

Schedule 14.2
Letter of credit

To: [Clearing manager name] [address]

Attention: [name]

Dear Sir/Madam

We, [Bank name] (“the Bank”) hereby issue our irrevocable transferable standby letter of credit (“the Letter of Credit”) as follows:

IRREVOCABLE TRANSFERABLE STANDBY LETTER OF CREDIT NO. [number] DATED [date]

The Account Party: [Account Party name] (“the Account Party”)

The Payer: [Payer name] (“the Payer”)

Beneficiary: [Clearing manager name] (“the Beneficiary”)

Issued in Connection With: Each and every obligation (“the Obligations”) in respect of participant identifier [participant identifier] of the Payer to pay the amounts the Payer now or at any time, owes to, and is invoiced by, the Beneficiary (whether as principal or agent) together with default interest, if any, in relation to such amounts pursuant to the Electricity Industry Participation Code 2010 (“the Code”).

Maximum Amount: [dollar amount in numerals] ([dollar amount in words])

Expiry: This Letter of Credit expires on the earliest of—

- (a) the date at which the Payer ceases to be bound by the rules and has discharged its obligations to the Beneficiary pursuant to the rules; or
- (b) the date of satisfaction of this Letter of Credit in accordance with its terms;
- (c) the date on which the Bank makes payment to the Beneficiary of the Maximum Amount either at its sole discretion or following demand by the Beneficiary under this Letter of Credit in accordance with its terms

(“the Expiry Date”).

Payable at: Sight.

Available at: [Bank name], [address]

By Drafts on: [Bank name]

Enfaced: Drawn under [Bank name] Irrevocable Standby Letter of Credit No. [number] dated [date].

Returnable to: The Bank upon expiry.

The proceeds of this Letter of Credit are transferable by the Beneficiary. A claim may be made under this Letter of Credit by delivering to the address at which this Letter of Credit is expressed to be available, by no later than [time] New Zealand time on or before the Expiry Date, draft drawn on the Bank (enfaced as specified above) accompanied by a Certificate purported to be signed by an authorised signatory of the Beneficiary in the following form:

To [Bank name]

[date]

[Clearing manager name] of [address] (“the Beneficiary”) hereby makes claim under the [Bank name] Irrevocable Standby Letter of Credit No [number] (“the Letter of Credit”). Words and expressions defined in the Letter of Credit will have the same meaning herein.

[Payer name] (“the Payer”) has failed, in whole or in part, to fulfil the Obligations.

As at the date of this Certificate, the amount owed to the Beneficiary by the Payer in respect of the Obligations is the sum of [amount outstanding].

Accordingly, the Beneficiary is entitled to claim and hereby requests payment by [date] of the amount of [amount claimed] to be credited to account number [Beneficiary’s trust account number].

The signatory or signatories hereto is/are authorised by the Beneficiary to make the statements herein on behalf of the Beneficiary.

Signed.....
Authorised Signatory

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision) International Chamber of Commerce Publication No. 600, except as otherwise provided in this Letter of Credit. Subject to that, this Letter of Credit will be governed by, and construed in accordance with, the laws of New Zealand, and the parties hereto irrevocably submit to the non-exclusive jurisdiction of the courts of New Zealand.

The Bank engages with the Beneficiary that drafts drawn under, and in compliance with, this Letter of Credit and, in aggregate, up to the Maximum Amount will be paid on presentation in the manner provided in this Letter of Credit.