

Schedule 14A.5 Surety bond

Schedule 14A.1, cl 4

To: [Clearing manager] (the "Clearing Manager")
[address]

From: [Surety] (the "Surety")
[address]

Bond Number: [number]

1. [Participant] (the "Principal") has obligations under the Electricity Industry Participation Code 2010 (the "Code") to pay the Clearing Manager amounts invoiced to the Principal by the Clearing Manager ("Obligations").
2. On written demand by the Clearing Manager, the Surety agrees to pay to the Clearing Manager any outstanding amounts invoiced to the Principal, together with any default interest payable in respect of those invoiced amounts. Such written demand must be delivered to the Surety at its above address and certify that the Principal has failed, in whole or in part, to fulfil the Obligations.
3. The Surety's total liability under this Bond shall not exceed \$[insert maximum amount] ("Maximum Amount").
4. [The Surety may at any time pay to the Clearing Manager the Maximum Amount less any amount or amounts the Surety may previously have paid under this Bond or such lesser sum as the Clearing Manager may require. Upon payment of that sum, this Bond will be cancelled and the Surety shall have no further liability.]

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

4. [The Surety may cancel this Bond by giving 90 days' written notice to the Clearing Manager. Following cancellation of this Bond, the Surety remains liable for any Obligations incurred before the effective date of cancellation but shall not be liable for any Obligations incurred after that date.]
5. This Bond is not affected, discharged, or diminished by any act or omission that would, but for this provision, have released a surety but would not have affected, discharged, or diminished the Surety's liability had it been a principal debtor.
6. This Bond may be transferred or assigned by the Clearing Manager without the Surety's consent.
7. Upon cancellation, the Bond will be returned to the Surety.
8. This Bond is governed by New Zealand law, and the Surety agrees to submit to the non-exclusive jurisdiction of the courts of New Zealand.

[insert execution clause for Surety]

Schedule 14A.5: amended, on 24 March 2015, by clause 26 of the Electricity Industry Participation Code Amendment (Settlement and Prudential Security) 2014.

Schedule 14A.5: replaced, on 1 November 2018, by clause 113 of the Electricity Industry Participation Code Amendment (Code Review Programme) 2018.