

Schedule 14.1

Alternative form of guarantee

Guarantee

To: [Clearing manager] [address]

Attention: [name]

Dear Sir/Madam

1. [Bank] (“the Bank”) refers to each and every obligation pursuant to the Electricity Industry Participation Code 2010 (“the Code”) of [Payer] (“the Principal”) to pay amounts the Principal, now or at any time, owes to, and is invoiced by, you (whether as principal or agent) together with default interest, if any, in relation to such amounts (“the Obligations”) pursuant to the Code.
2. The Bank hereby unconditionally guarantees the payment to you on demand of an amount specified in each such demand provided that—

(a) the aggregate liability of the Bank under this guarantee for each **billing period** in respect of which this guarantee is in effect will not exceed the Maximum Amount as defined below—

- i. The sum of the amounts calculated for all **trading periods** to which this guarantee applies in the **billing period** in accordance with the following formula:

$$A*B$$

where:

A is [X] MWh

B is the final price for the trading period at the [specify] [**grid injection point/grid exit point/reference point**]

- ii. For the purposes of subparagraph i this guarantee applies to every **trading period** within a **billing period** as follows:
 - A. From the [“Starting Date” being] the later of—
 1. the start of the **billing period**; and
 2. [DATE]; and
 - B. Until the “Final Date” being the earlier of—
 1. the end of the **billing period**; and
 2. the Final Date as notified to the clearing manager under clause 2 (a) iii; and
 3. [DATE];
- iii. Notwithstanding anything in this guarantee or in the Code, the Bank may give the clearing manager notice of the Final Date for the purposes of paragraph 2(a)iiB. The Final Date is the later of the date specified in the notice or 2 business days after the date on which the clearing manager receives the notice;

- (b) your demand is made in writing and is purported to be signed by an authorised signatory;
and
- (c) a certificate purported to be signed by your authorised signatory and certifying that the Principal has failed, in whole or in part, to fulfil the Obligations accompanies your demand, which certificate will be conclusive proof of such failure.

3. This guarantee will not be affected, discharged or diminished by any act or omission which would, but for this provision, have exonerated a guarantor but would not have affected or discharged the Bank's liability had it been a principal debtor.
4. Subject to paragraph 5 below, this guarantee will continue in force until the date at which the Principal has ceased to be bound by the Code and has discharged its obligations to you pursuant to the Code at which time you will return this guarantee to the Bank.
5. Notwithstanding anything else in this guarantee, the Bank may at any time pay you the Maximum Amount less any amount or amounts the Bank may previously have paid under this guarantee or such lesser sum as you may require. Upon payment of that sum, the liability of the Bank under this guarantee will cease and determine.

[Note: Bank to elect either this clause or the following clause as a method of cancellation].

5. Notwithstanding anything else in this guarantee, the Bank may cancel this guarantee as to subsequent liability by giving ninety (90) days' notice in writing to clearing manager; however, the Bank will remain liable with respect to the Obligations which relate to the period prior to the effective date of the ninety (90) days' notice.]
6. This guarantee may be assigned by you without the Bank's consent. It will bind the successors and assigns of the Bank, as well as any entity with which the Bank may amalgamate.
7. This guarantee will be governed by and interpreted in all respects in accordance with New Zealand law and the parties hereto irrevocably submit to the non-exclusive jurisdiction of the courts of New Zealand.

EXECUTED for and on behalf)
of [BANK])
by its Attorneys)
.....)
[Print Names]) Signature(s)

.....
in the presence of:
.....
Signature
.....
Full Name
.....
Address
.....
Occupation
.....
Signature(s)