

Schedule 14A.4

Letter of credit

Schedule 14A.1, cl 3

To: [Clearing manager] (the "Clearing Manager")
(to be advised through [Bank], SWIFT: [Code])
[address]

Attention: [name]

Dear Sir/Madam

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

We, [Bank] (the "Bank") issue in favour of the Clearing Manager this irrevocable transferable standby letter of credit (the "Letter of Credit") as follows:

The Account Party: [Participant] (the "Account Party")

Beneficiary: The Clearing Manager (the "Beneficiary")

Issued in Connection With: Each obligation of the Account Party to pay the amounts it, 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 (the "Obligations") under the Electricity Industry Participation Code 2010 (the "Code").

Maximum Amount: \$[insert amount] (the "Maximum Amount").

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

- (a) the date at which the Account Party has ceased to be bound by the Code and has discharged its obligations to the Beneficiary under the Code; or
- (b) the date of satisfaction of this Letter of Credit in accordance with its terms; or
- (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,]

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

- (c) [90 days after notice in writing of cancellation of this Letter of Credit has been given by the Bank to the Clearing Manager, provided that the Bank remains liable for any Obligations incurred before the effective date of cancellation but shall not be liable for any Obligations incurred after that date,](the "Expiry Date").

Payable at: [Sight or by demand using SWIFT]

Available at: [address]

By demand on: The Bank.

Enfaced: Drawn under [Bank] Irrevocable Transferable 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, a draft drawn on the Bank (enfaced as specified above) accompanied by—

- (a) this Letter of Credit; and
- (b) a certificate signed by an authorised signatory of the Beneficiary in the following form:

To [Bank] [date]

[Clearing manager] of [address] (the "Beneficiary") hereby makes claim under the [Bank] Irrevocable Transferable Standby Letter of Credit No. [number] (the "Letter of Credit"). Words and expressions defined in the Letter of Credit will have the same meaning in this Certificate.

[Participant] (the "Account Party") 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 Account Party in respect of the Obligations is the sum of \$[amount outstanding].

Accordingly, the Beneficiary is entitled to claim and requests payment by [date] of the amount of \$[amount claimed] to be credited to:

Bank: [Beneficiary's bank]

Account number [Beneficiary's trust account number]

Bank's SWIFT Code [Bank's SWIFT Code]

The signatory or signatories is/are authorised by the Beneficiary to make the statements in this Certificate 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 [and the Supplement to the Uniform Customs and Practice for Documentary Credits for Electronic Presentation 2007], except as otherwise provided in this Letter of Credit. Subject to that, this

Letter of Credit will be governed by New Zealand law, and the parties irrevocably submit to the non-exclusive jurisdiction of the courts of New Zealand.

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

[insert execution clause for Bank]

Schedule 14A.4: replaced, on 1 November 2018, by clause 112 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2018.