to TransGrid or the Customer before the Execution Date is made subject to the satisfaction of any condition or requirement after the Execution Date which differ from, or are in addition to, the conditions or requirements attaching to that Authorisation as at the Execution Date;
 - (iii) a new Authorisation is granted to TransGrid or the Customer after the Execution Date;
 - (iv) any of the assumptions referred to in the Scope of Works is determined to be incorrect after the Execution Date;
 - (v) an event which is defined in the Scope of Works or another clause of this agreement as an "Excepted Risk" occurs after the Execution Date;
 - (vi) an Inclement Weather Condition occurs after the Execution Date;

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- (vii) a Precondition is not satisfied by the Required Date for satisfaction of that Precondition;
- (viii) any of the Preconditions remain unsatisfied as at the Validity Date;
- (ix) an Applicable Law is varied or introduced after the Execution Date;
- (x) any Latent Conditions are discovered after the Execution Date;
- (xi) a Force Majeure Event occurs after the Execution Date;
- (xii) any failure by the Customer to comply with its obligations under this agreement (including in particular its obligations under clause 7.1); **[Note: The Construction Program and the Scope of Works need to specify all key requirements and dates that TransGrid relies on to complete the Connection Work.]**
- (xiii) any failure by the Customer, the Shared Assets Provider or the Dedicated Assets Provider to comply with their respective obligations under the Construction Cooperation Deed;
- (xiv) any delay, obstruction or interference by any Separate Contractor with the Connection Work;
- (xv) an Outage Event occurs; or
- (xvi) the Customer, in writing, requests TransGrid (and TransGrid agrees) to undertake a variation to the Connection Work in accordance with clause 7.9 after the Execution Date,

other than as a result of any failure by TransGrid to comply with its obligations under this agreement.

- (b) If an Excepted Risk occurs and the occurrence of that Excepted Risk necessitates a change to:
 - (i) the Connection Work, the Scope of Works (including a change to the constructional plant or temporary works which are required to undertake the Connection Work), the Construction Program or the manner in which the Connection Work will be undertaken (as compared to the manner referred to in the Scope of Works); or
 - (ii) the industrial conditions under which the Connection Work will be undertaken,
 and as a result TransGrid is required to:
 - (iii) undertake work in addition to the Connection Work detailed in the Scope of Works before the occurrence of the Excepted Risk;
 - (iv) undertake the Connection Work to a standard which is higher than that referred to in the Scope of Works before the occurrence of the Excepted Risk;
 - (v) undertake the Connection Work in a manner that is different to the manner outlined in the Scope of Works;
 - (vi) utilise additional constructional plant and/or temporary works and/or a different type of constructional plant and/or temporary works (as compared to the type referred to in the Scope of Works) to undertake the Connection Work; and/or
 - (vii) otherwise incur any costs in relation to the undertaking of the Connection Work in addition to the costs which would have been incurred but for the occurrence of the Excepted Risk,

then:

- (viii) the Customer must pay the quantum of the additional Sub-Contractor's Costs, Consultant's Fees, TransGrid's Costs, Licence Costs, Easement Costs, Out of Pocket Expenses and Project Management Fees that TransGrid will incur as a result of that Excepted Risk; and
 - (ix) the Connection Work, the Scope of Works (including a change to the constructional plant and/or temporary works which is required to undertake the Connection Work), the Construction Program or the manner in which the Connection Work will be undertaken (as compared to the manner referred to in the Scope of Works) will be varied to the extent necessary as a result of that Excepted Risk.
- (c) TransGrid must:
- (i) take all reasonable steps to mitigate the effect of the Excepted Risk;
 - (ii) provide written notice to the Customer of the occurrence of the Excepted Risk within 20 Business Days after the date on which TransGrid first became aware of the occurrence of the Excepted Risk; and
 - (iii) within 10 Business Days after it is first able to determine the quantum of the additional Sub-Contractor's Costs, Consultant's Fees, TransGrid's Costs, Licence Costs, Easement Costs, Out of Pocket Expenses and Project Management Fees that TransGrid will incur as a result of that Excepted Risk provide the Customer with:
 - A. a detailed scope of the proposed variation (including any available drawings or technical details);
 - B. a detailed breakdown of the estimated cost of undertaking the proposed variation (including any delay or disruption costs which may be incurred by TransGrid as a consequence of the change and the quantum of the additional Sub-Contractor's Costs, Consultant's Fees, TransGrid's Costs, Licence Costs, Easement Costs, Out of Pocket Expenses and Project Management Fees that TransGrid will incur as a result of that change);
 - C. written notice of the effect (if any) of the proposed variation on the Construction Program or the Date for Practical Completion; and
 - D. any other information reasonably requested by the Customer.
- (d) The costs which are payable by the Customer under clause 7.6(b)(viii) will be recovered by TransGrid in the manner set out in clause 14.

7.7 Failure to agree on the impact

Any dispute arising under clause 7.6 will be determined in accordance with clause 19. If, as a result of an Expert's determination under 19.4, the dispute is resolved in TransGrid's favour, then the dispute which arose under clause 7.6 will be deemed to be an Excepted Risk.

7.8 Variations to the Construction Program

TransGrid may vary the Construction Program at any time provided that:

- (a) TransGrid has complied with its obligations under clause 7.4; and

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- (b) the Date for Practical Completion can only be varied in accordance with clause 12 or by agreement between the parties.

TransGrid will use reasonable endeavours to notify the Customer of any proposed variation to the current Construction Program prior to implementing that variation.

7.9 Variations to the Connection Work

- (a) Without limiting clause 7.6, TransGrid may vary any part of the Connection Work at TransGrid's own expense provided that any such variation will not:
 - (i) derogate from TransGrid's obligations under clause 7.2;
 - (ii) cause the Customer to make any change, variation or modification to the Customer's Facilities, or increase the time to complete the Customer's Facilities;
 - (iii) cause the Customer to be required to obtain or vary any of the Authorisations for the Customer's Facilities; or
 - (iv) cause the cost of the Customer's Work or the operation and maintenance of the Customer's Facilities to increase beyond the costs which would have been incurred if no variation had been made.
- (b) TransGrid will use reasonable endeavours to advise the Customer of any proposed variation to the Connection Work prior to making that variation to the Connection Work.
- (c) The Customer may at any time prior to Practical Completion request TransGrid to make a variation to the Connection Work (a "**Customer Variation**") provided that any such variation must be within the general scope of the Connection Work.
- (d) Upon receipt of a request from the Customer under clause 7.9(c), TransGrid will deliver to the Customer (within 20 Business Days after receipt of that request):
 - (i) a quote for the additional Sub-Contractor's Costs, Consultant's Fees, TransGrid's Costs, Licence Costs, Easement Costs, Out of Pocket Expenses and Project Management Fees that TransGrid will incur if it undertakes and completes the Customer Variation; and
 - (ii) details of the changes (if any) which TransGrid believes would be required to be made to the Connection Work, the Scope of Works, the Construction Program, the manner in which the Connection Work will be undertaken and/or the terms of this agreement, in order to accommodate the Customer Variation; and
 - (iii) where TransGrid considers that the Customer Variation is likely to result in a delay to Practical Completion, details of the period of the expected delay.
- (e) TransGrid and the Customer will endeavour to agree in good faith on:
 - (i) the quantum of additional Sub-Contractor's Costs, Consultant's Fees, TransGrid's Costs, Licence Costs, Easement Costs, Out of Pocket Expenses and Project Management Fees that TransGrid will incur if it undertakes and completes the Customer Variation;

- (ii) the details of the changes (if any) which should be made to the Connection Work, the Scope of Works, the Construction Program, the manner in which the Connection Work will be undertaken and/or the terms of this agreement, in order to accommodate the Customer Variation; and
 - (iii) all amendments to this agreement which are reasonably required to accommodate the Customer Variation, including changes to the Date for Practical Completion.
- (f) If the parties are unable to agree on the matters referred to in clause 7.9(e) within 20 Business Days after commencing negotiations, the Customer Variation has no effect and neither party may refer that failure to reach agreement for resolution in accordance with clause 19.
- (g) For the avoidance of doubt, TransGrid may vary any part of the Connection Work if that variation is required as a result of the occurrence of an Excepted Risk and the limitations set out in clause 7.9(a) will not apply to a variation which is required as a result of the occurrence of an Excepted Risk.
- (h) If there is a lack of agreement between the parties as to whether a variation sought by TransGrid has properly been classified as resulting from the occurrence of an Excepted Risk, then either party can refer that matter to be determined in accordance with the dispute resolution procedures set out in clause 19 by serving a notice on the other party.

7.10 Completion of the Customer's Facilities for commissioning

The Customer must serve a notice on TransGrid when it has completed the construction and commissioning of the Customer's Facilities to the stage where TransGrid is able to complete the joint commissioning and testing of the Connection Work and the Customer's Facilities in accordance with the requirements set out in the Scope of Works.

7.11 Variations to the Customer's Work

- (a) The Customer must give prior notice to TransGrid of any proposed variation to the Customer's Work that may affect TransGrid's performance of the Connection Work. The Customer may vary any part of the Customer's Work provided that it has provided such notice (if required) and any such variation will not:
- (i) derogate from the Customer's obligations under clause 7.1;
 - (ii) derogate from the Customer's, the Shared Assets Provider's and the Dedicated Assets Provider's obligations under the Construction Coordination Deed;
 - (iii) involve a change to the Customer's Facilities or any requirement for the Customer's Facilities identified in the Scope of Works; **[Note: If there are certain specifications of the Customer's Facilities (including the Shared Assets and the Dedicated Assets) that should not be changed as they will impact TG's Connection Work, these need to be identified in the Scope of Works.]**
 - (iv) cause TransGrid to make any change, variation or modification to the Connection Work or any part of TransGrid's *transmission network*, increase the time to complete the Connection Work or adversely impact on other *Network Users* or *power system security*; or
 - (v) require TransGrid to obtain any additional Authorisations (whether formal or informal) or comply with any additional Applicable Laws (including in particular, any additional or modified Authorisations from AEMO).

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- (b) If the Customer wishes to make a variation to the Customer's Work not permitted by clause 7.11(a), it must provide details of the proposed variation to TransGrid and may only proceed with the proposed variation with TransGrid's prior written consent (not to be unreasonably withheld).

7.12 Separate contractors

- (a) TransGrid acknowledges that Separate Contractors will be engaged by the Customer to undertake work on the Land at the same time as TransGrid is performing the Connection Work.
- (b) TransGrid must:
 - (i) co-operate with any Separate Contractors, including by TransGrid and its Associates attending open discussions with the Separate Contractors and considering available options for co-ordinating the Connection Work with the works being performed by any Separate Contractors;
 - (ii) not unreasonably obstruct, delay or interfere with Separate Contractor's work provided that nothing in this clause 7.12 will prevent TransGrid from undertaking the Connection Work in accordance with its other rights and obligations under this agreement; and
 - (iii) not damage any Separate Contractor's work.
- (c) The Customer must procure that any Separate Contractors:
 - (i) co-operate with TransGrid including by attending open discussions with TransGrid and its Associates and considering available options for co-ordinating their works with the Connection Work being performed by TransGrid;
 - (ii) not unreasonably obstruct, delay or interfere with the Connection Work; and
 - (iii) not damage the Connection Work.
- (d) The terms of the Construction Coordination Deed will prevail over the terms of this clause 7.12 to the extent of any inconsistency.

7.13 Safety requirements

- (a) General

Subject to Clause 7.13(b) TransGrid must:

- (i) comply with, and ensure that its personnel and all persons for whom it is responsible or over whom it is capable of exercising control while executing the Connection Work comply with all Applicable Laws and Authorisations;
- (ii) comply with, and ensure that its personnel, all persons for whom it is responsible or over whom it is capable of exercising control while executing the Connection Work comply with any reasonable directions relating to safety issued from time to time to TransGrid by the Customer;
- (iii) develop, implement and maintain appropriate safety systems so as to prevent injury to persons or damage to property on, about or adjacent to the Land and related access routes arising from the Connection Work; and

- (iv) when directed by the Customer in writing, provide access and all necessary assistance to the Customer to allow it to audit any part of TransGrid's occupational health and safety systems, procedures and records.
- (b) WHS Legislation
 - (i) Unless notified otherwise, the Customer appoints TransGrid as the principal contractor for all construction work forming part of the Connection Work under WHS Legislation.
 - (ii) TransGrid accepts the appointment and engagement as principal contractor under clause 7.13(b)(i).
 - (iii) The Customer authorises TransGrid to exercise such authority of the Customer as is necessary, including having management and control of the workplace as necessary, to enable TransGrid to discharge its responsibilities as the principal contractor under WHS Legislation.
 - (iv) Without limiting TransGrid's obligations under this Agreement, TransGrid must comply with the duties of a principal contractor under WHS Legislation.

8. REPRESENTATIVES

- (a) The parties' Representatives are the persons identified in the definitions section of this agreement.
- (b) The parties may from time to time appoint some other person as their Representative in place of the person previously appointed and must give notice of the name of that person to the other person without delay.
- (c) The Representative of each party represents and acts for that party at all times during the term of this agreement.
- (d) All notices, instructions, information and other communications to be given by one party or that party's representative to the other party must be given to the other party's Representative, except as otherwise provided.

9. CONSTRUCTION PROGRAM

9.1 Construction Program

- (a) A high-level indicative initial Construction Program with key milestones is set out in Schedule 3.
- (b) TransGrid must prepare an updated Construction Program for the Connection Work and provide a copy of the updated Construction Program to the Customer within 1 month after the Commencement Date.
- (c) If TransGrid changes the Construction Program, TransGrid will provide a copy of the amended Construction Program to the Customer within 15 Business Days after such amendment but any change must not derogate from TransGrid's obligations under clause 7.2.

9.2 Co-operation in construction, commissioning and testing

Without limiting clause 7.4, the Customer and TransGrid must use their reasonable endeavours to co-operate with each other in respect of the construction, commissioning and testing of the Connection Work.

10. COMMISSIONING

10.1 Inspection

The Customer and the Customer's Representative may inspect any part of the Connection Work (including any project or design documents) at any time and from time to time by giving 10 Business Days' notice to TransGrid. In exercising its right of inspection under this clause 10.1, the Customer's Representative must be accompanied at all times by a TransGrid Representative and follow the safety and other reasonable instructions of TransGrid.

10.2 Compliance testing and commissioning

- (a) Notwithstanding clause 10.2(c), TransGrid will:
 - (i) without limiting its rights under the Construction Coordination Deed, prior to the initial *connection* of the Customer Connection Assets to the Transmission System and following a notice being served to the Customer in accordance with clause 10.2(b)(ii), be entitled to inspect and, where necessary, test those parts of the Customer Connection Assets that have a direct effect on the Transmission System to satisfy itself that the Customer Connection Assets are acceptable for connection and complies in all material respects with the requirements of this agreement and the Connection Agreement (including, in particular, the Technical Obligations); and
 - (ii) following the successful completion of the tests referred to in clause 10.2(a)(i), complete the final connection of the Assets to the Customer Connection Assets and the final end to end testing of the Assets and the Customer Connection Assets in accordance with the requirements fixed under the Scope of Works.
- (b) TransGrid must:
 - (i) not give a notice under clause 10.2(b)(ii) until the Customer has given a notice under clause 7.10;
 - (ii) give the Customer not less than 2 Business Days' notice of such inspection and any related request for testing of the Customer Connection Assets under clause 10.2(a)(i); and
 - (iii) minimise, as far as is reasonably practicable, any disruption to any employee, contractor or sub-contractor of the Customer engaged at the Customer's Facilities arising out of such inspections and testing of the Customer Connection Assets.
- (c) As soon as reasonably practicable upon completion of the tests, TransGrid will notify the Customer of any non-compliance with the terms of this agreement resulting from such tests and provide the Customer with such further information as is reasonably required by the Customer to identify the relevant non-compliance.
- (d) Prior to the initial *connection* of the Customer's Facilities to the Transmission System, the parties will each comply with their respective obligations under the Scope of Works and clause 5.8 of the Rules in relation to the commissioning and testing of the Customer's Facilities and the Connection Work so as to ensure that the *connection* of the Customer's Facilities is carried out in accordance with the procedures and timeframes set out in the Scope of Works and clause 5.8 of the Rules, unless the parties agree otherwise.

- (e) Any inspection and testing of the Customer's Facilities by TransGrid in accordance with this clause 10.2 will not relieve the Customer from any liability, responsibility or obligation under this agreement, the Connection Agreement or the Construction Coordination Deed (nor create any obligation or liability on TransGrid) to ensure that the Customer's Facilities is acceptable for *connection* to the Transmission System and comply in all material respects with the requirements of this agreement, the Connection Agreement (including, in particular, the Technical Obligations) and the Construction Coordination Deed.

10.3 Non-compliance

- (a) If having regard to *good electricity industry practice*:
 - (i) the Customer's Facilities are not acceptable for connection to the Transmission System because they do not comply in any material respect with the requirements of this agreement, the Connection Agreement (including, in particular, the Technical Obligations or any other requirements for the Customer's Facilities identified in the Scope of Works) and/or the Construction Coordination Deed (a "**Facility Deficiency**"); or
 - (ii) the Facility Deficiency would have a material adverse effect on the Transmission System if the Customer's Facilities were connected to the Transmission System,

then until the Customer remedies the Facility Deficiency and the Customer's Facilities are acceptable for connection to the Transmission System (because they comply in all material respects with the requirements of this agreement, the Connection Agreement and the Construction Coordination Deed), the Customer's Facilities will not be connected to the Transmission System.

- (b) Where, the Facility Deficiency would not, having regard to *good electricity industry practice*, have a material adverse effect on the Transmission System, TransGrid may permit the connection of the Customer's Facilities to the Transmission System subject to compliance by the Customer with any conditions reasonably required by TransGrid but the Customer must remedy the Facility Deficiency as soon as reasonably practicable and notify TransGrid in writing when that Facility Deficiency has been remedied.
- (c) TransGrid will notify the Customer of any Facility Deficiency as soon as reasonably practicable after becoming aware of the existence of that Facility Deficiency and provide the Customer with such further information as is reasonably required by the Customer to identify the nature and extent of that Facility Deficiency.

10.4 Notifications relating to Practical Completion

TransGrid will give the Customer at least 10 Business Days' notice of the date on which TransGrid anticipates that Practical Completion of the Connection Work will be achieved.

11. PROJECT MEETINGS

- (a) A project consultation group will be established, comprising:
 - (i) the TransGrid Representative and one (1) other representative from TransGrid;
 - (ii) the Customer's Representative and one (1) other representative from the Customer; and
 - (iii) any third party that TransGrid and the Customer agree to be appointed as a member of the project consultation group,

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(the "**Project Consultation Group**").

- (b) The Project Consultation Group will meet monthly, or as otherwise agreed by the TransGrid Representative and the Customer Representative, at a venue reasonably convenient to the members of the Project Consultation Group.
- (c) TransGrid will appoint a chair for each Project Consultation Group meeting, who will also be responsible for or appoint someone responsible for taking and circulating meeting minutes.
- (d) The function of the Project Consultation Group is to monitor and receive reports from TransGrid or the Customer and to make recommendations regarding the delivery of the Project.
- (e) Without limiting any other provision of this agreement, nothing which occurs during a Project Consultation Group meeting or as part of the process for such meetings (including anything agreed by the Project Consultation Group at such meetings) will:
 - (i) relieve any party of its obligations, or constitute a waiver or a variation of any party's rights or obligations under this agreement; or
 - (ii) be construed as a direction, instruction, variation or notice to do or not to do anything,

and the parties confirm that all discussions, debates, disagreements and resolutions on any matters raised at these meetings are only for the purpose of satisfying the objectives as agreed by the Project Consultation Group.

12. DELAY

12.1 Extensions of time

- (a) If TransGrid becomes aware of any potential or actual delay to the progress of the Connection Work as compared to the rate of progress identified in the Construction Program, TransGrid must, within 20 Business Days after becoming aware of that fact, notify the Customer in writing of the circumstances and (where known) the probable effects of that delay including:
 - (i) TransGrid's best estimate of the length of that delay;
 - (ii) any likely required variation to the Connection Work, the Scope of Works (including a change to the constructional plant or temporary works which are required to undertake the Connection Work), the Construction Program or the manner in which the Connection Work will be undertaken (as compared to the manner referred to in this agreement (including the Scope of Works) as a result of that delay; and
 - (iii) where the delay is caused (whether in whole or in part) by the occurrence of an Excepted Risk, TransGrid's best estimate at that time of the quantum of the additional Sub-Contractor's Costs, Consultant's Fees, TransGrid's Costs, Licence Costs, Easement Costs, Out of Pocket Expenses and Project Management Fee which TransGrid estimates it will incur as a result of that delay.
- (b) Within 20 Business Days after serving a notice under clause 12.1(a), TransGrid shall submit a written claim for an extension of time for Practical Completion to the Customer.
- (c) Where the delay continues beyond the 20 Business Day period referred to in clause 12.1(b), TransGrid must continue to submit a written claim for an extension of time for Practical Completion in 20 Business Day intervals or until the delay has ceased.

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- (d) For the avoidance of doubt, a written claim for an extension of time for Practical Completion under clauses 12.1(a), (b) or (c):
- (i) must contain TransGrid's best estimate at that time concerning the matters referred to in clause 12.1(a); and
 - (ii) may be subsequently updated by TransGrid providing a further notice in writing to the Customer as further details concerning the relevant delay and the effects of that delay become available.
- (e) Subject to clause 12.1(f), the parties must use their reasonable endeavours to mitigate the impact of that delay on the:
- (i) achievement of Practical Completion of the Connection Work;
 - (ii) quantum of the additional Sub-Contractor's Costs, Consultant's Fees, TransGrid's Costs, Licence Costs, Easement Costs, Out of Pocket Expenses and Project Management Fees which TransGrid will or might incur as a result of that delay; and
 - (iii) extent of any required variation to the Connection Work, the Scope of Works (including a change to the constructional plant or temporary works which are required to undertake the Connection Work), the Construction Program or the manner in which the Connection Work will be undertaken (as compared to the manner referred to in this agreement (including the Scope of Works)) as a result of that delay.
- (f) If a delay is caused (whether in whole or in part) by the occurrence of an Excepted Risk, the parties agree that nothing in clause 12.1(e) will require TransGrid to incur any additional costs which have not been first agreed in accordance with clause 12.1(g) or under the terms of an acceleration proposal which has been agreed in writing by the parties.
- (g) If an Excepted Risk occurs and, as a result, TransGrid advises it will be delayed in undertaking the Connection Work (the extent of the relevant delay being the "**Eligible Delay**"), provided TransGrid has complied with clauses 12.1(b) and (where applicable) (c) and subject to clause 12.1(h), then:
- (i) the Date for Practical Completion will be extended, which extension must not exceed the length of the Eligible Delay;
 - (ii) the Customer must pay the quantum of the additional Sub-Contractor's Costs, Consultant's Fees, TransGrid's Costs, Licence Costs, Easement Costs, Out of Pocket Expenses and Project Management Fees which TransGrid will incur as a result of that delay; and
 - (iii) the Connection Work, the Scope of Works (including a change to the constructional plant or temporary works which are required to undertake the Connection Work), the Construction Program or the manner in which the Connection Work will be undertaken (as compared to the manner referred to in this agreement (including the Scope of Works)) will be varied to the extent necessary as a result of that delay.
- (h) Where more than one event causes concurrent delays and the cause of at least one of those events, but not all of them, is an Excepted Risk, then to the extent that the delays are concurrent, the delay shall be treated as an Eligible Delay for as long as the delay caused by the Excepted Risk continues.

- (i) In determining whether TransGrid is or will be delayed in achieving Practical Completion, TransGrid is not required to have regard to whether it can, by committing extra resources or incurring extra costs, make up the time lost.
- (j) The costs which are payable by the Customer under clause 12.1(g) will be recovered by TransGrid in the manner set out in clause 14.
- (k) If either party refers any dispute in relation to this clause 12 to the dispute resolution procedures set out in clause 19 then:
 - (i) any failure to reach agreement and any referral to the dispute resolution procedures set out in clause 19 will be deemed to be an Excepted Risk for the purpose of clause 12.1; and
 - (ii) TransGrid will be entitled to suspend the performance of any portion of the Connection Work that is the subject of a change being disputed between the parties and which has not yet been settled.
- (l) Except as expressly stated in this clause 12.1 and clause 7.6:
 - (i) TransGrid bears all risk of delay and disruption to the progress of the Connection Work; and
 - (ii) TransGrid is not entitled to make any Claims in respect of delay and disruption to the progress of the Connection Work.
- (m) The parties acknowledge and agree that any failure on TransGrid's part to notify the Customer of the occurrence of a potential or actual delay in accordance with clause 12.1(a) will not prevent TransGrid from otherwise exercising its entitlements under this clause 12.1.

13. ACCESS AND TITLE AND RISK OF ASSETS

13.1 Access

- (a) Subject to clause 13.1(b) and without limiting TransGrid's other rights of access under Applicable Laws, this agreement, the Connection Agreement, the Network Operating Agreement and the Construction Coordination Deed, the Customer and its Associates (as applicable) will provide TransGrid and its Associates with clear, unhindered and safe access to and over the Land as well as any land to which the Customer or any of its Associates (as applicable) has a right to provide access and that is within the vicinity of the Land, and any associated access roads for the purpose of TransGrid exercising its rights and performing its obligations under this agreement.
- (b) Without limiting clause 7.6 and clause 12.1, TransGrid acknowledges and agrees that its right of access or use under clause 13.1(a):
 - (i) may not be exercised in a manner which:
 - A. prevents the Customer from performing its obligations under this agreement, the Connection Agreement, the Network Operating Agreement or the Construction Coordination Deed or carrying out its normal operations; or
 - B. is inconsistent with Applicable Laws, Authorisations or requirements of any Authority.
 - (ii) may be restricted or limited:
 - A. by industrial relations or occupational health and safety requirements;

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- B. by the matters set out in clause 7.13; or
- C. where such access will delay the Customer in the performance of its obligations under this agreement, the Connection Agreement and/or the Construction Coordination Deed.

13.2 Provisions applying to access

- (a) Except where access is required in cases of emergency, or as otherwise provided for under this clause and subject to clause 7.13, any right of access conferred on TransGrid by this clause 13 must be exercised as follows:
 - (i) where it is reasonably practicable to do so, TransGrid must provide to the Customer reasonable notice that it will be exercising its right of access and set out in the notice the purpose of that access; and
 - (ii) TransGrid must cause as little inconvenience to the Customer as is practicable and must observe any reasonable access and safety procedures specified and communicated by the Customer (to the extent they are applicable) at all times.
- (b) The right of access conferred on a party by clause 13 will be in addition to any right of access that either party may have under Applicable Laws.

13.3 Title and risk of Assets

- (a) Title to and risk in the Assets rests with TransGrid or a person nominated by TransGrid at all times.
- (b) Title to and risk in the Customer's Facilities rests with the Customer or, in respect of the Dedicated Assets or the Shared Assets, a person nominated by the Customer at all times.

14. ADJUSTMENT TO CHARGES AND PAYMENT OBLIGATIONS

14.1 Adjustment of Charges to reflect agreed Variation Costs

- (a) As soon as practicable after the Date of Practical Completion and again after the Date of Final Commissioning, TransGrid must provide to the Customer a notice setting out:
 - (i) details of the aggregate Variation Costs determined under clause 7.6 and/or 12.1 as at that date;
 - (ii) any outstanding claims under clause 7.6 and/or 12.1 as at that date; and
 - (iii) details of the alteration to the Charges which TransGrid determines will result from the inclusion of the aggregate of the costs and the amounts of the claims referred to in clauses 14.1(a)(i) and (ii) in the costs used to determine the Charges in a manner which is consistent with the manner in which the original Charges under the Connection Agreement were determined by TransGrid.
- (b) The remaining paragraphs of this clause 14.1 apply only where the aggregate Variation Costs referred to in clauses 14.1(a)(i) and 14.1(a)(ii) exceed \$100,000.
- (c) Within 10 Business Days (or such other longer period as agreed between the parties) of receipt of the notice given under clause 14.1(a), the Customer must give a notice to TransGrid stating whether it will agree to the proposed alteration to the Charges as stated in the notice.

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- (d) Any failure on the part of the Customer to respond to a notice provided under clause 14.1(a) within the time period specified (or otherwise agreed) under clause 14.1(b) will be deemed to be consent on the part of the Customer to the varied Charge.
- (e) If the Customer notifies TransGrid within the timeframe set out in clause 14.1(b) that it does not agree to the proposed alteration to the Charges stated in the notice given under clause 14.1(a), TransGrid will refer that matter to Expert determination in accordance with the dispute resolution procedures set out in clause 19.
- (f) Notwithstanding anything to the contrary in clause 19, if TransGrid refers the question as to whether the proposed alteration to the Charges has been determined in a manner which is consistent with the manner in which the original Charges under the Connection Agreement were determined by TransGrid to Expert determination in accordance with clause 19, the parties agree that:
 - (i) TransGrid will provide full details concerning the methodology used to determine the original Charges under the Connection Agreement to the Expert;
 - (ii) the Expert will be instructed to determine the adjustment to the Charges using the methodology provided by TransGrid under clause 14.1(f)(i) and the Variation Costs and advise the parties of its decision concerning that adjustment within 20 Business Days after receipt of the information from TransGrid under clause 14.1(f)(i);
 - (iii) the Expert will be instructed not to disclose details concerning the methodology used to determine the original Charges under the Connection Agreement but to simply certify that the adjustment to the Charges has been determined by applying that methodology and the Variation Costs;
 - (iv) on notification by the Expert of the Expert's determination under this clause 14.1(f) the parties will be bound by that determination and the Charges will be adjusted and the Connection Agreement will be deemed to have been amended from the Services Commencement Date to reflect that adjustment;
 - (v) If the Charges notified under clause 14.1(a) are greater than the Charges determined by the Expert in accordance with clause 14.1(f):
 - A. TransGrid will set off against the future Charges payable by the Customer under the Connection Agreement any excess Charges paid by the Customer, together with interest on that excess at a rate equal to the Interest Rate (as that term is defined in the Connection Agreement) calculated on a daily basis; and
 - B. TransGrid must pay the Expert's costs.
 - (vi) If the Charges notified under clause 14.1(a) are less than the Charges determined under clause 14.1(f):
 - A. the Customer must pay the shortfall to TransGrid, together with interest on that shortfall at a rate equal to the Interest Rate (as that term is defined in the Connection Agreement) calculated on a daily basis; and
 - B. the Customer must pay the Expert's costs.
- (g) For the avoidance of doubt, any alteration to the Charge payable by the Customer in accordance with the notice in clause 14.1(a) must be paid by the Customer in accordance with its obligations under the Connection Agreement until such time as the Charge is either modified:

- (i) in accordance with the Connection Agreement; or
- (ii) by an Expert in accordance with clause 14.1(f).

14.2 Taxes

If:

- (a) the Customer is required by law to make any deduction or withholding from any amount paid or payable by it under this agreement; or
- (b) TransGrid is required by law to make any payment, on account of a tax, duty, levy, impost or other charge or in the nature of any such thing on or in relation to any amount received or receivable by it under this agreement or in relation to any Services provided under this agreement or which is payable as a result of entering into or performing this agreement (other than income tax),

and such amount is not in respect of GST and the Preliminary Costs, Variation Costs and/or Charges have not otherwise been adjusted to reflect or take account of the relevant deduction, withholding or payment then:

- (c) the Customer will ensure that any such deduction or withholding does not exceed the legal minimum and will pay any such tax or other amount required to be deducted or withheld to the relevant taxation or other authority before the date on which penalties apply;
- (d) the amount payable by the Customer under this agreement will be increased to the extent necessary to ensure that, after the making of the relevant deduction, withholding or payment (and in the case of it applying to a Service provided under this agreement or which is payable as a result of entering into or performing this agreement and it is also applicable to Other TransGrid Customers, then the amount must be prorated between the Customer and the Other TransGrid Customers), TransGrid receives and retains (free from any liability in respect of any such deduction, withholding or payment) a net amount (after allowances for any credit or benefit received by TransGrid as a result of the Customer's deduction, withholding or payment) equal to the amount which TransGrid would have received and so retained had no such deduction, withholding or payment been made unless TransGrid is prohibited under the Rules from receiving such amount; and
- (e) the Customer will deliver to TransGrid, within 5 Business Days after each deduction or withholding is required by law to be made, a receipt issued by the applicable taxation or other authority evidencing that such deduction or withholding has been made.

14.3 GST

- (a) Unless the context otherwise requires, words and phrases in this clause that have a specific meaning in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) will have the same meaning in this clause 14.3.
- (b) If a party is a member of a GST group, references to GST which the party must pay and to input tax credits to which the party is entitled include GST which the representative member of the GST group must pay and input tax credits to which the representative member is entitled.
- (c) Unless otherwise stated, all amounts expressed to be payable under or in connection with this Agreement are exclusive of any GST.

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- (d) A recipient of a taxable supply under or in connection with this agreement must pay to the supplier, in addition to the consideration for the taxable supply, an amount equal to any GST paid or payable by the supplier in respect of the taxable supply (the "**GST Amount**"). The recipient must make that payment to the supplier as and when the consideration or part of it is provided, except that the recipient need not pay unless the recipient has received a tax invoice (or an adjustment note) for that taxable supply.
- (e) If an adjustment event occurs in relation to a supply made under or in connection with this agreement, the GST Amount will be recalculated to reflect that adjustment and an appropriate payment will be made between the parties.
- (f) Where a supplier incurs a cost or expense for which it may be reimbursed by, indemnified against, claim against or set-off against another party under this agreement, the amount to be paid or credited is the cost or expense (reduced by the input tax credit that the supplier is entitled to claim in respect of that cost or expense) plus any GST Amount payable under this clause 14.3.
- (g) If a payment under an indemnity gives rise to a liability to pay GST, the payer must pay, and indemnify the payee against, the amount of that GST.
- (h) If a party has a Claim under or in connection with this agreement whose amount depends on actual or estimated revenue or which is for a loss of revenue, revenue must be calculated without including any amount received or receivable as reimbursement for GST (whether that amount is separate or included as part of a larger amount).
- (i) The Customer indemnifies TransGrid against any Damages suffered or Claims incurred by TransGrid arising out of any act, matter or thing done, permitted or omitted to be done by the Customer and its Associates in relation to the Customer's late payment of the GST Amount for any taxable supply made or to be made by TransGrid under this agreement.
- (j) This clause will not merge upon completion and will continue to apply after expiration or termination of this agreement.

14.4 Disputed invoices

- (a) In the event of any dispute concerning an invoiced amount the Customer will, within 10 Business Days after the date it received the invoice, notify TransGrid in writing identifying the amount in dispute and giving full reasons for the dispute.
- (b) The Customer will pay the full amount of any portion of the invoice which is not in dispute.
- (c) The parties will meet to try to resolve the dispute, and failing resolution within a further 10 Business Days, the dispute will be determined in accordance with clause 19.

14.5 Interest on disputed amount

Where, as a result of the determination of a dispute of the nature referred to in clause 14.4, either party has to pay money to the other then, in addition to such payment, interest will be payable thereon from the date the disputed invoice was due until the date the paying party actually pays the other party the relevant amount at a rate equal to the Interest Rate calculated on a daily basis with payment of such interest due on the date agreed between the parties or determined in accordance with clause 19 for the payment of the principal amount.

14.6 Adjustment of invoices

- (a) This clause 14.6 applies if:
 - (i) the Customer has been overcharged or undercharged in any form whatsoever;
 - (ii) the Customer has actually paid the invoices containing such overcharge or undercharge; and
 - (iii) the overcharge or undercharge is in relation to an invoice dated within the preceding 24 months after the date of discovery of the overcharge or undercharge.
- (b) Within 20 Business Days after the overcharge or undercharge (as the case may be) has been discovered and the amount of the overcharge or undercharge has been agreed by the parties or determined pursuant to the provisions of clause 19, TransGrid will refund to the Customer the amount of the overcharge (if any) and the Customer will pay to TransGrid the amount of the undercharge (if any).
- (c) Interest will be payable at a rate equal to the Interest Rate on such amounts from the date on which the incorrect invoice was due for payment until the date of payment of such undercharge or overcharge calculated on a daily basis with payment of such interest due on the date on which the amount of the undercharge or overcharge is due.

14.7 Default interest

If either party fails to pay any amount payable under this agreement on the due date for payment (or, where the amount is upon demand, upon such demand being made) then interest will be payable on the amount unpaid from the due date for payment until actual payment, at a rate equal to the Default Rate, calculated on a daily basis. This clause 14.7 does not apply to any amount that is permitted to be withheld under clause 14.4.

15. FORCE MAJEURE

15.1 Force Majeure Events

- (a) If either party fails to comply with or observe any provision of this agreement (other than an obligation to make a payment) and that failure is caused by an event or circumstance which is beyond the reasonable control of that party and which that party could not have prevented by the exercise of reasonable care and *good electricity industry practice* (a "**Force Majeure Event**"), that failure will not give rise to any cause of action or liability based on breach of the relevant provision of this agreement.
- (b) Without limiting clause 15.1(a), the following events will be Force Majeure Events to the extent that they satisfy the requirements of clause 15.1(a):
 - (i) **Acts of God etc.:** any event or circumstance occasioned by or in consequence of any acts of God, acts of public enemy, wars, terrorism, blockades, insurrections, riots, epidemics, animals, aircraft, landslips, landslides, lightning, earthquakes, fires, storms, floods, washouts, geomagnetically induced currents, arrests, restraints of rulers and civil disturbances;
 - (ii) **Applicable Laws:** the compliance by the affected party in good faith with Applicable Laws;

- (iii) **Directives, court orders etc.:** the binding order or Directive of any court, tribunal or Authority (other than TransGrid) by reason of any cause beyond the control of the party invoking this clause 15.1 and which does not arise from a breach of this agreement by the party invoking this clause 15.1;
- (iv) **Breakages and accidents:** breakage or failure of and accidents to any plant, equipment or other facility owned or operated by the party invoking this clause 15.1;
- (v) **Strikes and lockouts:** strikes, lockouts and other labour disputes other than those solely involving the employees (or employees of contractors and sub-contractors) of the party invoking this clause 15.1;
- (vi) **Power supply failure:** a partial or entire failure of the supply or availability of electricity to the power system, a partial or entire failure of any *Generator* or *Market Network Service Provider*, other than the Customer, to inject electricity into the national grid, or a partial or entire failure of any other person to take electricity;
- (vii) **Failure of supplier:** a failure by a supplier (being a party with whom the affected party contracts from time to time) of goods and services to provide such goods or services by reason of any event, circumstance, act or omission, or combination of them, which is beyond the reasonable control of that supplier;
- (viii) **Delay of supplier:** a delay by a supplier (being a party with whom the affected party contracts from time to time) of goods and services to provide those goods or services, where that supplier is entitled under the terms of its contract with the affected party to claim an extension of time for the provision of those goods or services; and
- (ix) **Acts of third parties:** acts or omissions by a third party beyond the control of the party invoking this clause 15.1 and its Associates, including an Authority (other than TransGrid) and any Other TransGrid Customer and, if the invoking party is the Customer, including any Separate Contractor.

15.2 Notice

If a party becomes aware of the existence of, or a serious prospect of, a forthcoming Force Majeure Event, it will notify the other party as soon as reasonably practicable of the particulars of which it is aware. If a party invokes clause 15.1, it will notify the other party as soon as reasonably practicable of full particulars of the Force Majeure Event relied upon.

15.3 Avoidance and mitigation

The party invoking clause 15.1 must:

- (a) use all reasonable endeavours to overcome or avoid the Force Majeure Event;
- (b) use all reasonable endeavours to mitigate the effects or consequences of the Force Majeure Event;
- (c) consult with the other party on the performance of the obligations referred to in clauses 15.3(a) and 15.3(b); and
- (d) resume performance of any suspended obligations as soon as possible after the Force Majeure Event ends.

However, nothing in this clause 15.3 will be construed as requiring the party invoking clause 15.1 to settle a strike, lock-out or other industrial disturbance by acceding against its judgment to the demands of opposing parties.

15.4 Termination on account of Force Majeure Event

If the Force Majeure Event or its direct effect or consequence on the operations of either party, is of such magnitude or will be (or it is more probable than not that it will be) of such duration, that after a period of not less than 12 consecutive months after the date of the commencement of the Force Majeure Event, it is unreasonable in all the circumstances for either party to perform, comply with or observe this agreement, that party may, upon not less than 10 Business Days' notice, terminate this agreement.

16. TERMINATION

16.1 Default

If a Performance Default, occurs then the non-defaulting party may give the defaulting party a notice in writing (a "**Default Notice**") specifying:

- (a) that the Performance Default has occurred; and
- (b) the particulars of the Performance Default and the circumstances constituting the Performance Default.

16.2 Cure Period

If a Default Notice is given in respect of a Performance Default by either party (a "**Relevant Default**"), then:

- (a) the defaulting party must prepare a draft Corrective Action Plan to the extent that the Performance Default:
 - (i) can be cured, which details the actions to be taken by the party to cure the Performance Default; or
 - (ii) cannot be cured, which details the actions to be taken by the party to mitigate the adverse effects of the Performance Default and to ensure that the Performance Default does not recur,

and submit it to the non-defaulting party within 10 Business Days after the receipt of the Default Notice;

- (b) the Cure Period specified in the draft Corrective Action Plan must be the shortest period of time that could reasonably be expected to allow the defaulting party, acting diligently and in accordance with *good electricity industry practice*, sufficient time to:
 - (i) cure the Relevant Default; and
 - (ii) demonstrate such cure to the reasonable satisfaction of the non-defaulting party in accordance with tests (if any) set out in the draft Corrective Action Plan;
- (c) the non-defaulting party may comment on the draft Corrective Action Plan submitted to it by the defaulting party and any comments must be provided to the defaulting party within 5 Business Days after receipt of the draft Corrective Action Plan;

- (d) if the non-defaulting party does make any comments on the draft Corrective Action Plan, the defaulting party must:
 - (i) incorporate the comments of the non-defaulting party into the draft Corrective Action Plan to the extent they are:
 - A. reasonable;
 - B. consistent with *good electricity industry practice* (including, without limitation, any comments relating to the length of the Cure Period); and
 - C. consistent with that party's obligations under this agreement; and
 - (ii) re-submit the draft Corrective Action Plan to the non-defaulting party, within 5 Business Days after receipt of any comments from non-defaulting party;
- (e) the "**Settled Corrective Action Plan**" will be:
 - (i) if the defaulting party is not required to alter and re-submit the draft Corrective Action Plan under clause 16.2(d), the draft submitted under clause 16.2(a); or
 - (ii) otherwise, the draft Corrective Action Plan submitted under clause 16.2(d)(ii);
- (f) the Cure Period will immediately cease if the defaulting party:
 - (i) ceases to act diligently and in accordance with *good electricity industry practice* to carry out the Settled Corrective Active Plan; and
 - (ii) fails to act diligently and in accordance with *good electricity industry practice* to carry out the Settled Corrective Active Plan despite a notice from the non-defaulting party requesting it to do so; and
- (g) to the extent that Default by the non-defaulting party during the Cure Period has delayed the defaulting party in curing the Relevant Default, provided that the defaulting party has acted diligently and in accordance with *good electricity industry practice*, the Cure Period will be extended by such time as is sufficient to allow for the delay caused by the Default by the non-defaulting party.

16.3 Failure to cure

If the defaulting party does not:

- (a) commence to cure the Performance Default (where the Performance Default can be cured) or implement the Settled Corrective Action Plan (where the Performance Default cannot be cured) within 10 Business Days after the Settled Corrective Action Plan applies; or
- (b) where the Performance Default can be cured and the defaulting party has commenced to cure the Performance Default within 10 Business Days after the Settled Corrective Action Plan applies, cure the relevant Performance Default within the Cure Period specified in the Settled Corrective Action Plan,

then the non-defaulting party may, in addition to any other rights and remedies under this agreement (including, in the case of a Default by the Customer the exercise by TransGrid of its rights under clause 16.4) exercise any or any combination of the following remedies:

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- (c) terminate this agreement by written notice to the defaulting party; and
- (d) exercise all available legal and equitable remedies including suing for compensation or seeking orders for declaration, injunctive relief or damages or such other orders and relief as it may think fit.

16.4 Termination notice

A termination notice given by a party under clause 2.1, 15.4, 16.3, 16.5, 16.6, 16.7 or 16.9 will take effect on the later of:

- (a) the time it is given to the other party in accordance with clause 20; and
- (b) the time specified in the notice.

16.5 Financial Default

- (a) If a Financial Default occurs, the non-defaulting party may, without prejudice to any other right, give a notice to the defaulting party specifying the Financial Default and giving the defaulting party 20 Business Days after the date of the notice (the "**Financial Cure Period**") to cure the Financial Default.
- (b) In curing the Financial Default within the Financial Cure Period, the non-defaulting party may set off any unpaid amount against any payments required to be made to the defaulting party under this agreement.
- (c) If the Financial Default is not cured within the Financial Cure Period, the non-defaulting party may:
 - (i) sue for breach of contract; and/or
 - (ii) terminate this agreement.
- (d) Without prejudice to any other rights of the non-defaulting party, the defaulting party must pay the non-defaulting party interest on the amount which is the subject of a Financial Default (plus any accrued interest compounding daily) at the Default Rate from the date when payment is due until the Finance Default is cured.

16.6 Customer insolvency

TransGrid may terminate this agreement at any time by giving the Customer notice of termination if any Insolvency Event occurs in respect of the Customer.

16.7 TransGrid insolvency

The Customer may terminate this agreement at any time by giving TransGrid notice of termination if any Insolvency Event occurs in respect of TransGrid.

16.8 Obligation to notify of insolvency

If an Insolvency Event occurs with respect to a party, then that party must immediately notify each other party that the event has occurred.

16.9 Termination for convenience

The Customer may terminate this agreement at any time prior to the date on which the last Precondition is satisfied by giving notice to TransGrid.

16.10 Survival

Termination of this agreement for any reason does not affect:

- (a) any rights of any party against another party which:
 - (i) arose prior to the time at which such termination or expiration occurred; and
 - (ii) otherwise relate to or may arise at any future time from any breach or non-observance of obligations under this agreement occurring prior to the termination or expiration; or
- (b) the rights and obligations of the parties under clauses 1, **[OPTION – NOTICE TO PROCEED]** [1A, 2, 3, 5, 6, 13, 14, 16, 17, 18 and 27.

16.11 No other right to terminate

Except as expressly provided in this agreement, but despite any right which would otherwise be conferred at law or in equity, the parties have no right (and hereby waive any right which they may otherwise have had) to rescind or terminate this agreement.

16.12 Consequences of termination

- (a) On termination of this agreement by either party under this clause 16, clause 2.1 or clause 15.4:
 - (i) each party must promptly return to the other party any of the other party's confidential information which is in its possession and control as at the date of termination;
 - (ii) TransGrid or a person nominated by TransGrid retains all title in all Assets; and
 - (iii) TransGrid may disconnect, dismantle, decommission and remove any of the Assets and undertake, complete and commission all other work which TransGrid reasonably determines is necessary to allow the Transmission System to operate in accordance with *good electricity industry practice* and the other requirements of Applicable Laws following the removal of the Assets.
- (b) If this agreement is terminated for any reason (other than where this agreement is terminated by the Customer under clause 16.3, 16.5 or 16.7) the Customer will reimburse to TransGrid:
 - (i) in the case of a termination of this agreement under clause 2.1, all Preliminary Costs incurred by TransGrid in undertaking the Preliminary Work and any Termination Work; or
 - (ii) in the case of a termination of this agreement for any other reason (other than where this agreement is terminated by the Customer under clause 16.3, 16.5 or 16.7), all Sub-Contractor's Costs, Consultant's Fees, TransGrid's Costs, Licence Costs, Easement Costs, Out of Pocket Expenses and Project Management Fees which are incurred by TransGrid in undertaking the Connection Work and any Termination Work; and

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- (iii) any other costs reasonably incurred by TransGrid to cease carrying out the Connection Work (as calculated in accordance with TransGrid's standard charging methodology) which are not otherwise being recovered under clause 16.12(b)(i) or (ii) above,

within 30 days after receipt from TransGrid of reasonable evidence substantiating the amount of those costs which have been incurred.

- (c) Nothing in this clause 16.12 will limit either party's right to recover Damages from the other party for breach of contract.

17. LIABILITY

17.1 No liability for failure to supply

The Customer acknowledges that except as expressly provided in this clause 17, the terms of this agreement do not represent a waiver by TransGrid of, nor an agreement to vary or exclude, any limitation of its liability under sections 119 or 120 of the NEL.

17.2 Limitation of TransGrid's liability

- (a) To the extent permitted by law, TransGrid and its Associates will not be liable to the Customer for any Damages or Claims arising from any act or omission by TransGrid and its Associates in relation to this agreement or the performance or non-performance of any of TransGrid's obligations under it, other than:
 - (i) **Direct loss or damage:** subject to clauses 17.2(b) and 17.4, the direct loss, injury, damage or expense of the Customer caused by TransGrid's failure to comply with, observe or perform any provision of this agreement; and
 - (ii) **Total amount of liability:** subject to clauses 17.2(b) and 17.7, in respect of such direct loss, injury, damage or expense to the Customer referred to in clause 17.2(a)(i) when aggregated with any liability of TransGrid arising from or in connection with the Construction Coordination Deed:
 - A. up to the amount of \$[#] in aggregate in respect of any single event or circumstance of failure described in clause 17.2(a)(i) occurring during the Term (and a series of acts or omissions arising out of or in connection with the same event or circumstance will be taken to be a single event or circumstance); and
 - B. notwithstanding clause 17.2(a)(ii)A, up to the amount of \$[#] in aggregate in respect of all events or circumstances of failure described in clause 17.2(a)(i) occurring in any one Financial Year.
- (b) To the extent permitted by law and without limiting the application of clauses 17.2(a) and 17.4:
 - (i) TransGrid and its Associates are not liable for any loss of use, revenue, profit or opportunity by the Customer and its Associates or the amount of any Damages awarded against the Customer in favour of, or monies paid by the Customer by way of settlement to, any third party and any costs or expenses of the Customer in connection with the same; and
 - (ii) for the avoidance of doubt, the limitation on TransGrid's and its Associates' liability as provided in this clause 17.2 will apply to any negligent act or omission, fault or cause by TransGrid and its Associates.

17.3 Limitation of the Customer's liability

- (a) To the extent permitted by law, the Customer and its Associates will not be liable to TransGrid for any Damages or Claims arising from any act or omission by the Customer and its Associates in relation to this agreement or the performance or non-performance of any of the Customer's obligations under it, other than:
 - (i) **Payment of amounts:** any obligation on the Customer to pay the Preliminary Costs under clause 2.1, any amount payable under clause 16.2 and any other amounts (including interest) due under this agreement;
 - (ii) **Direct loss or damage:** subject to clauses 17.3(b) and 17.4, the direct loss, injury, damage or expense of TransGrid caused by the Customer's failure to comply with, observe or perform any provision of this agreement; and
 - (iii) **Total amount of liability:** subject to clauses 17.3(b) and 17.7, in respect of such direct loss, injury, damage or expense to TransGrid referred to in clause 17.3(a)(ii):
 - A. up to the amount of \$[#] in respect of any single event or circumstance of failure described in clause 17.3(a)(ii) occurring during the Term (and a series of acts or omissions arising out of or in connection with the same event or circumstance will be taken to be a single event or circumstance); and
 - B. notwithstanding clause 17.3(a)(iii)A, up to the amount of \$[#] in respect of all events or circumstances of failure described in clause 17.3(a)(ii) occurring in any one Financial Year.
- (b) To the extent permitted by law and without limiting the application of clauses 17.3(a) and 17.4:
 - (i) the Customer and its Associates are not liable for any loss of use, revenue, profit or opportunity by TransGrid and its Associates or the amount of any Damages awarded against TransGrid in favour of, or monies paid by TransGrid by way of settlement to, any third party and any costs or expenses of TransGrid in connection with the same; and
 - (ii) for the avoidance of doubt, the limitation on the Customer's and its Associates' liability as provided in this clause 17.3 will apply to any negligent act or omission, fault or cause by the Customer and its Associates.

17.4 No liability for indirect loss

- (a) Neither party has any liability to the other party, nor will either party be entitled to make any Claims, for any indirect loss.
- (b) For the purpose of this clause 17.4, "**indirect loss**" means:
 - (i) loss that does not arise directly or naturally from the relevant breach; and
 - (ii) any loss of use, revenue, profit or opportunity or pure economic loss, whether or not they arise directly or naturally from the relevant breach.

17.5 Part Financial Year

The limitation of each party's liability described in clauses 17.2(a)(ii) and 17.3(a)(iii) in any Financial Year is to apply for a whole Financial Year. Accordingly:

[Insert addition footer text here if required, e.g. Commercial in confidence]

- (a) if the Commencement Date does not fall on 1 July, this limitation will be pro-rated on a monthly basis, to reflect the period between the Commencement Date and the start of the following Financial Year; and
- (b) if the date on which this agreement is terminated or expires does not fall on 30 June, this limitation will be pro-rated on a monthly basis to reflect the period between the end of the previous Financial Year and the date on which this agreement is terminated or expires.

17.6 No implied terms

Subject to the *Competition and Consumer Act 2010* (Cth) and the express provisions of this agreement, all warranties, terms and conditions in relation to the performance of TransGrid's obligations or the exercise of TransGrid's rights under this agreement which may be implied by use, statute or otherwise, are excluded (to the maximum extent permitted by law).

17.7 Exclusions

The limits of liability referred to in clauses 17.2(a)(ii) and 17.3(a)(iii) do not apply to, exempt, limit or restrict in any way the liability of a party in respect of:

- (a) any liability in respect of personal injury or death, to the extent caused by that party; and
- (b) any loss suffered or incurred by the other party as a result of any criminal acts, wilful misconduct, wilful breach or fraud on the part of that party,

and any liability of the type or nature referred to in clauses 17.7(a) and 17.7(b) shall not be taken into account for the purposes of calculating whether the limits of liability referred to in clauses 17.2(a)(ii) and 17.3(a)(iii) have been reached or exceeded.

18. CONFIDENTIALITY

18.1 General obligation

All information acquired or received by any one party (the "**receiving party**") from the other party (the "**disclosing party**") in connection with this agreement, the fact of the existence of the information and the terms of this agreement will be held and kept confidential by the receiving party, will only be used by the receiving party for the purposes of implementing this agreement, the Connection Agreement, the Construction Coordination Deed or the Network Operating Agreement (as applicable), complying with the receiving party's obligations under Applicable Laws or operating the Transmission System or the Customer's Facilities and must not be disclosed by the receiving party to any third party except with the prior consent of the disclosing party and upon such terms as may be stipulated by the disclosing party, provided that this clause 18.1 does not apply to:

- (a) **Assignee:** disclosure to or use by a bona fide intending assignee of the receiving party upon obtaining a similar undertaking of confidentiality from such intending assignee;
- (b) **Associates:** disclosure to any Associates, but only to the extent that such disclosure is necessary and provided that the receiving party has made the Associate aware of the confidential nature of the matters and information and the Associate has agreed to keep the matters and information confidential;
- (c) **Professional consultants:** disclosure to or use by any outside professional consultants upon obtaining a similar undertaking of confidentiality from such consultants;

- (d) **Banks etc.:** disclosure to or use by any bank or financial institution from whom the receiving party is seeking to obtain finance, upon obtaining a similar undertaking of confidentiality from such bank or institution;
- (e) **Under Applicable Laws:** disclosure of information that the receiving party bona fide believes is required to enable the receiving party to comply with obligations or exercise rights under Applicable Laws, including the Rules;
- (f) **Public domain:** disclosure or use of information that has become generally available to the public other than as a result of an unauthorised disclosure by either party and any of their Associates;
- (g) **Legal proceedings:** disclosure or use of information in any mediation, adjudication, arbitration, litigation or legal proceeding of any kind arising out of or in connection with this agreement or otherwise in compliance with the order of any Court of competent jurisdiction;
- (h) **Statutes and listing requirements:** disclosure of information that the receiving party bona fide believes is required either by any relevant law or the listing requirements of any recognised stock exchange;
- (i) **Employees:** disclosure of information by the receiving party, or any person to whom the receiving party is permitted to disclose information, to an employee or officer of the receiving party or that person which require the information for the purposes of this agreement or for the purpose of advising the receiving party in relation to this agreement, and use of the information by that employee for that purpose, provided that the receiving party takes appropriate steps to ensure that such employees keep the information confidential;
- (j) **Safety:** disclosure of information if required to protect the safety of personnel or equipment;
- (k) **Potential Investment:** disclosure, use or reproduction of information by or on behalf of the receiving party to the extent reasonably required in connection with the receiving party's financing arrangements, investment in that party or a disposal of that party's assets, or the disposal or transfer of any issued shares in relation to that party or the issuance of any new shares in relation to that party;
- (l) **Modelling:** disclosure, use or reproduction of data held by AEMO or a *Network Service Provider* for the purpose of modelling the operation of the *power system*, to the extent reasonably necessary to enable a *Connection Applicant* to develop an *application to connect*, but not including information provided in accordance with clauses S5.2.4(a), (b)(5) and (b)(6) of the Rules;
- (m) **Compliance:** disclosure of a *performance standard* to a *Network Service Provider* for the purpose of establishing a compliance program, or if *connection* at that *performance standard*, in AEMO's opinion, affects, or is likely to affect, the performance of that *Network Service Provider's* network; and
- (n) **Related entities:** in the case of TransGrid, disclosure to or use by any owner or lessee of any assets comprising any part of the Transmission System.

18.2 Associates

Each party will be responsible for ensuring that its Associates who are at any time in possession of confidential information of a kind referred to in clause 18.1 will observe and comply with clause 18.1 and will accordingly be responsible for the acts or omissions of the same.

18.3 Compulsory disclosure

If a party to this agreement believes it is required either by any relevant law or the listing requirements of any recognised stock exchange to disclose confidential information of a kind referred to in clause 18.1 to a third party, then, to the extent that it is legally able to do so, that party must give notice thereof as soon as is reasonably practicable to the other party (including details of the confidential information to be disclosed and the third party to whom it is to be disclosed).

18.4 Intellectual Property Rights

- (a) All Intellectual Property Rights in information, documents and materials created by TransGrid as a result of and for the purposes of the performance of this agreement will be owned by and vest in TransGrid.
- (b) All Intellectual Property Rights in information, documents and materials created by the Customer as a result of and for the purposes of the performance of this agreement will be owned by and vest in the Customer.
- (c) All Intellectual Property Rights which exist prior to the Execution Date shall not be subject to any change in ownership as a result of the operation of this agreement.
- (d) TransGrid grants to the Customer a perpetual, non-exclusive royalty free licence to use any Intellectual Property Rights referred to in clause 18.4(a) for any purpose related to the subject matter of this agreement, the Connection Agreement and the Construction Coordination Deed.
- (e) The Customer grants to TransGrid a perpetual, non-exclusive royalty free licence to use any Intellectual Property Rights referred to in clause 18.4(b) for any purpose related to the subject matter of this agreement, the Connection Agreement, the Construction Coordination Deed and the Network Operating Agreement.
- (f) In consideration of TransGrid carrying out the Connection Work, the Customer grants a non-exclusive, royalty free licence to TransGrid and its Associates to use any Intellectual Property Rights in any material provided by it to TransGrid which is used for the purposes of performing this agreement.
- (g) The Customer indemnifies and saves harmless TransGrid and its Associates from any Damages suffered or Claims incurred by TransGrid and its Associates arising from or in connection with any actual or alleged infringement by TransGrid and its Associates of Intellectual Property Rights of a third party, where, pursuant to this Agreement, such Intellectual Property Rights have been furnished or licensed to TransGrid by the Customer.
- (h) The Customer will render all reasonable assistance to and will co-operate with TransGrid for the purposes of defending or otherwise in connection with any Claims which are brought against TransGrid or its Associates in respect of any such actual or alleged infringement which are brought against TransGrid or its Associates. TransGrid will notify the Customer as soon as practicably possible after the date on which any such Claims become known to TransGrid.

19. DISPUTE RESOLUTION

19.1 Rule disputes

If a dispute arises between the parties under or in relation to this agreement which:

- (a) relates to the obligations of either party under the Rules;

[Insert addition footer text here if required, e.g. Commercial in confidence]

- (b) relates to the interpretation of the Rules; or
- (c) (is otherwise within the terms of clause 8.2.1(a) of the Rules,

then such disputes will be resolved in accordance with clause 8.2 of the Rules.

19.2 Other disputes

- (a) If a dispute arises between the parties under or in relation to this agreement which is not required in accordance with clause 19.1 to be resolved in accordance with clause 8.2 of the Rules, either party may give the Senior Manager of the other party a notice specifying the matters in dispute (a **"notice of dispute"**).
- (b) If after a period of 15 Business Days after the referral to the Senior Managers in accordance with clause 19.2(a), the Senior Managers have not been able to resolve the dispute then either party may, by notice in writing to the other, require the dispute to be determined by an Expert. To avoid doubt, this clause 19 is not a reference to arbitration.

19.3 Agreement to appoint Expert

- (a) If a dispute is to be determined by an Expert then the parties must use their reasonable endeavours to agree to appoint a suitably qualified person to act as the Expert.
- (b) Subject to clause 14.1(e), each party must bear 50% of the costs of the Expert and associated disbursements (including room hire) for the full duration of the Expert's appointment under this clause 19.
- (c) If the parties have not agreed on the person to be appointed within 3 Business Days after a party requiring the dispute to be determined by an Expert then either party may serve a notice nominating a person to be appointed.
- (d) If the parties do not agree on the person to be appointed within 5 Business Days after the delivery of such notice, then:
 - (i) either party may request the President of the Law Society of New South Wales, from time to time (or in the event that there is no office of such society of that name, the person who in substance carries out the role of such office) to appoint the Expert; and
 - (ii) the person appointed by the President of the Law Society of New South Wales, from time to time (or in the event that there is no office of such society of that name, the person who in substance carries out the role of such office) following the first request by a party to make such appointment is the Expert for the purpose of determining the dispute.

19.4 Expert determination

If any matter must be determined by the Expert in accordance with this clause 19, then the parties to the dispute must continue to perform their obligations under the agreement while the dispute is being resolved.

19.5 Terms of appointment of Expert

The parties must ensure that the Expert's terms of appointment include the following requirements:

- (a) the Expert must consult with the parties concerning the matters under dispute;

[Insert addition footer text here if required, e.g. Commercial in confidence]

- (b) the Expert must make a draft report available to the parties within 20 Business Days after their appointment;
- (c) the Expert must meet with representatives of the parties to discuss any queries they may have in relation to the draft report;
- (d) the Expert must keep confidential, information provided by or on behalf of the parties to the Expert;
- (e) the Expert may investigate the matters under dispute and make inquiries in relation to them, and take the advice of any other person the Expert wishes (subject to the other person providing a confidentiality undertaking); and
- (f) the Expert will use its reasonable endeavours to notify the parties of its determination within 35 Business Days after the referral to the Expert.

19.6 Expert not liable

The parties agree that the Expert will not be liable in contract, tort (including negligence) or otherwise for any Damages suffered or Claims incurred by a party or any other person as a consequence of any matter or thing done or omitted to be done by the Expert if the matter or thing was done or omitted in good faith for the purposes of carrying out the responsibilities of the Expert as contemplated by this clause 19. If required by an Expert appointed under this clause 19, the parties will enter into an agreement or deed with the Expert agreeing that this clause 19.6 applies and binds them in relation to the matters referred to the Expert.

19.7 Parties to provide Information

The parties must comply with all reasonable requests by the Expert appointed in accordance with this clause 19 for information relating to the matters giving rise to its appointment.

19.8 Parties bound by determination

On notification by the Expert of the Expert's determination under clause 19.5(f), the parties are bound by that determination, except in the existence of fraud or manifest error.

19.9 Urgent interlocutory relief

This clause 19 does not prevent either party from:

- (a) obtaining, from a court, any injunctive, declaratory or other interlocutory relief that may be urgently required; or
- (b) initiating any legal process immediately prior to the end of any period specified by a relevant law during which legal process or the bringing of an action must be initiated.

20. COMMUNICATIONS AND NOTICES

20.1 Written notices

All communications under or in connection with this agreement must be in writing and must be:

- (a) delivered by hand to the street address of the addressee;
- (b) sent by express prepaid post or certified post (airmail if posted to or from a place outside Australia) to the postal address of the addressee; or

[Insert addition footer text here if required, e.g. Commercial in confidence]

- (c) sent to the email address of the addressee.

20.2 Addresses and emails

- (a) The addressee, street address, postal address, phone number, email address and contact for each party to which notices must be sent are as specified in Schedule 5.
- (b) The address of a party must always be an address within Australia.

20.3 Notice takes effect

A notice will be effective from the later of:

- (a) the time it is actually received or deemed to be received; or
- (b) any later time specified in the communication provided it has actually been received prior to that time.

20.4 Deemed receipt

- (a) A notice delivered by hand to the address of a party will be deemed to have been received if it is handed (with or without acknowledgement of delivery) to any person at that address who, in the reasonable judgment of the person making the delivery (upon making appropriate enquiries), represents themselves and appears to be an officer of the party.
- (b) A notice sent by post will be deemed to have been received at the time when the letter containing it would have been delivered in the ordinary course of post.
- (c) A communication sent in electronic form will be deemed to have been received at the earlier of:
 - (i) when the addressee's email system logs the email message as having been received; or
 - (ii) when the email message enters the addressee's information system.
- (d) If a communication is received on a day which is not a Business Day or after 5.00 pm local time where it is received on a Business Day, it is taken to be received on the next Business Day.

21. ASSIGNMENT AND CHANGE OF CONTROL

21.1 General prohibition of Assignment

Subject to this clause 21, each party's rights and obligations under this agreement are personal to it. Subject to clause 21.4, neither party may assign, novate or otherwise transfer its rights under this agreement (an "**Assignment**") without the prior written consent of the other party, which may not be unreasonably withheld, delayed or given subject to unreasonable conditions.

21.2 Withholding consent

In the case of an Assignment by:

- (a) TransGrid, it will not be reasonable for the Customer to withhold its consent to the Assignment by TransGrid to a proposed assignee which has been or will at the time the assignment is effective be registered as a *Network Service Provider* in respect of a substantial part of the Transmission System; and

[Insert addition footer text here if required, e.g. Commercial in confidence]

- (b) the Customer, it will not be reasonable for TransGrid to withhold its consent to a proposed assignee who is or will at the time the Assignment is effective be the owner or operator of the Customer's Facilities and can demonstrate on reasonable grounds that it has the financial and technical capacity to fulfil the Customer's obligations under this agreement.

21.3 Assignment requirements

In the case of an Assignment in accordance with clause 21.1, the assigning party must:

- (a) prior to such Assignment, notify the other party that it intends to assign its rights under this agreement;
- (b) have the onus of establishing the applicable requirements specified in clause 21.2(a) or clause 21.2(b) above (as relevant) to the reasonable satisfaction of the other party; and
- (c) at the request of the other party, procure the proposed assignee to enter into a deed with or for the benefit of the other party, under which the proposed assignee agrees to perform and observe all the obligations imposed on the assigning party by this agreement, including those arising prior to the Assignment and not then performed or discharged.

21.4 TransGrid Assignment to Related Bodies Corporate

- (a) TransGrid may from time to time, without the Customer's consent, assign, novate or otherwise transfer any or all of its rights or obligations under this agreement to a Related Body Corporate.
- (b) TransGrid must provide the Customer with written notice of an Assignment which occurs pursuant to clause 21.4(a) as soon as practicable after the Assignment.
- (c) Where TransGrid proposes to assign, novate or otherwise transfer any of its rights or obligations under this agreement in accordance with clause 21.4(a), the Customer must do all such things and sign all such documents as may be required by law or reasonably required by TransGrid to give effect to such Assignment.

21.5 Security Interests

- (a) Subject to clause 21.5(b) and clause 24, neither party is permitted to create or permit to exist any Security Interest over its rights under this agreement except with the prior written consent of the other party.
- (b) TransGrid may grant Security Interests over this agreement where such Security Interest is granted to financiers for the purposes of financing any of TransGrid's business operations.

21.6 Successors

This agreement binds the successors and permitted assigns of any party.

21.7 Change of Control

- (a) For the purpose of this clause 21.7:
 - (i) a "**Change of Control**" occurs if the Customer comes under the Control of a third party who did not Control the Customer at the commencement of this agreement;

[Insert addition footer text here if required, e.g. Commercial in confidence]

- (ii) **"Control"** has the meaning given to it in section 50AA of the *Corporations Act 2001* (Cth); and
 - (iii) if the Customer comprises more than one entity, this clause applies if a Change of Control occurs in respect of any one of the entities comprising the Customer.
- (b) The Customer must give TransGrid prior written notice of any proposed Change of Control of the Customer.
 - (c) The Customer must not be the subject of any Change of Control without the prior written consent of TransGrid, such consent not to be unreasonably withheld, delayed or given subject to unreasonable conditions, provided that TransGrid is reasonably satisfied that the Change of Control will not diminish, fetter, limit or otherwise restrict the ability of the Customer to fulfil its obligations under this agreement.

21.8 Consent deed

If requested by the Customer's financiers, the parties must, within 5 Business Days after the Customer's notice to TransGrid of such request, execute and deliver to the Customer's financier a consent deed substantially in the form set out at Attachment 1.

21.9 Transfer at expiry or early termination of Transmission Network Lease

- (a) On written notice to the Customer, TransGrid may on and from the expiry or early termination of the lease between MHC as lessor and NSW Electricity Networks Assets Pty Limited as trustee of the NSW Electricity Network Assets Trust as lessee dated 16 December 2015 assign, novate or transfer all of its rights and obligations under this agreement to MHC (or its nominee) without the Customer's consent.
- (b) Such assignment, novation or transfer will be effected by written notice from TransGrid to each other party, irrespective of whether the parties execute an assignment or novation deed.

22. INSURANCE

22.1 TransGrid's insurance

TransGrid must effect and maintain for the Term, appropriate insurance arrangements for:

- (a) workers compensation insurance covering liability to employees under the law of their place of employment and any other place where such employees may be required to provide the Connection Work; and
 - (b) public liability insurance for a minimum amount of \$[50 million] for any one Claim,
- (collectively the **"Insurance Cover"**).

22.2 Inspection of TransGrid's Insurance Cover documentation

- (a) Evidence of the Insurance Cover maintained under clause 22.1 will be made available for inspection by the Customer at any time prior to the Date of Practical Completion on reasonable request by the Customer.
- (b) TransGrid will also, on reasonable request by the Customer, provide:

- (i) certificates evidencing that the Insurance Cover required by clause 22.1 has been effected and all premiums have been paid; and
- (ii) such other reasonable documentation as the Customer may require from time to time to confirm that the Insurance Cover is valid, current and meets the requirements of clause 22.1.

22.3 The Customer's insurance

- (a) At all times during the Term, the Customer must, at its own expense, secure or cause to be secured and maintain or cause to be maintained in full force the insurance policies specified in Item 8 of Schedule 2.
- (b) To the extent possible, the insurance policies referred to in clause 22.3(a) must cover TransGrid as a named insured.

22.4 Contents of Customer's Insurance Policy Documentation

The Customer will use reasonable endeavours to ensure that each of the insurance policies referred to in clause 22.3(a):

- (a) contains an agreement by the insurer that:
 - (i) it waives all rights of subrogation in relation to the claims between the insureds;
 - (ii) it will not cancel the relevant insurance policy without giving at least 90 days' prior written notice to TransGrid;
 - (iii) it will not act upon a notice of cancellation given by any other insured as to the interests of TransGrid without the prior written consent of TransGrid;
 - (iv) no reduction in limits or coverage in the relevant insurance policy will be made without giving at least 90 days' prior written notice to the Customer; and
 - (v) all claims for insurance premiums, commissions, levies, stamp duties, charges and other expenses against TransGrid are waived;
- (b) includes a cross liability provision to the effect that the relevant insurance policy applies to the parties as separate insureds and will not be avoided or otherwise affected by any indemnity given under this agreement; and
- (c) insures the interest of TransGrid up to the limits of the relevant insurance policy regardless of any non-disclosure or misrepresentation by the Customer or any breach or violation by the Customer of any warranties, declarations or conditions contained in the relevant insurance policy.

22.5 Inspection of the Customer's insurance policy documentation

- (a) Evidence of the insurance policies maintained under clause 22.3 will be made available for inspection by TransGrid on reasonable request by TransGrid.
- (b) The Customer will also on reasonable request of TransGrid provide:
 - (i) certificates evidencing that the insurance policies required by clause 22.3 have been effected and all premiums have been paid; and

- (ii) such other reasonable documentation as TransGrid may require from time to time to confirm that the insurance policies are valid, current and meet the requirements of clause 22.3.

23. MISCELLANEOUS

23.1 Governing law

This agreement is governed by and will be construed according to the laws of New South Wales.

23.2 Jurisdiction

- (a) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating in any way to this agreement.
- (b) Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any Claims it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within clause 23.2(a).

23.3 Amendments

This agreement may only be varied by a document signed by or on behalf of each of the parties.

23.4 Waiver

- (a) Failure to exercise or enforce or delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this agreement by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this agreement.
- (b) Any waiver or consent given by any party under this agreement will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this agreement will operate as a waiver of another breach of that term or of a breach of any other term of this agreement.

23.5 Further acts and documents

Each party must promptly do all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by any other party to give effect to this agreement.

23.6 Counterparts

- (a) This agreement may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes an original of this agreement, all of which together constitute one agreement.
- (b) A party who has executed a counterpart of this agreement may exchange that counterpart with another party by faxing the counterpart executed by it to that other party and, upon request by that other party, will thereafter promptly deliver by hand or post to that other party the executed counterpart so exchanged by fax, but delay or failure by that party to so deliver a counterpart of this agreement executed by it will not affect the validity of this agreement.

[Insert addition footer text here if required, e.g. Commercial in confidence]

23.7 No representation or reliance

- (a) Each party acknowledges that the other party (or any person acting on its behalf) has not made any representation or other inducement to it to enter into this agreement, except for inducements expressly set out in this agreement.
- (b) Each party acknowledges and confirms that it does not enter into this agreement in reliance on any representation or other inducement by or on behalf of the other party, except for any inducement expressly set out in this agreement.

23.8 Entire agreement

To the extent permitted by law, this agreement embodies the entire understanding of the parties and constitutes the entire terms agreed upon between the parties, and supersedes any prior agreement (whether or not in writing) between the parties, in relation to the subject matter of this agreement.

23.9 Indemnities

- (a) Each indemnity in this agreement is a continuing obligation, separate and independent from the other obligations of the parties, and survives termination, completion or expiration of this agreement.
- (b) It is not necessary for a party to incur expense or to make any payment before enforcing a right of indemnity conferred by this agreement.
- (c) A party must pay on demand any amount it must pay under an indemnity in this agreement.

23.10 Consents

A consent required under this agreement from a party may be given subject to any conditions, as that party (in its absolute discretion) thinks fit, unless this agreement expressly provides otherwise.

23.11 Subcontracting

TransGrid may engage contractors to undertake the Connection Work or any part of the Connection Work, provided that the engagement of such contractors will not release TransGrid from its obligations under this agreement.

23.12 Expenses

Except as otherwise provided in this agreement or a Preliminary Agreement, each party must pay its own costs and expenses in connection with negotiating, preparing, executing and performing this agreement.

23.13 Stamp duties

The Customer:

- (a) must pay all stamp duties and any related fines and penalties in respect of this agreement, the performance of this agreement and each transaction effected by or made under this agreement;
- (b) indemnifies TransGrid against any liability arising from failure to comply with clause 23.13(a), including any liability to reimburse any other party for such amounts; and
- (c) is authorised to apply for and retain the proceeds of any refund due in respect of stamp duty paid under this clause.

[Insert addition footer text here if required, e.g. Commercial in confidence]

23.14 Exercise of rights

A party may exercise a right, power or remedy at its discretion, and separately or concurrently with another right, power or remedy. A single or partial exercise of a right, power or remedy by a party does not prevent a further exercise of that or any other right, power or remedy. Failure by a party to exercise, or a delay in exercising a right, power or remedy does not prevent its exercise.

23.15 Remedies cumulative

The rights, powers and remedies provided in this agreement are cumulative with and are not exclusive of the rights, powers or remedies provided by law independently of this agreement.

23.16 Publicity

A party may not make press or other announcements or releases relating to this agreement and the transactions the subject of this agreement without the approval of the other party to the form and manner of the announcement or release unless that announcement or release is required to be made by law or by a recognised stock exchange.

23.17 Severance

If the whole or any part of a provision of this agreement is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this agreement has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause has no effect if the severance alters the basic nature of this agreement or is contrary to public policy.

23.18 No partnership

Nothing contained or implied in this agreement creates any partnership, agency or trust between the parties, and no party has any authority to bind another party in any way.

23.19 Inconsistency between agreement and Rules

- (a) If any terms of this agreement are inconsistent with any obligation imposed or right conferred on a *Registered Participant* by Chapter 5 of the Rules and the application of the conflicting terms of this agreement would adversely affect the quality or security of *network service* to other *Network Users*, the provisions of Chapter 5 of the Rules will prevail over the terms of this agreement to the extent of the inconsistency.
- (b) The Customer must comply with the Rules as if it was registered as a *Generator* in relation to the Customer's Facilities.
- (c) If this agreement imposes an obligation on a party and compliance by that party with that obligation would cause that party to breach the Rules then the party need not comply with that obligation to the extent necessary to avoid breaching the Rules.
- (d) Unless expressly provided otherwise in this agreement, the following order of precedence applies in the event of any ambiguity, discrepancy or inconsistency between Applicable Laws, this agreement, the Connection Agreement, the Network Operating Agreement, the Construction Coordination Deed and other agreements relating to the Connection Work and Connection Services between the parties:
 - (i) Applicable Laws, including the Rules;

- (ii) Connection Agreement;
- (iii) this agreement;
- (iv) Construction Coordination Deed;
- (v) Network Operating Agreement; and
- (vi) other agreements relating to the Connection Work and Connection Services (as defined in the Connection Agreement) between the parties

23.20 Acknowledgement of Rules obligations

The parties acknowledge that, notwithstanding clause 23.19, the Rules include a number of obligations which relate to this agreement and that, except as otherwise expressly provided for, this agreement is not intended to affect such Rules obligations.

24. PERSONAL PROPERTY SECURITIES ACT

If a party determines that this agreement (or any transfer or transaction in connection with it) is or contains a security interest for the purposes of the *Personal Property Securities Act 2009* (Cth) ("**PPSA**") (or any similar legislation) ("**Security Interest**"), each party agrees to do all things (such as obtaining consents, signing and producing documents, getting documents completed and signed and supplying information) necessary for the purposes of:

- (a) ensuring that the Security Interest is enforceable, perfected and otherwise effective;
- (b) enabling the party benefitted by the Security Interest ("**Benefitted Party**") to apply for any registration, or give any notification, in connection with the Security Interest so that the Security Interest has the priority required by the Benefitted Party; or
- (c) enabling the Benefitted Party to exercise rights in connection with the Security Interest,

in each case at the Benefitted Party's cost and for the purpose of the PPSA.

25. TRANSFER OF OWNERSHIP OF THE CONNECTION SITE AND OTHER PROPERTY INTERESTS

25.1 Connection Site

The Customer must, as soon as reasonably practicable following preparation of any necessary survey plans and in any event no later than 3 months before the Date of Practical Completion, at its own cost execute any document and do any act reasonably required by TransGrid (including the payment of any applicable stamp duty, charge or impost), to ensure that legal and beneficial title to the Connection Site is transferred to MHC free and clear of any Security Interest. The Connection Site shall be of sufficient size as determined by TransGrid including a [20]m buffer zone around the Connection Site. Failure to comply with this clause 25 shall be deemed a Default for the purpose of clause 16.

25.2 TransGrid Easements

- (a) As soon as reasonably practicable following preparation of any necessary survey plans and in any event no later than 3 months before the Date of Practical Completion, the Customer must at its own cost and at no cost to TransGrid grant to MHC (or must do all thing necessary to ensure that the following Easements are granted to MHC):

[Insert addition footer text here if required, e.g. Commercial in confidence]

- (i) a 45m wide easement for the final Line Route;
 - (ii) a 10m wide easement from the proposed Connection Site to the nearest public road for the purpose of accessing the Connection Site (which access route will be agreed between the parties prior to commencing the Connection Work at the Connection Site); and
 - (iii) easements over any track which will be used to gain access to the easement referred to in clauses 25.2(a)(i) and 25.2(a)(ii).
- (b) Unless otherwise agreed between the parties:
- (i) it is proposed to use registered Easement Memorandum [#] for the Easement referred to in clause 25.2(a)(i);
 - (ii) it is proposed to use registered Easement Memorandum [#] for each of the Easements referred to in clauses 25.2(a)(ii) and 25.2(a)(iii); and
 - (iii) the survey plan(s) referred to in clause 25.6 will be used to define the final location and dimensions for each Easement referred to in clause 25.2(a).
- (c) The Customer must pay to TransGrid all Easement Costs actually incurred by TransGrid. TransGrid will invoice the Customer as and when Easement Costs are incurred. The Customer must pay each invoice issued under this clause within 10 Business Days' after the date of receipt of the invoice.
- (d) TransGrid must ensure that the invoice provided under clause 25.2(c) is valid for GST purposes and includes particulars of the Easement Costs payable by the Customer (including sufficient information in relation to such costs to reasonably enable the Customer to verify the basis of the relevant costs).
- (e) If the parties are unable to reach agreement concerning any matter in respect of which the parties are required to reach agreement under this clause 25.2 within 10 Business Days after commencing consultation, then either party may refer this matter to dispute resolution in accordance with clause 19.
- (f) The Customer acknowledges that it will benefit from construction of the Connection Work and the Customer fully and irrevocably releases TransGrid from, and indemnifies TransGrid in respect of, any Claims for payment of compensation pursuant to the provisions of the *Land Acquisition (Just Terms Compensation) Act 1991 (NSW)*.

25.3 Access right

On and from the Commencement Date and during the Term, the Customer must ensure MHC is granted any Easement which is required by TransGrid for securing a permanent right to access the Connection Site and Line Route. The Easements granted under this clause 25.3 will identify the access route agreed between the parties, incorporate the terms of Easement Memorandum [#] and be otherwise on terms reasonably acceptable to TransGrid.

25.4 Access right for construction

Without limiting clauses 13, 25.1, 25.2 and 25.3, the Customer grants to TransGrid during the Term a non-exclusive right of access to and over the Land (including the Connection Site and Line Route) for the purpose of exercising its rights and performing its obligations under this agreement and the Construction Coordination Deed.

[Insert addition footer text here if required, e.g. Commercial in confidence]

25.5 Costs

The Customer must meet all costs, including Easement Costs, incurred in undertaking any actions, which are required to be undertaken by the Customer, TransGrid or MHC under this clause 25. The Customer indemnifies TransGrid against any liability arising out of any failure to comply with this clause 25.5.

25.6 Survey procedure

TransGrid will, utilising internal or external surveyors, arrange for a survey to be undertaken in relation to:

- (a) a plan of acquisition for the proposed Connection Site and which will allow TransGrid to acquire this site in freehold; and
- (b) the Easements.

Where the Customer agrees to prepare any of the survey plans pursuant to this clause, the Customer must do so as soon as reasonably practicable following the date of this agreement.

25.7 Caveats

The Customer does not object to MHC registering with Land & Property Information New South Wales any caveats it sees necessary pending transfer of the Connection Site and granting of the Easements.

25.8 Landowner Agreements

Where the Customer has entered into, or it will be necessary for the Customer to enter into, agreements with one or more landowners to acquire the Connection Site and Easements (the "**Landowner Agreements**"), the Customer must:

- (a) as soon as reasonably practicable following the date of this agreement:
 - (i) enter into the Landowner Agreements;
 - (ii) nominate MHC as nominee, entitled to exercise all rights under each Landowner Agreement, including any right to exercise an option to acquire the Connection Site or any of the Easements; and
 - (iii) do all things necessary to procure that MHC is entitled to exercise all of its rights as nominee under each Landowner Agreement, except anything that TransGrid is required to do under this agreement;
- (b) strictly and duly comply with the terms of the Landowner Agreements; and
- (c) not deal with its interests under the Landowner Agreements in any way that may materially prejudice the rights of TransGrid or MHC, including terminating, varying or waiving any right under the Landowner Agreements (unless TransGrid has first provided its written consent).

26. CHANGES TO APPLICABLE LAWS OR OTHER CIRCUMSTANCES

26.1 Amendments to this agreement

If, after the Execution Date, an Applicable Law:

- (a) is introduced or commences operation; or

[Insert addition footer text here if required, e.g. Commercial in confidence]

- (b) is modified, re-enacted or substituted,

then subject to clauses 26.2 and 26.3, this agreement will be interpreted (as far as possible) in such a way as to enable compliance with that Applicable Law.

26.2 Negotiation

Despite clause 26.1, if at any time after the Execution Date:

- (a) an Applicable Law is introduced, modified, re-enacted, substituted or commences operation;
- (b) the manner in which an Applicable Law is interpreted or applied materially changes;
- (c) without limiting clauses 26.2(a) or (b), the manner in which an Applicable Law or any Authority regulates how any Charge is to be calculated, varied or applied (or the terms upon which any Services will be provided) materially changes;
- (d) without limiting clauses 26.2(a), (b) or (c), the activities comprised within or the service standards applying to any Service materially change due to a change in an Applicable Law; or
- (e) without limiting clauses 26.2(a), (b), (c) or (d), any other event, circumstance or change occurs which materially affects the way in which any of the Services are provided or either party operates its facilities, provided such event, circumstance or change is the result of a change in an Applicable Law,

and that change in circumstances or event will result in a material change in the commercial position of either party, the parties will consider and negotiate in good faith any specific amendment to this agreement requested by a party to take account of that change, event or circumstance so as to substantially return the parties to their respective commercial positions under this agreement prior to that change, event or circumstance.

26.3 Disputes

- (a) If the parties are unable to agree upon any amendment proposed by a party in accordance with clause 26.2 within 28 days after commencing negotiations, either party may refer that dispute for resolution in accordance with clause 19.
- (b) In determining a dispute under this clause 26, the Expert must take into account (amongst other things) the following factors:
 - (i) that the contents of this agreement must be fair and reasonable having regard to the commercial interests of the parties;
 - (ii) that at all times, any Service provided under this agreement must be provided in accordance with good electricity industry practice, all Applicable Laws and the other requirements of this agreement; and
 - (iii) that this agreement should be consistent with the prevailing practices and standards in the electricity industry at that time.

27. TRUSTEE'S CAPACITY AND LIABILITY

27.1 Limitation of liability

Despite any other provision of this agreement:

- (a) the Trustee enters into this agreement in its capacity as trustee of the Trust and in no other capacity;
- (b) subject to clause 27.1(d), the recourse of the Customer or any other person to the Trustee in respect of any of the Trustee's obligations and liabilities under or in connection with this agreement is limited to the amount the Trustee actually receives in the exercise of its right of indemnity from the assets of the Trust;
- (c) subject to clause 27.1(d), if the Trustee does not receive all or any part of the money owing to it in connection with the Trustee not complying with any obligation or not paying any liability under or in connection with this agreement because the Trustee cannot obtain that money under the indemnity referred to in clause 27.1(b), the Customer cannot bring proceedings against the Trustee in its personal capacity to recover that money; and
- (d) clauses 27.1(b) and (c) do not apply to any obligation or liability of the Trustee under or in connection with this agreement to the extent that it is not complied with or paid because the Trustee's right to be indemnified from the Trust assets is reduced because of the Trustee's own fraud or breach of trust.

27.2 Contribution to liability

An act or omission of the Trustee (including acts and omission that result in the Trustee not complying with any obligation or not paying any liability under or in connection with this Agreement does not constitute fraud or breach of trust by the Trustee for the purposes of this clause 27 to the extent to which that act or omission was caused or contributed to by any act or omission of the Customer.

Executed as an agreement on [Date].

Each attorney executing this agreements states that he or she has no notice of the revocation or suspension of his or her power of attorney.

SIGNED for and on behalf of **NSW Electricity Networks Operations Pty Limited** (ACN 609 169 959) as trustee for **NSW Electricity Networks Operations Trust** (ABN 70 250 995 390) by its attorneys under registered power of attorney Book 4728 no 681:

Signature of Attorney

Name and position of Attorney in full

SIGNED for and on behalf of **[Customer name]** (ABN [Customer ABN]) by its duly authorised officer in accordance with section 127 of the *Corporations Act 2001* (Cth):

Signature of Director/Secretary (delete as applicable)

Name of Director/Secretary

Signature of Attorney

Name and position of Attorney

Signature of Director

Name of Director

[Insert addition footer text here if required, e.g. Commercial in confidence]

Schedule 1 – Description of the Customer's Facilities

[Insert]

[Insert addition footer text here if required, e.g. Commercial in confidence]

Schedule 2 – Connection Work

ITEM 1 – SCOPE OF WORKS

Network Assets

[Insert]

Upstream Works

[Insert]

ITEM 2 – NOT USED

ITEM 3 – PRACTICAL COMPLETION PROCEDURES

1. PRACTICAL COMPLETION PROCEDURES

- (a) In this Item 3 of Schedule 2, "**Acceptance Tests**" means the tests that will be undertaken by TransGrid to demonstrate that Practical Completion has been achieved, which tests:
 - (i) will be described in general terms in the Scope of Works; and
 - (ii) will be finalised by TransGrid, in consultation with the Customer, prior to the Date for Practical Completion.
- (b) TransGrid will commission the Connection Work and demonstrate that Practical Completion of the Connection Work has been achieved by carrying out the Acceptance Tests for Practical Completion to prove that all systems, sub-systems and components of the Connection Work operate in accordance with *good electricity industry practice* and the requirements of this agreement.
- (c) TransGrid must give the Customer at least 10 Business Days' notice of the date on which TransGrid anticipates that Practical Completion of the Connection Work will be achieved.
- (d) When TransGrid considers that Practical Completion of the Connection Work has been achieved, TransGrid will:
 - (i) notify the Customer of the planned time for conducting the Acceptance Tests for Practical Completion;
 - (ii) invite the Customer to witness the Acceptance Tests and inspect the Assets; and
 - (iii) following completion of the Acceptance Test, provide the Customer with a copy of the Acceptance Test documentation.
- (e) Following the successful completion of the Acceptance Tests for Practical Completion, within 5 Business Days after receipt by the Customer of the Acceptance Test documentation, the Customer must confirm to TransGrid in writing whether, in its opinion (acting reasonably), Practical Completion of the Connection Work has been achieved.
- (f) If any Acceptance Test for Practical Completion is not successfully completed, TransGrid will perform any necessary corrective works and repeat the Acceptance Test for Practical Completion as soon as possible.

[Insert addition footer text here if required, e.g. Commercial in confidence]

- (g) An Acceptance Test for Practical Completion will only be taken to have been successfully completed if each party (acting reasonably) confirms that it has been successfully completed.
- (h) Any dispute between the parties under this Item 3 of Schedule 2 will be resolved in accordance with clause 19 of the agreement.
- (i) The Acceptance Tests will not include the joint commissioning tests referred to in clauses 7.10 and 10.2 of this agreement.

ITEM 4 – PRECONDITIONS

1. AUTHORISATIONS

- (a) The Customer will be responsible for obtaining (on or before the Required Date for the satisfaction of this Precondition):
 - (i) all Authorisations which the Customer is required under Applicable Laws to obtain or hold before the performance of the Customer's Work can commence and be completed; and
 - (ii) all Authorisations which TransGrid is required under Applicable Laws to obtain or hold in relation to the Connection Work other than the Authorisations referred to in paragraph 1(b) of this Item 4 of Schedule 2,

including in particular, obtaining all planning consents for the Customer's Work and the Connection Work, negotiating and obtaining all cultural heritage approvals and native vegetation approvals for the Customer's Work and the Connection Work, arranging for and paying the cost of all required monitoring under any approved plans for both the Customer's Work and the Connection Work and identifying and satisfying all requirements of the NSW Office of Environment and Heritage and the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (including, the development, submission and approval of a management plan by the NSW Office of Environment and Heritage).

- (b) TransGrid will be responsible for obtaining all Authorisations in relation to the performance of the Services and the operation of the Transmission System after Practical Completion of the Connection Work. However the obtaining of these approvals will not be a Precondition for the purposes of clause 2 of the agreement.

Otherwise, TransGrid is not responsible for obtaining any Authorisations which TransGrid is required under Applicable Laws to obtain or hold in relation to the Connection Work before the performance of the Connection Work can commence and be completed.

- (c) In this paragraph 1 of this Item 4 of Schedule 2:
 - (i) a reference to "approval" by an Authority is a reference to unconditional approval by that Authority or to approval which is given subject to conditions which are acceptable to TransGrid and the Customer (each acting reasonably);
 - (ii) an approval from an Authority will only be treated as:
 - A. received (where the decision to grant the approval has been subject to judicial review or appeal) on the date on which any appeal is dismissed, struck out or withdrawn or all questions raised by any such review or appeal have been finally determined (other than the question of costs); or

- B. having been obtained and maintained if that Authorisation is still valid as at the date on which substantial work is commenced by TransGrid;
- (iii) any dispute concerning the acceptability of conditions referred to in paragraph 1(c)(ii) of this Item 4 of Schedule 2 will be determined in accordance with clause 19 of this agreement; and
- (iv) the Required Date for the satisfaction of the Precondition set out in paragraph 1(a) of this Item 4 of Schedule 2 is [DATE].

2. FINANCIAL BOND

- (a) The Customer must on or before the Required Date for the satisfaction of this Precondition provide an undertaking or guarantee under clause 5 of the agreement to TransGrid in the sum of \$[#].
- (b) The Required Date for the satisfaction of this Precondition is 10 Business Days after the Commencement Date.

ITEM 5 – NOT USED

ITEM 6 – NOT USED

ITEM 7 – NOT USED

ITEM 8 – THE CUSTOMER'S INSURANCE DETAILS

Before commencing any Customer's Work, the Customer must effect and must ensure the Dedicated Assets Provider and the Shared Assets Provider (as applicable) effect the following insurance policies:

1. INSURANCE OF EMPLOYEES

The Customer must enter into an insurance policy to insure against liability for death or injury to persons employed by the Customer including liability by statute and at common law, and must ensure that each of the Dedicated Assets Provider and the Shared Assets Provider enter into an insurance policy to insure against liability for death or injury to persons employed by them respectively including liability by statute and at common law (each a **"Workers Compensation Insurance Policy"**). Each Workers Compensation Insurance Policy must be in accordance with the *Workers Compensation Act 1987* (NSW) as amended.

2. PROPERTY INSURANCE

[Note: This clause requires the Customer to take out works insurance for Dedicated Assets and Shared Assets.]

The Customer must enter into an insurance policy covering any Customer's Work against loss or damage resulting from any cause (the **"Works Policies"**) under this agreement and things in storage off-site and in transit to the site.

The Works Policies must cover all the Customer's employees and contractors employed by the Customer from time to time in relation to the Customer's Work for their respective rights, interests and liabilities. The Works Policies must be maintained during the Term.

The total insurance cover under the Works Policies must be for an amount not less than \$[#].

3. PUBLIC LIABILITY INSURANCE

Before any Connection Work on the Project commences, the Customer must effect and must ensure that each of the Dedicated Assets Provider and the Shared Assets Provider effect an insurance policy for public liability insurance cover (each a "**Public Liability Policy**"). Each Public Insurance Policy must:

- (a) provide cover on an accuracy basis against liability for personal injury and property damage including loss of use of property whether such property is damaged or not; and
- (b) be for an amount in respect of any one occurrence not less than \$[50 million].

The Customer's Public Liability Policy must cover the liability assumed by the Customer under this agreement.

4. COMPREHENSIVE MOTOR VEHICLE INSURANCE.

[Note: This clause requires the Customer to take out motor vehicle insurance for the Dedicated Assets Provider and Shared Assets Provider.]

The Customer must enter into an insurance policy covering damage to and arising from the Customer's and its contractors' (including the Dedicated Assets Provider's and the Shared Assets Provider's) motor vehicles utilised in the construction of the Customer's Work and/or the Connection Work for a minimum amount of \$[20 million].

Schedule 3 – Construction program

Item	Milestone Event	Responsible Party	Milestone Date (i.e. timing from the date the Customer and TransGrid execute both the Project Agreement and the Connection Agreement)
1.	Customer provides Financial Bond		
2.	Date for Practical Completion of the Connection Work		

Schedule 4 – The Land

[Insert]

[Insert addition footer text here if required, e.g. Commercial in confidence]

Schedule 5 – Parties contact details

TransGrid

TransGrid's Representative

Name:

Address:

Telephone:

Email:

TransGrid's Senior Manager

Name:

Address:

Telephone:

Email:

The Customer

Customer's Representative

Name:

Address:

Telephone:

Email:

Customer's Senior Manager

Name:

Address:

Telephone:

Email:

[Insert addition footer text here if required, e.g. Commercial in confidence]

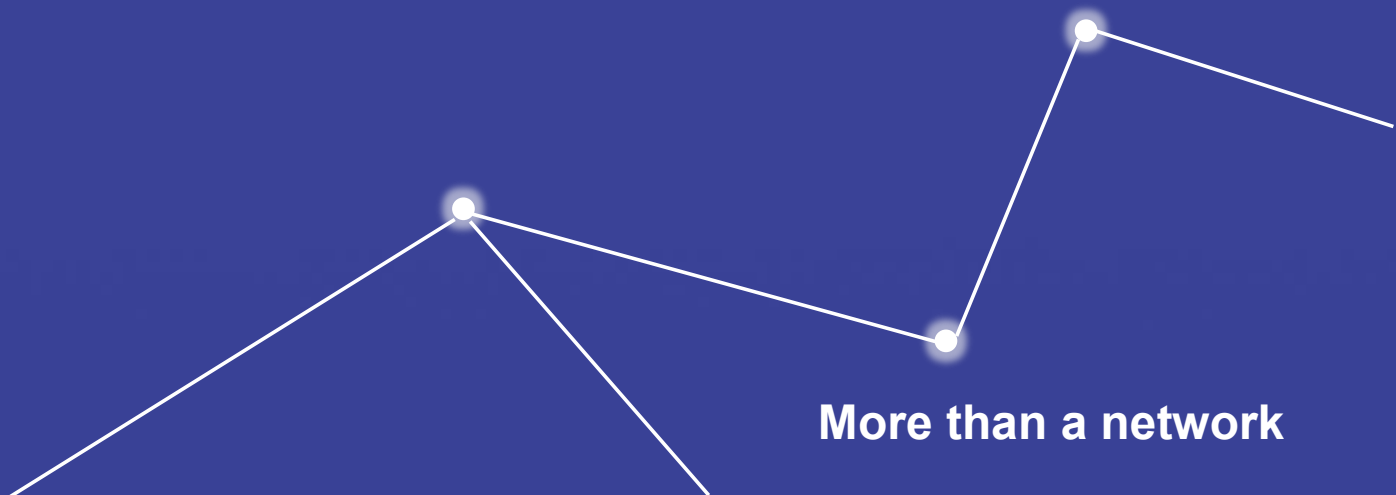
Attachment 1 – Consent Deed

[Insert]

[Insert addition footer text here if required, e.g. Commercial in confidence]

Annexure A

Diagrams



More than a network

Annexure B **[Insert, if applicable]** Conceptual Agreement



TransGrid
Infrastructure



More than a network

1. Protection Conceptual Agreement
2. Automation Conceptual Agreement
3. Metering Conceptual Agreement

[Insert]