

Schedule 14.4

Forms of hedge settlement agreement

cl 14.8

Form 1: Fixed Price Fixed Volume

Date: [Enter date]

Party A	
Party B	

1 Lodging of hedge settlement agreement

- (1) Party A and Party B (the **parties**) submit this **hedge settlement agreement** to the **clearing manager**, as contemplated by clause 14.8 of the Electricity Industry Participation Code 2010 (the **Code**). Terms that are used in this agreement but not defined bear the meaning given to them in the **Code**.
- (2) By submitting this **hedge settlement agreement** to the **clearing manager** in accordance with clause 14.8 of the **Code**, the **parties** agree to be bound by the terms set out below from the time at which the **clearing manager** counter-signs it.
- (3) If the **clearing manager** counter-signs this document then, from the time it counter-signs, it has obligations relating to it under the **Code**. However, the **parties** acknowledge the **clearing manager** is not bound by this document and that its obligations in relation to it are limited to those set out in the **Code**.

2 Definitions

The following definitions apply in this document:

aggregate fixed amount means, in relation to a **billing period**, the sum of the **fixed amounts** for each **calculation period** in that **billing period**

aggregate floating amount means, in relation to a **billing period**, the sum of the **floating amounts** for each **calculation period** in that **billing period**

business day means any day of the week except Saturdays, Sundays, **national holidays**, the day observed as Wellington Anniversary Day, and any other day from time to time declared by the **Authority** not to be a **business day** by notice to each **registered participant**

calculation period means a **trading period** during the **term**

commencement date means the date specified as such in the schedule

expiry date means the date specified as such in the schedule

fixed amount means, in relation to a **calculation period**, an amount calculated using the following formula:

$$\text{fixed amount} = \text{notional quantity} \times \text{fixed price}$$

fixed price means, in relation to a **calculation period**, the amount specified as such for that **calculation period** in the schedule

fixed price payer means, in relation to a **hedge settlement agreement**, the party specified as such in the schedule

floating amount means, in relation to a **calculation period**, an amount calculated using the following formula:

$$\text{floating amount} = \text{notional quantity} \times \text{floating price}$$

floating price means, in relation to a **calculation period**, the **final price** per MWh for that **calculation period** calculated by reference to the **hedge reference point** [rounded to two decimal places]

floating price payer means, in relation to a **hedge settlement agreement**, the party specified as such in the schedule

hedge reference point means the **grid exit point** specified as such in the schedule

hedge settlement amount means, in relation to a **billing period**, the absolute value of the amount calculated by subtracting the **aggregate floating amount** from the **aggregate fixed amount**

notional quantity means, in relation to a **calculation period**, the number of MWhs specified as such in the schedule for that **calculation period**

settlement date means the date on which payments are due under clause 14.31 of the Code

term means the period from 00.00 hours on the **commencement date** until 23.59 hours on the date on which the **hedge settlement agreement** terminates.

3 **Payment of hedge settlement amounts**

In relation to a **billing period**:

- (a) if the **aggregate floating amount** exceeds the **aggregate fixed amount**:
 - (i) the **floating price payer** must pay the **clearing manager** an amount equal to the **hedge settlement amount** in relation to that **billing period**; and
 - (ii) the **clearing manager** must pay the **fixed price payer** an amount equal to the **hedge settlement amount** in relation to that **billing period**,
on the relevant **settlement date**; and
- (b) if the **aggregate fixed amount** exceeds the **aggregate floating amount**:
 - (i) the **fixed price payer** must pay the **clearing manager** an amount equal to the **hedge settlement amount** in relation to that **billing period**; and
 - (ii) the **clearing manager** must pay the **floating price payer** an amount equal to the **hedge settlement amount** in relation to that **billing period**,
on the relevant **settlement date**; and
- (c) the **clearing manager** must calculate the amounts to be payable by and to the **parties** and advise each **party** of those amounts by the 5th **business day** of the month following the **billing period**. If either **party** notifies the **clearing manager** in writing by the 7th **business day** of the month following the **billing period** of any issues with the amounts the **clearing manager** has advised are to be payable, the **clearing manager** will use reasonable endeavours to correct the issues before

issuing invoices on the 9th **business day** of the month following the **billing period** under clause 14.18(2) of the **Code**.

4 Termination

This **hedge settlement agreement** terminates on the earlier of:

- (a) the **expiry date**; and
- (b) the date on which it is cancelled under the **Code**.

5 Other provisions

- (1) The **fixed price** is inclusive of any additional costs arising due to carbon charges.
- (2) Where the terms of this **hedge settlement agreement** include reference to—
 - (a) day, this means both **business days** and non-**business days**;
 - (b) weekday, this means a **business day**;
 - (c) weekend, this means non-**business days**.
- (3) Where daylight savings starts or ends during the **term** of this **hedge settlement agreement**, the **clearing manager** will calculate the **fixed amounts** and **floating amounts** for the days on which daylight savings starts or ends in the same way the **clearing manager** calculates the sale and purchase of **electricity** for these days.

EXECUTION

[Execution Block Party A]

[Execution Block Party B]

The **clearing manager** accepts the lodgement of this **hedge settlement agreement** by counter-signing it.

[Execution Block Clearing Manager]

SCHEDULE TERMS OF HEDGE SETTLEMENT AGREEMENT

Hedge settlement agreement terms	
Commencement Date	[Insert date]
Expiry Date	[Insert date]
Fixed Price Payer	[Party A] [Party B]
Floating Price Payer	[Party A] [Party B]
Notional Quantity	[insert number] MWh for each calculation period

Fixed Price	[\$[insert amount] /MWh
Hedge Reference Point	[insert grid exit point]

Schedule 14.4, Form 1, Heading: amended, on 1 April 2025, by clause 25 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2025.

Schedule 14.4, Schedule to Form 1: amended, on 24 March 2015, by clause 20 of the Electricity Industry Participation Code Amendment (Settlement and Prudential Security) 2014.

Schedule 14.4, Form 1, clause 2 **business day**: inserted, on 1 March 2024, by clause 100 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2024.

Schedule 14.4, Form 1, clause 2 **floating price**: amended, on 1 September 2026, by clause 38 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2026.

Schedule 14.4, Form 1, clause 3(b): amended, on 1 March 2024, by clause 101(a) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2024.

Schedule 14.4, Form 1, clause 3(c): inserted, on 1 March 2024, by clause 101(b) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2024.

Schedule 14.4, Form 1, clause 5: replaced, on 1 March 2024, by clause 102 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2024.

Form 2: Cap/Floor Calculation Period Price

[Note (not for inclusion in form): This form can be used to achieve both a capped price and a floor price.]

Date: [Enter date]

Party A	
Party B	

1 Lodging of hedge settlement agreement

- (1) Party A and Party B (the **parties**) submit this **hedge settlement agreement** to the **clearing manager**, as contemplated by clause 14.8 of the Electricity Industry Participation Code 2010 (the **Code**). Terms that are used in this agreement but not defined bear the meaning given to them in the **Code**.
- (2) By submitting this **hedge settlement agreement** to the **clearing manager** in accordance with clause 14.8 of the **Code**, the **parties** agree to be bound by the terms set out below from the time at which the **clearing manager** counter-signs it.
- (3) If the **clearing manager** counter-signs this document then, from the time it counter-signs, it has obligations relating to it under the **Code**. However, the **parties** acknowledge the **clearing manager** is not bound by this document and that its obligations in relation to it are limited to those set out in the **Code**.

2 Definitions

The following definitions apply in this document:

business day means any day of the week except Saturdays, Sundays, **national holidays**, the day observed as Wellington Anniversary Day, and any other day from time to time declared by the **Authority** not to be a **business day** by notice to each **registered participant**

calculation period means a **trading period** during the **term**

calculation period premium means, in relation to a **calculation period**, the amount specified as such in the schedule for that **calculation period**

calculation period settlement amount means, in relation to a **calculation period**, an amount calculated using the following formula:

calculation period settlement amount = **notional quantity** x **strike price differential**

cash settlement amount means, in relation to a **billing period**, the sum of the **calculation period settlement amounts** for each **calculation period** in that **billing period**

commencement date means the date specified as such in the schedule

expiry date means the date specified as such in the schedule

floating price means, in relation to a **calculation period**, the **final price** per MWh for that **calculation period** calculated by reference to the **hedge reference point** [rounded to two decimal places]

hedge reference point means the **grid exit point** specified as such in the schedule

notional quantity means, in relation to a **calculation period**, the number of MWhs specified as such in the schedule for that **calculation period**

option buyer means, in relation to a **hedge settlement agreement**, the party specified as such in the schedule

option premium means, in relation to a **billing period**, the sum of the **calculation period premiums** for each **calculation period** in that **billing period**

option seller means, in relation to a **hedge settlement agreement**, the party specified as such in the schedule

option type means either a put option or a call option as specified in the schedule

settlement date means the date on which payments are due under clause 14.31 of the Code

strike price means, in relation to a **calculation period**, the amount specified as such in the schedule

strike price differential means, in relation to a **calculation period**, an amount equal to:

- (a) if the **option type** is a put option, the greater of the **strike price** minus the **floating price** and zero;
- (b) if the **option type** is a call option, the greater of the **floating price** minus the **strike price** and zero

term means the period from 00.00 hours on the **commencement date** until 23.59 hours on the date on which the **hedge settlement agreement** terminates.

3 Payment of hedge settlement amounts

(1) In relation to a **billing period**:

- (a) the **option buyer** must pay the **clearing manager** an amount equal to the **option premium** for that **billing period**; and
- (b) the **clearing manager** must pay the **option seller** an amount equal to the **option premium** for that **billing period**; and
- (c) the **option seller** must pay the **clearing manager** an amount equal to the **cash settlement amount** for that **billing period**; and
- (d) the **clearing manager** must pay the **option buyer** an amount equal to the **cash settlement amount** for that **billing period**, on the relevant **settlement date**.

- (2) In relation to a billing period, the **clearing manager** must calculate the amounts to be payable by and to the **parties** and advise each **party** of those amounts by the 5th **business day** of the month following the **billing period**. If either **party** notifies the **clearing manager** in writing by the 7th **business day** of the month following the **billing period** of any issues with the amounts the **clearing manager** has advised are to be payable, the

clearing manager will use reasonable endeavours to correct the issues before issuing invoices on the 9th **business day** of the month following the **billing period** under clause 14.18(2) of the **Code**.**4 Termination**

This **hedge settlement agreement** terminates on the earlier of:

- (a) the **expiry date**; and
- (b) the date on which it is cancelled under the **Code**.

5 Other provisions

- (1) The **strike price** is inclusive of any additional costs arising due to carbon charges.
- (2) Where the terms of this **hedge settlement agreement** include reference to—
 - (a) day, this means both **business days** and non-**business days**;
 - (b) weekday, this means a **business day**;
 - (c) weekend, this means non-**business days**.
- (3) Where daylight savings starts or ends during the **term** of this **hedge settlement agreement**, the **clearing manager** will calculate the **calculation period premium** and **calculation period settlement amounts** for these days in the same way the **clearing manager** calculates the sale and purchase of **electricity** for these days.

EXECUTION

[Execution Block Party A]

[Execution Block Party B]

The **clearing manager** accepts the lodgement of this **hedge settlement agreement** by counter-signing it.

[Execution Block Clearing Manager]

SCHEDULE TERMS OF HEDGE SETTLEMENT AGREEMENT

Hedge settlement agreement terms	
Commencement Date	[Insert date]
Expiry Date	[Insert date]
Option Buyer	[Party A] [Party B]
Option Seller	[Party A] [Party B]
Option Type	[Call Option] [Put Option]

Notional Quantity	[insert number] MWh for each calculation period
Strike Price	[\$[insert amount] / MWh
Calculation Period Premium	[\$[insert amount] for each calculation period
Hedge Reference Point	[insert grid exit point

Schedule 14.4, Schedule to Form 2: amended, on 24 March 2015, by clause 21 of the Electricity Industry Participation Code Amendment (Settlement and Prudential Security) 2014.

Schedule 14.4, Form 2, clause 2 **business day**: inserted, on 1 March 2024, by clause 103 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2024.

Schedule 14.4, Form 2, clause 2 **floating price**: amended, on 1 September 2026, by clause 39 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2026.

Schedule 14.4, Form 2, clause 3(2): inserted, on 1 March 2024, by clause 104 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2024.

Schedule 14.4, Form 2, clause 5: replaced, on 1 March 2024, by clause 105 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2024.

Form 3: Cap/Floor Average Price

[Note (not for inclusion in form): This form can be used to achieve both a capped average price over a defined period and a floor average price over a period.]

Date: [Enter date]

Party A	
Party B	

1 Lodging of hedge settlement agreement

- (1) Party A and Party B (the **parties**) submit this **hedge settlement agreement** to the **clearing manager**, as contemplated by clause 14.8 of the Electricity Industry Participation Code 2010 (the **Code**). Terms that are used in this agreement but not defined bear the meaning given to them in the **Code**.
- (2) By submitting this **hedge settlement agreement** to the **clearing manager** in accordance with clause 14.8 of the **Code**, the **parties** agree to be bound by the terms set out below from the time at which the **clearing manager** counter-signs it.
- (3) If the **clearing manager** counter-signs this document then, from the time it counter-signs, it has obligations relating to it under the **Code**. However, the **parties** acknowledge the **clearing manager** is not bound by this document and that its obligations in relation to it are limited to those set out in the **Code**.

2 Definitions

The following definitions apply in this document:

average floating price means, in relation to an **option period**, an amount calculated using the following formula:

$$\text{average floating price} = \frac{\text{option period floating amount}}{\text{option period notional quantity}}$$

business day means any day of the week except Saturdays, Sundays, **national holidays**, the day observed as Wellington Anniversary Day, and any other day from time to time declared by the **Authority** not to be a **business day** by notice to each **registered participant**

calculation period means a **trading period** during the **term**

calculation period floating amount means, in relation to a **calculation period**, an amount calculated using the following formula:

$$\text{calculation period floating amount} = \text{notional quantity} \times \text{floating price}$$

calculation period notional quantity *[Revoked]*

calculation period premium means, in relation to a **calculation period**, the amount specified as such in the schedule for that **calculation period**

cash settlement amount means, in relation to a **billing period**, the sum of the **option period settlement amounts** for each **option period** in that **billing period**

commencement date means the date specified as such in the schedule

expiry date means the date specified as such in the schedule

floating price means, in relation to a **calculation period**, the **final price** in dollars per MWh for that **calculation period** calculated by reference to the **hedge reference point** [rounded to two decimal places]

hedge reference point means the **grid exit point** specified as such in the schedule

notional quantity means, in relation to a **calculation period**, the amount of **electricity** (measured in MWh) specified as such in the schedule for that **calculation period**

option buyer means, in relation to a **hedge settlement agreement**, the party specified as such in the schedule

option period means each period during the **term** specified as such in the schedule

option period floating amount means, in relation to an **option period**, an amount equal to the aggregate of the **calculation period floating amounts** for each **calculation period** in that **option period**

option period notional quantity means, in relation to an **option period**, the sum of the **notional quantities** for each **calculation period** in the **option period**

option period premium means, in relation to an **option period**, the sum of the **calculation period premium** for each **calculation period** in the **option period**

option period settlement amount means, in relation to an **option period**, an amount calculated using the following formula:

option period settlement amount = **option period notional quantity** x **strike price differential**

option premium means, in relation to a **billing period**, the sum of the **option period premiums** for each **option period** in that **billing period**

option seller means, in relation to a **hedge settlement agreement**, the party specified as such in the schedule

option type means either a put option or a call option as specified in the schedule

settlement date means the date on which payments are due under clause 14.31 of the Code

strike price means, in relation to an **option period**, the amount specified as such in the schedule

strike price differential means, in relation to an **option period**, an amount equal to:

- (a) if the **option type** is a put option, the greater of the **strike price** minus the **average floating price** and zero;
- (b) if the **option type** is a call option, the greater of the **average floating price** minus the **strike price** and zero

term means the period from 00.00 hours on the **commencement date** until 23.59 hours on the date on which the **hedge settlement agreement** terminates.

3 Payment of hedge settlement amounts

- (1) In relation to a **billing period**:

- (a) the **option buyer** must pay the **clearing manager** an amount equal to the **option premium** for that **billing period**; and
 - (b) the **clearing manager** must pay the **option seller** an amount equal to the **option premium** for that **billing period**; and
 - (c) the **option seller** must pay the **clearing manager** an amount equal to the **cash settlement amount** for that **billing period**; and
 - (d) the **clearing manager** must pay the **option buyer** an amount equal to the **cash settlement amount** for that **billing period**,
on the relevant **settlement date**.
- (2) In relation to a **billing period**, the **clearing manager** must calculate the amounts to be payable by and to the **parties** and advise each **party** of those amounts by the 5th **business day** of the month following the **billing period**. If either **party** notifies the **clearing manager** in writing by the 7th **business day** of the month following the **billing period** of any issues with the amounts the **clearing manager** has advised are to be payable, the **clearing manager** will use reasonable endeavours to correct the issues before issuing invoices on the 9th **business day** of the month following the **billing period** under clause 14.18(2) of the **Code**.

4 Termination

This **hedge settlement agreement** terminates on the earlier of:

- (a) the **expiry date**; and
- (b) the date on which it is cancelled under the **Code**.

5 Other provisions

- (1) The **strike price** is inclusive of any additional costs arising due to carbon charges.
- (2) Where the terms of this **hedge settlement agreement** include reference to—
 - (a) day, this means both **business days** and non-**business days**;
 - (b) weekday, this means a **business day**;
 - (c) weekend, this means non-**business days**.
- (3) Where daylight savings starts or ends during the **term** of this **hedge settlement agreement**, the **clearing manager** will calculate the **calculation period premium** and **option period settlement amounts** for these days in the same way the **clearing manager** calculates the sale and purchase of **electricity** for these days.

EXECUTION

[Execution Block Party A]

[Execution Block Party B]

The **clearing manager** accepts the lodgement of this **hedge settlement agreement** by counter-signing it.

[Execution Block Clearing Manager]

SCHEDULE TERMS OF HEDGE SETTLEMENT AGREEMENT

Hedge settlement agreement terms	
Commencement Date	[Insert date]
Expiry Date	[Insert date]
Option Buyer	[Party A] [Party B]
Option Seller	[Party A] [Party B]
Option Type	[Call Option] [Put Option]
Option Period	[Each day] [From 00.00 hours until immediately before 00.00 hours on the next day] [first period being nn and last period being mm] [during the term .]
Notional Quantity	[insert number MWh] [Table of Notional Quantities (in MWh per calculation period) to be inserted]
Strike Price	[\$[insert amount/ MWh] – [Table of Strike Prices to be inserted]
Calculation Period Premium	[\$[insert amount] for each calculation period of option period . [Table of Premiums to be inserted]
Hedge Reference Point	[insert grid exit point]

Schedule 14.4, Form 3, clause 2, **average floating price**: amended, on 24 March 2015, by clause 22(1)(a) of the Electricity Industry Participation Code Amendment (Settlement and Prudential Security) 2014.

Schedule 14.4, Form 3, clause 2 **business day**: inserted, on 1 March 2024, by clause 106 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2024.

Schedule 14.4, Form 3, clause 2, **calculation period floating amount**: amended, on 24 March 2015, by clause 22(1)(b) of the Electricity Industry Participation Code Amendment (Settlement and Prudential Security) 2014.

Schedule 14.4, Form 3, clause 2, **calculation period notional quantity**: revoked, on 24 March 2015, by clause 22(1)(c) of the Electricity Industry Participation Code Amendment (Settlement and Prudential Security) 2014.

Schedule 14.4, Form 3, clause 2, **calculation period premium**: inserted, on 24 March 2015, by clause 22(1)(d) of the Electricity Industry Participation Code Amendment (Settlement and Prudential Security) 2014.

Schedule 14.4, Form 3, clause 2, **floating price**: amended, on 24 March 2015, by clause 22(1)(e) of the Electricity Industry Participation Code Amendment (Settlement and Prudential Security) 2014.

Schedule 14.4, Form 3, clause 2 **floating price**: amended, on 1 September 2026, by clause 40 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2026.

Schedule 14.4, Form 3, clause 2, **notional quantity**: substituted, on 24 March 2015, by clause 22(1)(f) of the Electricity Industry Participation Code Amendment (Settlement and Prudential Security) 2014.

Schedule 14.4, Form 3, clause 2, **option period notional quantity**: inserted, on 24 March 2015, by clause 22(1)(g) of the Electricity Industry Participation Code Amendment (Settlement and Prudential Security) 2014.

Schedule 14.4, Form 3, clause 2, **option period premium**: substituted, on 24 March 2015, by clause 22(1)(h) of the Electricity Industry Participation Code Amendment (Settlement and Prudential Security) 2014.

Schedule 14.4, Form 3, clause 2, **option period settlement amount**: amended, on 24 March 2015, by clause 22(1)(i) of the Electricity Industry Participation Code Amendment (Settlement and Prudential Security) 2014.

Schedule 14.4, Schedule to Form 3: amended, on 24 March 2015, by clause 22(2) of the Electricity Industry Participation Code Amendment (Settlement and Prudential Security) 2014.

Schedule 14.4, Form 3, clause 3(2): inserted, on 1 March 2024, by clause 107 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2024.

Schedule 14.4, Form 3, clause 5: amended, on 1 March 2024, by clause 108 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2024.

Form 4: Fixed Price Variable Volume

Date: [Enter date]

Party A	
Party B	

1 Lodging of hedge settlement agreement

- (1) Party A and Party B (the **parties**) submit this **hedge settlement agreement** to the **clearing manager**, as contemplated by clause 14.8 of the Electricity Industry Participation Code 2010 (the **Code**). Terms that are used in this agreement but not defined bear the meaning given to them in the **Code**.
- (2) By submitting this **hedge settlement agreement** to the **clearing manager** in accordance with clause 14.8 of the **Code**, the **parties** agree to be bound by the terms set out below from the time at which the **clearing manager** counter-signs it.
- (3) If the **clearing manager** counter-signs this document then, from the time it counter-signs, it has obligations relating to it under the **Code**. However, the **parties** acknowledge the **clearing manager** is not bound by this document and that its obligations in relation to it are limited to those set out in the **Code**.
- (4) The **parties** acknowledge this **hedge settlement agreement** is excluded from **washups** under clause 14.36 of the **Code**. Any revision in volume which the **parties** wish to be reflected in the settlement of the hedge must be resolved bilaterally between the **parties** outside of this **hedge settlement agreement** and with no facilitation obligations on the **clearing manager**.

2 Definitions

The following definitions apply in this document:

aggregate fixed amount means, in relation to a **billing period**, the sum of the **fixed amounts** for each **calculation period** in that **billing period**

aggregate floating amount means, in relation to a **billing period**, the sum of the **floating amounts** for each **calculation period** in that **billing period**

baseload means the amount of **electricity** in **MWhs** that is to be excluded from the total reconciled **electricity** volume to calculate the **variable quantity**

business day means any day of the week except Saturdays, Sundays, **national holidays**, the day observed as Wellington Anniversary Day, and any other day from time to time declared by the **Authority** not to be a **business day** by notice to each **registered participant**

calculation period means a **trading period** during the **term**

commencement date means the date specified as such in the schedule

expiry date means the date specified as such in the schedule

fixed amount means, in relation to a **calculation period**, an amount calculated using the following formula:

$$\text{fixed amount} = (\text{variable quantity percentage} \times \text{variable quantity}) \times \text{fixed price}$$

fixed price means, in relation to a **calculation period**, the amount specified as such for that **calculation period** in the schedule

fixed price payer means, in relation to a **hedge settlement agreement**, the party specified as such in the schedule

floating amount means, in relation to a **calculation period**, an amount calculated using the following formula:

$$\text{floating amount} = (\text{variable quantity percentage} \times \text{variable quantity}) \times \text{floating price}$$

floating price means, in relation to a **calculation period**, the **final price** per MWh for that **calculation period** calculated by reference to the **hedge reference point** [rounded to two decimal places]

floating price payer means, in relation to a **hedge settlement agreement**, the party specified as such in the schedule

hedge reference point means the **grid exit point** specified as such in the schedule

hedge settlement amount means, in relation to a **billing period**, the absolute value of the amount calculated by subtracting the **aggregate floating amount** from the **aggregate fixed amount**

maximum variable quantity means the maximum amount in MWh that the **variable quantity** must not exceed

settlement date means the date on which payments are due under clause 14.31 of the Code

term means the period from 00.00 hours on the **commencement date** until 23.59 hours on the date on which the **hedge settlement agreement** terminates

variable quantity means, in relation to a **calculation period**, the amount of MWhs calculated using the following formula:

$$\text{variable quantity} = \text{lesser of: (total reconciled electricity volume for the calculation period} - \text{baseload) or maximum variable quantity}$$

variable quantity percentage means, in relation to the **variable quantity**, the percentage of the **variable quantity** to be hedged.

3 Payment of hedge settlement amounts

In relation to a **billing period**:

(a) if the **aggregate floating amount** exceeds the **aggregate fixed amount**:

- (i) the **floating price payer** must pay the **clearing manager** an amount equal to the **hedge settlement amount** in relation to that **billing period**; and
 - (ii) the **clearing manager** must pay the **fixed price payer** an amount equal to the **hedge settlement amount** in relation to that **billing period**, on the relevant **settlement date**; and
- (b) if the **aggregate fixed amount** exceeds the **aggregate floating amount**:
 - (i) the **fixed price payer** must pay the **clearing manager** an amount equal to the **hedge settlement amount** in relation to that **billing period**; and
 - (ii) the **clearing manager** must pay the **floating price payer** an amount equal to the **hedge settlement amount** in relation to that **billing period**, on the relevant **settlement date**; and
- (c) the **clearing manager** must calculate the amounts to be payable by and to the **parties** and advise each **party** of those amounts by the 5th **business day** of the month following the **billing period**. If either **party** notifies the **clearing manager** in writing by the 7th **business day** of the month following the **billing period** of any issues with the amounts the **clearing manager** has advised are to be payable, the **clearing manager** will use reasonable endeavours to correct the issues before issuing invoices on the 9th **business day** of the month following the **billing period** under clause 14.18(2) of the **Code**.

4 Termination

This **hedge settlement agreement** terminates on the earlier of:

- (a) the **expiry date**; and
- (b) the date on which it is cancelled under the **Code**.

5 Other provisions

- (1) The **fixed price** is inclusive of any additional costs arising due to carbon charges.
- (2) Where the terms of this **hedge settlement agreement** include reference to—
 - (a) day, this means both **business days** and non-**business days**;
 - (b) weekday, this means a **business day**;
 - (c) weekend, this means non-**business days**.
- (3) Where daylight savings starts or ends during the **term** of this **hedge settlement agreement**, the **clearing manager** will calculate the **fixed amounts** and **floating amounts** for the days on which daylight savings starts or ends in the same way the **clearing manager** calculates the sale and purchase of **electricity** for these days.

EXECUTION

[Execution Block Party A]

[Execution Block Party B]

The **clearing manager** accepts the lodgement of this **hedge settlement agreement** by counter-signing it.

[Execution Block clearing manager]

SCHEDULE TERMS OF HEDGE SETTLEMENT AGREEMENT

Hedge settlement agreement terms	
Commencement Date	[Insert date]
Expiry Date	[Insert date]
Fixed Price Payer	[Party A] [Party B]
Floating Price Payer	[Party A] [Party B]
Fixed Price	[\$[insert amount] /MWh
Baseload	[insert amount] MWh
Maximum variable quantity	[insert amount] MWh
Variable quantity percentage	[insert percentage]
Hedge Reference Point	[insert grid exit point]

Schedule 14.4, Form 4 inserted, on 1 January 2026, by clause 5 of the Electricity Industry Participation Code Amendment (Clearing Manager to Settle Fixed Price Variable Volume Hedges) 2025.

Schedule 14.4, Form 4, clause 2 **floating price**: amended, on 1 September 2026, by clause 41(1) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2026.

Schedule 14.4, Form 4, clause 2 **maximum variable quantity**: amended, on 1 September 2026, by clause 41(2) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2026.

Schedule 14.4, Form 4, Schedule: amended, on 1 September 2026, by clause 42(1) and (2) of the Electricity Industry Participation Code Amendment (Code Review Programme) 2026.