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DIRECTIONS TO THE BOARDS OF MERIDIAN ENERGY LIMITED AND GENESIS POWER LIMITED

PURSUANT TO THE
ELECTRICITY INDUSTRY ACT 2010

Direction to require the transfer of ownership of the Tekapo A and B power stations

We hereby direct the board of Meridian Energy Limited ("Meridian") to require Meridian, and the board of Genesis Power Limited ("Genesis") to require Genesis, to:

- (a) under section 117(2)(b) of the Electricity Industry Act 2010 (the Act), transfer the ownership from Meridian to Genesis of all of the assets and such of the rights and obligations relating to Tekapo A and Tekapo B generating stations as are described in the attached sale and purchase agreement (attachment 1);
- (b) under section 117(2)(d) of the Act, enter into the attached sale and purchase agreement (attachment 1) that is necessary or desirable to implement the direction given under section 117(2)(b) of the Act;
- (c) under section 124(1) of the Act, and as part of the direction under section 117(2)(b), offer, by 1 June 2011, one or more replacement contracts that are necessary to meet the purposes set out in section 120 of the Act to the following third parties (other than those third parties who sign replacement contracts before that date):
 - (i) in relation to the agreement entitled "Agreement to Electricity Corporation's water rights":
 - Te Runanga O Ngai Tahu;
 - Benmore Irrigation Company Limited;
 - Lower Waitaki Irrigation Company Limited;
 - Maerewhenua District Water Resource Co. Limited; and
 - Morven, Glenavy, Ikawai Irrigation Company Limited;
 - (ii) Mount Cook Salmon Limited in relation to its agreement with Meridian, dated 24 May 1999, entitled "Agreement to lease";
 - (iii) Mackenzie Irrigation Company Limited in relation to its agreement with Meridian, dated 31 October 2006, entitled "Agreement in relation to the allocation of water for irrigation"; and
 - (iv) Whitewater NZ Incorporated (formerly the New Zealand Recreational Canoeing Association Incorporated) and Tekapo Whitewater Trust in relation to their agreement with Meridian, dated 30 September 2009, entitled "Agreement in relation to water rights".
- (d) under section 124(1) of the Act, and as part of the direction under section 117(2)(b), advise those third parties that the date by which they must make their choice under section 124(2) of the Act is 1 September 2011;
- (e) under section 124(1) of the Act, and as part of the direction under section 117(2)(b), advise those third parties that the date by which they may terminate the third party's involvement in the relevant existing agreement, under section 124(9) of the Act, by notice in writing to the Minister, Meridian, and Genesis, is one month from the date that a direction is given under section 124(4) of the Act.

Under section 118(4) of the Act, clause 10.6 and schedules 7, 8 and 10 of attachment 1 will be withheld from disclosure on the grounds that the Minister for State Owned Enterprises considers these sections to be commercially sensitive because they comprise or relate to agreements between Meridian and/or Genesis with third parties, or relate to future expenditure.

Direction to require the entry into a Water Management Agreement

Under section 117(2)(d) of the Act we hereby direct the board of Meridian to require Meridian, and the board of Genesis to require Genesis, to enter into the Water Management Agreement attached to this direction (attachment 2) that is necessary or desirable to implement the direction given under section 117(2)(b) of the Act.

Direction to require the entry into transitional arrangements

Under section 117(2)(d) of the Act we hereby direct the board of Meridian to require Meridian, and the board of Genesis to require Genesis, to enter into the contract attached to this direction (attachment 3), regarding transitional arrangements, that is necessary or desirable to implement the direction given under section 117(2)(b) of the Act.

Direction to require the entry into operational services arrangements

Under section 117(2)(d) of the Act we hereby direct the board of Meridian to require Meridian, and the board of Genesis to require Genesis, to enter into the contract attached to this direction (attachment 4), regarding operational services arrangements, that is necessary or desirable to implement the direction given under section 117(2)(b) of the Act.

Direction to require the entry into financial hedges for electricity

Under section 117(2)(d) of the Act we hereby direct the board of Meridian to require Meridian, and the board of Genesis to require Genesis, to enter into the contract attached to this direction (attachment 5), regarding long-term and short-term financial hedges for electricity, that is necessary or desirable to implement the direction given under section 117(2)(b) of the Act.

Under section 118(4) of the Act, paragraphs 8, 10 and certain definitions in paragraph 9 of attachment 5 will be withheld from disclosure on the grounds that the Minister for State Owned Enterprises considers these sections to be commercially sensitive. The withheld sections relate to the commercial position of Meridian and Genesis in the market and bank account details.

Direction to require the entry into a deed with RTA Power (NZ) Limited ("RTAP") and New Zealand Aluminium Smelters Limited ("NZAS")

Under section 117(2)(d) of the Act we hereby direct the board of Meridian to require Meridian to enter into the deed attached to this direction (attachment 6), regarding arrangements with RTAP and NZAS, that is necessary or desirable to implement the direction given under section 117(2)(b) of the Act.

Under section 118(4), clauses 3.2, 3.3, 4.1 and 4.3 of attachment 6 will be withheld from disclosure on the grounds that the Minister for State Owned Enterprises considers these sections to be commercially sensitive. The withheld sections contain commercially confidential information regarding Meridian's existing contracts with RTAP and NZAS.

Hon Anthony Boyd Williams Ryall
Minister for State Owned Enterprises

Hon Simon William English
Minister of Finance

RELEASE VERSION

MERIDIAN ENERGY LIMITED

GENESIS POWER LIMITED

**AGREEMENT FOR THE SALE AND
PURCHASE OF THE TEKAPO A AND
TEKAPO B POWER STATIONS**

RUSSELL McVEAGH

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AGREEMENT dated

2011

PARTIES

MERIDIAN ENERGY LIMITED ("Vendor")

GENESIS POWER LIMITED (trading as Genesis Energy) ("**Purchaser**")

INTRODUCTION

- A. Under the Electricity Industry Act 2010, the shareholding Ministers of the parties have directed the boards of directors of each party to require their respective companies to enter into this Agreement.
- B. This Agreement provides for the sale and purchase of the Assets and the transfer or novation of the Assumed Obligations from the Vendor to the Purchaser.

AGREEMENT

1. INTERPRETATION

- 1.1 **Definitions:** In this Agreement, unless the context otherwise requires:

"Agreed Form Contract" has the meaning set out in clause 10.5.

"Agreement" means this Agreement together with the Schedules.

"Agreement Date" means the date of this Agreement.

"Asset Records" means all documents, records, and information created by, or in the possession of, the Vendor (whether in written or electronic form) which relate solely to the Power Stations and/or the Assets including without limitation plans and maps, maintenance and operational records, communications with local bodies, statutory authorities, adjoining land owners and others, historical records relating to weather, snow-melt, and water inflows and outflows, asset registers, and systems management records.

"Assets" means:

- (a) all Land, Plant and Equipment, Asset Records, Consents, Intellectual Property, Consumables, and other assets that constitute part of or relate exclusively to the Power Stations together with all other things and rights that are exclusively intended for use or used at or in, or for the operation and maintenance of, the Power Stations, including those items specified in Schedule 2; and
- (b) without limiting paragraph (a):
 - (i) the rights and obligations of the Vendor under all the Commercial Contracts to the extent provided for in clause 10 and to the extent that they arise after the Settlement Date or are not exercised by the Settlement Date;

- (ii) all canals (including the Tekapo Canal), penstocks, control gates, dams, spillways, roads, bridges, measuring stations, intakes, tunnels and other works of any nature associated with or necessary for the operation of the Power Stations which are located on or in the Land and are owned by the Vendor;
- (iii) the Hydrometric Station Equipment;
- (iv) the Line;
- (v) a multi-pair copper conductor telecommunications cable between the Tekapo A Power Station and Gate 16 including an unused E1 telecommunication connection and the Nortel PABX Exchange unit located at the Tekapo A Power Station;
- (vi) the fibre optic cable and multi-core copper cable between the Tekapo A Power Station and the Transpower radio hut located in the vicinity of the Tekapo A Power Station; and
- (vii) the copper cable between the Lake Tekapo intake structure and control shed and from the Lake Tekapo water level recorder and control shed,

but does not include:

- (viii) any funds held as cash in hand or deposited with any bank or other financial institution, or any book debts or other payments owing to the Vendor as at Settlement;
- (ix) any agreements relating to the export of electricity to the national transmission grid, the sale of electricity generated at the Power Stations, nor any financial hedge agreements relating to wholesale electricity prices;
- (x) assets which are owned by Transpower New Zealand Limited or other parties and are listed or described in Schedule 9;
- (xi) the station servers and associated control terminals that are located in the Power Stations and which form part of the "Generation Control System"; and
- (xii) subject to subclauses (v) to (vii) above, any communications links, fibre optic cables or associated terminating equipment used in connection with the Power Stations or otherwise located on the Land.

"Assigned Contract" has the meaning in clause 10.1.

"Assumed Obligations" has the meaning in clause 10.8.

"Authority" means any minister, department of state, government authority, regional council, territorial authority or other statutory authority having jurisdiction or authority to perform or exercise functions or powers under or pursuant to any statute.

"Bill Rate" means the "FRA" rate for 90 day bank accepted bills (expressed as a percentage per annum) as quoted on Reuters page BKBM (or such other page as may replace that page on that service for displaying quotations for bank bills of exchange having a tenor of 90 days) at or about 10.45 am on the Business Day next following the due date.

"Business Day" means a day (other than a Saturday or Sunday or a public holiday) on which registered banks are open for the transaction of normal banking business in Wellington.

"Commercial Contracts" means the agreements listed in Parts A and B of Schedule 5.

"Consents" means the licences, approvals, authorisations, permits and consents held, made or given or applied for by, for or on behalf of, or given to, the Vendor in connection with the operation or ownership of the Power Stations and/or the Assets including without limitation the licences, approvals, authorisations, permits and consents listed in Parts E and F of Schedule 1 (those listed being the **"Specified Consents"**), and includes:

- (a) existing permissions, rights and authorities, water permits and discharge permits and land use consents under the Resource Management Act 1991 or any predecessor legislation or regulation;
- (b) similar or related consents or permits (including rights pursuant to section 124 of the Resource Management Act 1991 and all applications for any consents or other similar or related rights under that, or any other, legislation or regulation); and
- (c) notifications of any existing uses under the Water and Soil Conservation Act 1967 or any other legislation or regulation,

but, save for the Specified Consents, does not include any Consents held and required to be exercised by the Vendor in connection with its operations or assets, other than the Power Stations and/or the Assets.

"Consideration" means the purchase price for the purchase of the Assets and the assumption of the Assumed Obligations as specified in clause 3.1.

"Consumables" means all stocks of lubricants and other consumable items used in or relating exclusively to the Power Stations and/or the Assets.

"Counterparty" means each party to a Commercial Contract other than the Vendor.

"Counterparty Obligations" means:

- (a) in respect of Assigned Contracts, all obligations of a Counterparty which relate to the period after the Settlement Time; and
- (b) in respect of Split Contracts, all obligations of a Counterparty which are relevant to Purchaser Provisions and which relate to the period after the Settlement Time.

"Crown/ECNZ Agreements" means all or any of:

- (a) an agreement dated 22 December 1998 between Electricity Corporation of New Zealand Limited ("ECNZ") and the Vendor;
- (b) a deed entitled "Deed of Assumption and Release" dated 22 December 1998 between the Crown, ECNZ, and the Vendor; and
- (c) a deed entitled "Deed relating to Transfer of Meridian Energy Limited Land Titles" dated 16 February 2006 between the Crown, ECNZ, and the Vendor.

"Default GST" means an amount equal to any additional tax, civil penalty, late payment penalty or interest payable by the Vendor in relation to GST chargeable in respect of the Transaction as a consequence of the non-payment or late payment of such GST but does not include any such amount payable by reason of a default by the Vendor after payment of the GST (and any Default GST) to the Vendor by the Purchaser in accordance with this Agreement.

"Default Interest" is defined in clause 7.4.

"EIA" means the Electricity Industry Act 2010.

"Expert" means the person appointed as an expert under clause 15.1(a).

"Good Industry Practice" means that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled, reasonable and experienced operator in the hydro-electricity generation industry in the same or similar circumstances, with reference to best international standards and practice.

"GST" means goods and services tax imposed by the GST Act.

"GST Act" means the Goods and Services Tax Act 1985.

"Hydrometric Station Equipment" means the hydrometric assets and equipment listed in Schedule 6.

"Intellectual Property" means the intellectual property and industrial property rights and interests (including common law rights and interests) owned or held by the Vendor exclusively in connection with the Power Stations and/or the Assets including without limitation:

- (a) patents, trademarks, service marks, copyrights, registered designs, trade names, symbols and logos and any patent applications or applications to register trademarks, service marks and designs; and
- (b) all formulae, methods, plans, data, drawings, specifications, characteristics, equipment designs, inventions, discoveries, improvements, know how, experience, trade secrets or other information used exclusively in relation to, or developed exclusively in connection with, the Power Stations or the Assets,

and includes those items listed in Schedule 3.

"IRD" means the New Zealand Inland Revenue Department.

"Land" means freehold land and leasehold interests and all other rights or interests in land (including licences and easements) and rights under Part 3 of the Electricity Act 1992, held, legally or beneficially, by the Vendor (whether or not, in respect of freehold land, title has been issued in the name of the Vendor) listed in Schedule 1 together with all buildings, structures and facilities on, under or over any such Land which are owned by the Vendor subject in each case to any existing leases, licences, agreements to lease, easements or other encumbrances registered on any certificate of title for the Land or listed or described by class or category in Schedule 1.

"Line" means the 33kV transmission line running from the Pukaki substation to the Tekapo B Power Station including the disconnecter and protection equipment up to the demarcation point within the Pukaki substation.

"MIC Agreement" means the agreement described in paragraph 9 of Part B, Schedule 5.

"MIC Management Agreement" means the Mackenzie Irrigation Company Management Agreement substantially in the form set out in Schedule 8, the final terms of which are to be agreed between the parties.

"NZ GAAP" means generally accepted accounting practice as defined in the Financial Reporting Act 1993.

"Plant and Equipment" means all fixed and moveable plant, equipment, machinery, tools, vehicles, spare parts, furniture, fixtures and fittings used by the Vendor exclusively in relation to the Power Stations and/or the Assets including those items specified in Schedule 2.

"Power Stations" means the Tekapo A Power Station and the Tekapo B Power Station.

"Purchaser Provisions" has the meaning set out in clause 10.5.

"Recipient" means the recipient of the goods and services supplied pursuant to the Transaction for GST purposes.

"Rectification Period" means the period from the Settlement Date to the later of:

- (a) the date of the expiry or earlier termination of the TSA; and
- (b) 1 June 2012.

"Retained Obligations" has the meaning in clause 10.8.

"Security Interest" means:

- (a) in respect of any personal property, a security interest (as defined in the Personal Property Securities Act 1999 ("**PPSA**")); and
- (b) in respect of any other property or rights in any other property (in each case to which the PPSA does not apply), any interest which, were the PPSA to apply to that property or those rights, would constitute such a security interest.

"Settlement" means the performance by the Vendor of its obligations under clauses 6.2, 6.3 and 6.4 and the performance by the Purchaser of its obligations under clause 7.1.

"Settlement Date" means as the context may require, 1 June 2011 or the date on which Settlement takes place.

"Settlement Time" means one moment after the midnight immediately preceding the Settlement Date.

"Shareholding Ministers" means the Minister for State-Owned Enterprises and the Minister of Finance.

"Split Contract" has the meaning in clause 10.1.

"Stakeholders" means the parties, other than the Vendor, to the Commercial Contracts listed in Part B of Schedule 5.

"Subsidiary" means, in respect of any entity a subsidiary of that entity within the meaning in section 5 of the Companies Act 1993.

"Tax Invoice" has the same meaning as in the GST Act.

"Taxation" means all forms of taxation and all other statutory, governmental or local governmental impositions, duties, levies, tariffs and rates whether imposed or payable in New Zealand or elsewhere and includes any reassessment thereof, and all penalties, fines, interest costs, and expenses in connection with the foregoing.

"Tekapo A Power Station" means the power generating station located on certificate of title CFR 262118, Lot 1 (Canterbury Land Registry).

"Tekapo B Power Station" means the power generating station located on certificate of title CFR 425212, Lot 1 (Canterbury Land Registry).

"Tekapo Canal" means the canal which flows from the outlet of the Tekapo A power station to the inlet of the Tekapo B power station.

"Time of Supply" means the date on which the supply evidenced by this Agreement is treated as taking place for GST purposes pursuant to section 9 of the GST Act.

"Transaction", for the purposes of Section 4 of this Agreement, means the supply of goods and/or services by the Vendor for GST purposes pursuant to this Agreement.

"TSA" means the Agreement for Provision of Transitional Services between the parties signed on or about the date of this Agreement.

"Vendor Provisions" has the meaning set out in clause 10.5(b).

"Warranties" means those warranties contained in Schedule 4.

"Water Management Agreement" means the agreement between the parties of that name signed on or about the date of this agreement.

1.2 **Construction:** In this Agreement, unless the context otherwise requires, any reference to:

- (a) an agreement includes a contract, deed, licence, undertaking (in each case whether oral or written) or other document recording obligations (whether mutual or otherwise);
- (b) a consent includes an approval, authorisation, exemption, filing, licence, order, permit, recording or registration (and references to obtaining consents are to be construed accordingly);
- (c) an encumbrance includes a debenture, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, title retention, equity, deferred purchase option, right of pre-emption and any other Security Interest or third party right whether legal or equitable (and references to "encumber" are to be construed accordingly);
- (d) an event includes any act, omission, transaction or other occurrence and includes Settlement;
- (e) a person includes an individual, body corporate, an association of persons (whether corporate or not), a trust and a state and agency of a state (in each case, whether or not having separate legal personality and whether incorporated or existing in New Zealand or elsewhere); and
- (f) rights includes any interests, rights, powers, privileges, authorities, discretions, or remedies.

- 1.3 **Parties:** Unless the context otherwise requires, a reference to a party is to a party to this Agreement; and a reference to either party to this Agreement includes, as far as is consistent with the provisions of this Agreement, that party's successors in title and permitted assignees.
- 1.4 **Statutes and legislation:** References to a statute are to be construed to include regulations, directions, orders or notices made under or pursuant to that statute and references to a statute or part of a statute that is repealed are to be construed as referring to any subsequent enactment passed in substitution for the repealed statute or part of the statute, unless otherwise provided in this Agreement.
- 1.5 **General references:** References to:
- (a) one gender include each other gender;
 - (b) clauses or Schedules are to clauses of, or Schedules to, this Agreement;
 - (c) the singular includes the plural and vice versa; and
 - (d) an agreement include that agreement as amended, supplemented, novated or substituted from time to time.
- 1.6 **Schedules:** Any Schedules and the provisions and conditions contained in such Schedules will have the same effect as if set out in the body of this Agreement.
- 1.7 **Headings:** Clause and other headings and the table of contents are for ease of reference only and will not be deemed to form any part of the content of, or to affect the interpretation of, this Agreement.
- 1.8 **No Contra Proferentem Construction:** In the construction of this Agreement, the rule known as "contra proferentem" does not apply.
- 1.9 **Definition of "Material":** In this Agreement a matter is "Material" if it has or is likely to have an effect on the value of the Power Stations and/or the Assets greater than \$1,000,000 (calculated in accordance with the valuation methodology that was used to determine the Consideration), or an effect on the annual gross income which may be earned from the operation of the Power Stations and/or the Assets greater than \$500,000 (calculated in accordance with clause 11 of the Water Management Agreement), or if it imposes or is likely to impose an obligation on the operator of the Power Stations likely to involve expenditure greater than \$1,000,000.

2. SALE AND PURCHASE

- 2.1 **Sale and purchase:** With effect from the Settlement Time:
- (a) the Vendor will sell and the Purchaser will purchase the Assets; and
 - (b) the Purchaser will assume liability for, and the Vendor will be released (to the extent possible) from its obligations in respect of, the Assumed Obligations,
- upon the terms and conditions contained in this Agreement.
- 2.2 **No assumption of liabilities:** Except as expressly provided in this Agreement, the Purchaser does not assume any liabilities of the Vendor in relation to the Assets or the Power Stations.

3. CALCULATION OF THE CONSIDERATION

3.1 **Consideration:** The Consideration shall be \$820,996,030, apportioned as follows:

Penstock / Penstock Tunnel	\$123,149,405
Tailrace	\$24,629,881
Canals (including inlets)	\$369,448,214
Generating equipment	\$123,149,405
Control equipment	\$57,469,722
Powerhouse and Facilities (including land)	\$41,049,802
Turbines	\$82,099,603

3.2 **Lowest Consideration:** The parties agree that:

- (a) the Consideration is the lowest price that they would have agreed upon with respect to the Assets at the time this Agreement was executed on the basis of payment in full at the time at which the first right in the Assets is to be transferred; and
- (b) they will compute their taxable income for the relevant period on the basis that the Consideration includes no capitalised interest, and will file their tax returns accordingly.

For the purposes of this clause the term "right" in the Assets shall bear the same meaning as the term "right" in section YA 1 of the Income Tax Act 2007.

4. GST

4.1 **Definitions:** Unless the context requires otherwise, words used in this Section 4 that are defined in the GST Act shall have the same meaning in this clause.

4.2 **GST zero-rated:** The parties agree that the Transaction constitutes a supply that partly consists of land and, as a consequence, the Transaction is zero rated for GST purposes pursuant to section 11(1)(mb) of the GST Act, and that they will each file their GST returns on that basis.

4.3 **Purchaser's section 78F statement:**

- (a) The Purchaser warrants that it will be the Recipient and that, as at the Time of Supply and on the Settlement Date, it:
 - (i) will be a registered person; and
 - (ii) is acquiring the Assets with the intention of using them for making taxable supplies.
- (b) The Vendor represents and warrants that as at the Time of Supply and on the Settlement Date it is a registered person.

4.4 **Purchaser's registration number:** The Purchaser's registration number is 71 067 769.

- 4.5 **GST and Default GST payable in addition to Consideration:** Notwithstanding any provision of this Agreement, if it is determined that GST is chargeable at a rate greater than zero percent in respect of the Transaction, and the Vendor is required to account to Inland Revenue for such GST (and any related Default GST) the Purchaser shall, upon demand by the Vendor and subject to receiving reasonable evidence that the GST (and Default GST) is so chargeable and a tax invoice or debit note (as applicable), pay to the Vendor:

- (a) such GST and Default GST; and
- (b) interest at the Bill Rate plus 3% per annum on any moneys paid by the Vendor to Inland Revenue in respect of the Transaction from the date of payment of such moneys until the Purchaser has reimbursed the Vendor in full for all such moneys.

- 4.6 **Non-mitigation:** As between the Vendor and the Purchaser, the Vendor is not under any obligation to pay any GST or Default GST, or to take any other steps to minimise the Vendor's liability in respect of that GST or Default GST, unless and until the Purchaser has made the corresponding payment to the Vendor in accordance with this Agreement.

5. FURTHER ASSURANCES

- 5.1 **Further assurances:** Each party will sign, execute and do all deeds, schedules, acts, documents and things as may reasonably be required by the other party effectively to carry out and give effect to the terms and intentions of this Agreement, whether before or after Settlement. The obligations under this clause will not impose a greater burden on the Vendor in respect of title to the Land than those set out in clauses 6 and 11.2.
- 5.2 **No merger:** The provisions of this Agreement, and anything done under, or in connection with, this Agreement (including without limitation Settlement) shall not operate as a merger of any of the rights, powers or remedies of either party under, or in connection with, this Agreement or at law, and those rights, powers and remedies shall survive and continue in full force and effect to the extent that they are unfulfilled.

6. SETTLEMENT

- 6.1 **Time and place:** Settlement will take place at 1.00 pm. on the Settlement Date at the offices of Russell McVeagh, Wellington or at such other place or time as the Vendor and the Purchaser may agree.
- 6.2 **Possession and title:** Possession of and title to the Assets will be given and taken on the Settlement Date on which date the Vendor will sell, transfer and assign the Assets to the Purchaser and the Purchaser will purchase the same and will assume responsibility for the Assumed Obligations in all respects. Upon Settlement, that sale, transfer, assignment and assumption will be deemed to have had effect as at the Settlement Time.
- 6.3 **Delivery of Assets on Settlement Date:** On the Settlement Date, the Vendor will make available to the Purchaser possession and control of the Assets, except those to which the provisions of clause 6.4 relate.
- 6.4 **Delivery of documents on Settlement Date:** On Settlement the Vendor shall deliver or make available (at a place and in a manner agreed by the Purchaser acting reasonably) to the Purchaser:

- (a) **Titled Land:** in respect of any Land for which title has been issued to the Vendor or over which the Vendor has been granted a registered interest, such documents or instruments in written or electronic form as are necessary or customary to enable the Purchaser to be registered as proprietor of that Land or to take the legal benefit of the relevant registered interest;
- (b) **Other Land Interests:** where no certificate of title or other registered interest is available over or in respect of any Land, all executed agreements (if any) which evidence entitlement to or rights in respect of that Land together with duly executed transfers in favour of the Purchaser (to the extent that such transfers are reasonably required by the Purchaser);
- (c) **Contracts:** copies of the Assigned Contracts and Split Contracts in the forms currently held by the Vendor (and whether original copies, in executed form or otherwise (the Purchaser acknowledging that executed or original copies of any such contracts may not be available));
- (d) **Intellectual Property:** copies of all agreements and relevant written information in the possession or control of the Vendor relating to the Intellectual Property listed in Schedule 3;
- (e) **Other Records:** all other documents evidencing interests in Land (including licences and easements) together with duly executed transfers thereof in favour of the Purchaser (to the extent such transfers are required) and all other Asset Records;
- (f) **Consents:** except to the extent (if any) that Consents are transferred to the Purchaser by operation of any statutory provision transfers (in the form reasonably acceptable to the Purchaser and the relevant consent authority) in respect of each Consent (if required), completed by the Vendor as holder of that Consent in favour of the Purchaser;
- (g) **Maximo printout:** a copy of all work orders contained on the Vendor's Maximo database for the six month period following Settlement relating exclusively to one or both of the Power Stations; and
- (h) **Other:** all other documents and things reasonably necessary to transfer to the Purchaser title to and possession of any Assets which the Purchaser may by notice to the Vendor not less than 14 calendar days before the Settlement Date reasonably require.

6.5 **Trust relationship where legal title not transferred:** Notwithstanding that legal title to certain Assets may not effectively pass to the Purchaser until after the Settlement Time, it is the intention of the parties that, subject to the remaining provisions of this clause 6, the Purchaser will be fully entitled to those Assets and will assume control of those Assets with effect from the Settlement Time and will thereafter receive all benefits and assume all burdens arising from those Assets. In order to implement this intention:

- (a) the Vendor will (so far as permitted by law and subject to the remaining provisions of this clause 6) hold the relevant Assets on trust (as bare trustee) for the benefit of the Purchaser as from the Settlement Time until legal title passes to the Purchaser and promptly account to the Purchaser for all benefits actually received by the Vendor which arise out of the ownership of those Assets after the Settlement Time;
- (b) the Purchaser will take over, perform and comply with all conditions, burdens, liabilities and pay all outgoings to the extent they relate to or arise from those Assets (including any conditions of the Consents) from the Settlement Time

and will from the Settlement Time indemnify the Vendor from and against all actions, claims, damages, costs and expenses and losses of whatever nature which the Vendor may sustain, suffer or incur, or which may be made against it, as a result of any failure by the Purchaser to perform or comply with those conditions, burdens or liabilities or to pay those outgoings; and

- (c) without limiting the foregoing, the Purchaser shall be entitled to rely on each Consent with the express permission of the Vendor for the purposes of section 3A of the Resource Management Act 1991.

6.6 Notice of sale and Resource Consents: Immediately following Settlement:

- (a) the Vendor will give all relevant notices to the relevant authorities, of the sale and purchase evidenced by this Agreement; and
- (b) without limiting any other obligations that the Purchaser may have, the Purchaser will promptly complete and file with the relevant Authority all transfers delivered under clause 6.4(f).

6.7 Submissions:

- (a) On Settlement the Vendor shall to the extent it is legally able so to do, transfer and assign to, and the Purchaser will inherit as successor, all of the Vendor's rights and interest in any submissions (as defined in the Resource Management Act 1991) ("**Submission**") made by the Vendor solely in relation to the Power Stations or the Assets; and
- (b) To the extent that it is not possible to transfer the Vendor's rights and interest in any Submission to the Purchaser, the Vendor will appoint the Purchaser as its agent to continue with the Submission in such manner as the Purchaser reasonably thinks fit (and at the Purchaser's sole cost).

7. PAYMENT OF THE CONSIDERATION

7.1 Payment on Settlement: On the Settlement Date, immediately after the Vendor has complied with clauses 6.3 and 6.4, the Purchaser shall pay to the Vendor the total amount of:

- (a) the Consideration;
- (b) plus or less the net apportionments under clause 7.2 (to the extent that they have been determined as at Settlement).

7.2 Apportionment: All rent, rates, power, telephone, water and other outgoings of a periodic or recurring nature (excluding insurance premiums) and all incomings of a periodic or recurring nature including without limitation amounts payable or receivable under Commercial Contracts, shall be apportioned as at Settlement between the Vendor and the Purchaser.

Each payment to be made under this clause 7.2 shall be made upon Settlement, or as soon after Settlement as the amount of that payment is determined. The parties shall use their best endeavours to ensure that the amount of each payment to be made under this clause is determined as quickly as possible. If the amount of any payment has not been determined by the date 40 Business Days after Settlement, either party may require it to be determined under clause 15. A party which makes a payment under this clause after Settlement shall also pay to the other party interest on the amount of that

payment calculated on a daily basis at the Bill Rate for the period from Settlement to the date of payment.

- 7.3 **TPNZ Adjustment:** Without limiting clause 7.2, if Transpower New Zealand Limited ("TPNZ") seeks to recover from the Purchaser any amount on account of TPNZ's apportionment methodology (as that methodology applies to HVDC rental amounts and their apportionment to South Island based electricity generators) and that amount:

- (a) relates to the Power Stations; and
- (b) wholly or partly relates to a period before the Settlement Date,

(a "TPNZ Claim"),

then, subject to clause 17, the Vendor shall pay to the Purchaser (if and to the extent the Vendor has not satisfied such amount directly with TPNZ) the amount of the TPNZ Claim that relates to the period before the Settlement Date (and interest or other charges payable to TPNZ in respect of the TPNZ Claim). For the avoidance of doubt, if TPNZ makes, or may seek to make, any TPNZ Claim against the Purchaser, clause 17 shall apply.

If the amount payable by the Vendor has not been agreed by the date 40 Business Days after the Purchaser requests payment of an amount under this clause or, if the Vendor exercises its rights under clause 17 in relation to the TPNZ Claim, 40 Business Days after the conclusion of action taken by the Vendor under clause 17, either party may require it to be determined under clause 15. The Vendor shall in such circumstances also pay to the Purchaser interest on the amount paid by the Vendor calculated on a daily basis at the Bill Rate for the period (if any) from the date on which the Purchaser makes payment to TPNZ to the date on which the Vendor pays the Purchaser.

- 7.4 **Default interest:** If either party does not pay any amount payable under this Agreement (other than an amount payable under clause 4.5) on the due date for payment ("**Due Date**") that party shall pay to the other party interest (both before and after judgment) on that amount. That interest shall be:

- (a) paid at the Bill Rate plus 5% per annum; and
- (b) calculated on a daily basis from and including the Due Date until the unpaid amount is paid in full.

The right of a party to require payment of interest under this clause does not limit any other right or remedy of that party.

- 7.5 **Payments:** The Purchaser shall pay all amounts payable under this Agreement in immediately available funds:

- (a) free of any restriction or condition;
- (b) free of and (except to the extent required by law) without any deduction or withholding on account of any Taxation; and
- (c) without any deduction or withholding on account of any other amount, whether by way of set-off, counterclaim or otherwise.

- 7.6 **Reduction in Consideration:** Any monetary amount received by the Purchaser as a result of any breach by the Vendor of any Warranty or any other obligation under this Agreement is to be in reduction and refund of the Consideration.

8. ASSETS AND ASSUMED OBLIGATIONS

8.1 Identification of Assets and Assumed Obligations: Immediately after execution of this Agreement, the parties will (to the extent they have not already done so) consult in good faith, and use all reasonable endeavours, to agree and develop the terms of an agenda for Settlement in relation to the sale of the Assets and Assumed Obligations under this Agreement which identifies (so far as is reasonably possible in the circumstances) the documents and other records required to be delivered to the Purchaser on the Settlement Date under clauses 6.4(a) to 6.4(g). Nothing in that agenda is to limit or supersede the rights or obligations of the parties under this Agreement.

8.2 Rectification: If during the Rectification Period:

- (a) it is apparent that any assets or liabilities of the Vendor which fall within the definition of "Assets" or "Assumed Obligations" in clause 1.1 were not transferred or delivered to, or assumed by, the Purchaser in accordance with this Agreement then those assets or liabilities will be transferred or delivered by the Vendor to, and assumed by, the Purchaser as soon as practicable; or
- (b) it is apparent that any assets or liabilities which fall outside the definition of "Assets" or "Assumed Obligations" in clause 1.1 were transferred or delivered to, or assumed by, the Purchaser in accordance with this Agreement then those assets or liabilities will as soon as practicable, be transferred or delivered by the Purchaser back to the Vendor and assumed by the Vendor.

8.3 Deemed transfers: If, after the Settlement Date:

- (a) any asset or liability is transferred or delivered to, or assumed by, the Purchaser pursuant to clause 8.2(a), that asset or liability will be deemed for all purposes to have been transferred to, or assumed by, the Purchaser under this Agreement with effect from the Settlement Time; or
- (b) any asset or liability is transferred or delivered back to, or assumed by, the Vendor pursuant to clause 8.2(b), that asset or liability will be deemed for all purposes never to have been transferred to, or assumed by, the Purchaser,

and the parties shall make such payments between themselves as are necessary to reflect that position.

8.4 Indemnity: The Vendor shall (except as expressly provided in this Agreement) indemnify the Purchaser against any claim or liability incurred by the Purchaser:

- (a) as a direct consequence of a breach by the Vendor, prior to the Settlement Time, of:
 - (i) a Commercial Contract;
 - (ii) an obligation arising by statute or regulation;
 - (iii) any Consent; or
 - (iv) a tortious duty owed to any third party; and
- (b) which directly relates to the ownership of the Assets or the operation of the Power Stations before the Settlement Time.

8.5 Hydrometric Stations: The parties record that:

- (a) the Hydrometric Station Equipment is located at locations other than the Land; and
- (b) there are other hydrometric stations (being those known as Tekapo River at Lake George Scott (but excluding the primary logger, kainga encoder and EPB owned by a third party), Tekapo Canal Inlet, Lake Tekapo at Gate 16, Tekapo Canal 8.6km, Tekapo Canal 19.1km, Tekapo Canal 25km, Tekapo B Headwater, Tekapo B Power Station, Tekapo Canal leakage monitoring site) that are located on the Land and that will pass to the Purchaser together with the Land, and as part of the Assets.

8.6 **Licensed Consents:** Without limiting the obligation of the Vendor under this Agreement to transfer the Consents, to the extent permitted by the terms of any resource consent or any statute, the Vendor grants to the Purchaser an exclusive, non-transferable, royalty free, irrevocable licence to exercise the Vendor's rights under any resource consents not transferred to the Purchaser under this Agreement but only to the extent that those consents directly relate to the Power Stations or the Assets. The Vendor shall within 20 Business Days after Settlement notify the Purchaser of each resource consent which falls within the preceding sentence (the resource consents so notified being "**Licensed Consents**"). The Purchaser:

- (a) shall pay to the Vendor a proportionate share of any fees payable in relation to the Licensed Consents (as determined by the Vendor acting reasonably); and
- (b) indemnifies the Vendor against all loss or claims suffered or incurred by the Vendor as a result of anything done or omitted to be done by the Purchaser in relation to the Licensed Consents.

Irrespective of whether all Replacement Consents (as defined below) have been obtained by the Purchaser, the licence contained in this clause 8.6 shall terminate on the earlier of:

- (c) the date three years from the Settlement Date; and
- (d) the date on which the relevant Licensed Consent expires or is required to be renewed.

8.7 **Replacement Consents:** After Settlement, the Purchaser must use reasonable endeavours to promptly obtain all such licences, permits or resource consents in its own right to replace the Licensed Consents ("**Replacement Consents**"). On the granting of any Replacement Consent:

- (a) the Purchaser must promptly inform the Vendor in writing of this; and
- (b) the licence contained in clause 8.6 shall terminate with immediate effect in respect of the relevant Licensed Consent replaced by the Replacement Consent.

The Vendor shall not oppose applications by the Purchaser for Replacement Consents.

9. **VENDOR'S OBLIGATIONS PENDING SETTLEMENT**

9.1 **Operation of business:** Subject to any agreement to the contrary between the parties, the Vendor undertakes that from and after the date of this Agreement until the Settlement Date it will:

- (a) **Operation of Business:** operate, conduct and deal with the Power Stations and the Assets in the ordinary course of business and in accordance with Good Industry Practice.
- (b) **Maintain Assets:** maintain all Assets in accordance with Good Industry Practice and in accordance with the Vendor's 2009/2010 maintenance plan, a copy of which is attached as Schedule 10;
- (c) **No Encumbrances:** not sell, transfer, lease, assign or otherwise dispose of or encumber or permit any encumbrance to arise over any Asset (except in the ordinary course of business or pursuant to retention of title clauses imposed by suppliers in the ordinary course of business).
- (d) **No Material Contracts:** not enter into any contract which would have a Material impact on the future viability or operation of the Power Stations except after prior consultation with and the approval of the Purchaser, which approval will not be unreasonably withheld or delayed except that no consultation will be required where an urgent decision is necessary in the case of an emergency or other situation which:
 - (i) may endanger the safety of any person; or
 - (ii) compromises the security of any Asset; or
 - (iii) is likely to result in an imminent breach of any consent, statute, regulation, by-law or other legal requirement,and the Vendor must notify the Purchaser forthwith after entry into of the relevant contract.
- (e) **Operation of Power Stations:** operate the Power Stations and the other Assets as a reasonable and prudent operator in accordance with Good Industry Practice including, for the avoidance of doubt, taking such steps as may be necessary in the case of an emergency or other situation which may endanger the safety of employees of the Vendor or the security of any Material Asset (notwithstanding any other provision of this clause 9.1).
- (f) **Consents:** maintain, comply with in all material respects, and, if necessary, seek renewals of all licences, consents or authorisations currently held by the Vendor relating to or governing the holding or operation of the Power Stations and the Assets.
- (g) **Material expenditure:** not make or commit to make any expenditure on any item or related series of items that is reasonably likely to alter the value of the Assets to be transferred to the Purchaser by \$1,000,000 or more, except after prior consultation with and the approval of the Purchaser, which approval will not be unreasonably withheld or delayed, except that no consultation will be required where an urgent decision is necessary in the case of an emergency or other situation which:
 - (i) may endanger the safety of any person; or
 - (ii) compromises the security of any Asset; or
 - (iii) is likely to result in an imminent breach of any consent, statute, regulation, by-law or other legal requirement,

and the Vendor must notify the Purchaser forthwith after making the relevant expenditure or commitment.

- (h) **Notification:** promptly notify the Purchaser of any law suits, claims, proceedings (other than normal debt collection proceedings), investigations or adverse events which may occur, be threatened, brought, asserted or commenced against it, its directors or employees, involving or affecting the Power Stations or other Assets.
 - (i) **No removal:** not remove any plant, equipment, fixtures or fittings from the Power Stations, except for the purposes of routine replacement of plant or equipment, and maintain the level of spare parts and Consumables held in respect of the Power Stations in accordance with the practices of the Vendor over the three years ended 9 December 2009.
 - (j) **Stakeholders:** continue (subject to clause 10) to deal with Stakeholders in the ordinary course and in accordance with the previous practice of the Vendor.
- 9.2 **Full co-operation:** Subject to the provisions of this Agreement, the Vendor will, pending Settlement, cause its officers and employees to co-operate fully with and make complete disclosure to the Purchaser of all material facts relating to the Assets and the Assumed Obligations.
- 9.3 **The Purchaser's conduct pending Settlement:** Subject to the provisions of this Agreement, the Purchaser undertakes in favour of the Vendor that, pending Settlement, the Purchaser will not interfere in any way with the Vendor's operation or conduct of, or dealing with, the Assets in the ordinary course of business.
- 9.4 **Information:** Between the date of this Agreement and Settlement, the Vendor shall provide the Purchaser and its duly authorised representatives (including its professional and financial advisers) with access during the Vendor's normal operating hours to the Asset Records and the Assets to familiarise the Purchaser with the Assets.
- 9.5 **Obligation to notify:** If, at or prior to Settlement, any of the Warranties, or any of the obligations of the Vendor under this Agreement, are breached or unfulfilled the Vendor shall immediately give notice to the Purchaser of that fact and the circumstances giving rise to it.

10. CONTRACTS

- 10.1 **Treatment of Contracts:** The Commercial Contracts are divided into two categories as follows:
- (a) all rights and obligations under the Commercial Contracts listed in Part A of Schedule 5 ("**Assigned Contracts**") are to be assumed entirely by the Purchaser;
 - (b) certain rights and obligations under the Commercial Contracts listed in Part B of Schedule 5 ("**Split Contracts**") are to be assumed by the Purchaser, and other rights and obligations are to remain with the Vendor.
- 10.2 **Assignment of Assigned Contracts:** If and to the extent that an Assigned Contract is capable of being assigned to the Purchaser without the prior written consent of the relevant Counterparty, the Vendor assigns to the Purchaser, with effect from the Settlement Time, all of the Vendor's property and contractual rights in that Assigned Contract.

10.3 **TPNZ Contracts:** The Vendor and the Purchaser are required to enter into certain documents in order for the Facilities Deeds (as listed at paragraphs 1 and 4 of Part A, Schedule 5) to be assigned to the Purchaser. In particular:

- (a) the parties and Transpower New Zealand Limited ("**TPNZ**") are required to enter into "Deeds of Continuance" in the form specified in each Facilities Deed; and
- (b) the Vendor must discharge its existing encumbrance, and the Purchaser must grant a new encumbrance, in respect of TPNZ's lease of the switchyards located at each Power Station (as listed in Part D, Schedule 1).

The parties agree that they will use all reasonable endeavours to ensure such documentation is finalised and entered into by each party as soon as practicable following Settlement.

10.4 **Assigned Contracts:** Notwithstanding clause 10.2, the parties shall as from the date of this Agreement use reasonable endeavours to cause the Counterparties to each Assigned Contract to agree to:

- (a) the assignment and transfer to the Purchaser of all rights and obligations under that Assigned Contract; and
- (b) the release of the Vendor from its obligations under that Assigned Contract.

If a Counterparty agrees in terms of either sub-clause (a), or subclauses (a) and (b), the parties shall take all necessary steps to enter into an appropriate document between the Vendor, the Purchaser and that Counterparty recording those matters.

10.5 **Split Contracts:** Subject to clause 10.6, in respect of the Split Contracts, the parties have agreed between themselves a division of responsibilities in relation to each Split Contract as set out in the forms of the agreements contained in Schedule 7 ("**Agreed Form Contract**"). Irrespective of whether the relevant Counterparty(ies) have agreed to the terms of an Agreed Form Contract and that Agreed Form Contract has been executed by the parties to it, as from the Settlement Time:

- (a) the parties agree that they will be bound by the terms of the Agreed Form Contracts as if they had been executed by all parties to them and were binding upon those parties;
- (b) the Vendor shall perform the obligations imposed on, and have the benefit of the rights expressed to be for the benefit of, the Vendor under each Agreed Form Contract ("**Vendor Provisions**"); and
- (c) the Purchaser shall perform the obligations imposed on, and have the benefit of the rights expressed to be for the benefit of, the Purchaser under each Agreed Form Contract ("**Purchaser Provisions**") provided that all such obligations shall be owed to the Vendor not the relevant Counterparty.

This clause shall cease to apply to a Split Contract if and when the relevant Agreed Form Contract(s) is or are entered into in substitution for, or as an amendment to, that (or those) Split Contract.

10.6

10.7 **Separate Agreements with Counterparties:** As soon as practicable after Settlement, the Vendor and the Purchaser shall each use all reasonable endeavours to finalise the terms of each Agreed Form Contract with the relevant Counterparty. Each final Agreed Form Contract shall be substantially in the form in Schedule 7 provided that the Vendor and the Purchaser may make such amendments to the Agreed Form Contracts that:

- (a) they consider are necessary or desirable to give effect to the purposes set out in section 120 of the EIA; or
- (b) are administrative or technical in nature.

Once finalised with the relevant Counterparty, the Vendor and the Purchaser shall enter into and give effect to each Agreed Form Contract. Once the agreement amending the MIC Agreement is finalised with the Counterparty, the Vendor and the Purchaser shall enter into and give effect to the MIC Management Agreement.

10.8 **Performance of Obligations:** The Purchaser shall as from the Settlement Time be responsible for the performance of all obligations under Assigned Contracts and all obligations under the Purchaser Provisions (together "**Assumed Obligations**"). The Vendor shall both before and after the Settlement Time remain responsible for the performance of all obligations under the Vendor Provisions ("**Retained Obligations**"). The parties shall to the fullest extent co-operate with each other to enable the appropriate party to perform each obligation. This clause 10.8 shall apply whether or not a Counterparty has agreed to assignment, transfer, or other matters in terms of clauses 10.4 or 10.7.

- 10.9 **Payments under Contracts:** The Purchaser shall be entitled to receive and retain amounts payable by Counterparties insofar as those amounts relate to the performance after the Settlement Time of Assumed Obligations, and the Vendor shall be entitled to receive and retain amounts payable by Counterparties insofar as those amounts relate to the performance of obligations under Commercial Contracts before the Settlement Time, or to the performance of Retained Obligations. The parties shall, except insofar as the matter is dealt with under clause 7.2, make such payments between themselves as are necessary to give effect to the preceding sentence. Each party shall provide to the other such information as is necessary to enable the other party to calculate the amounts payable under this clause. The parties shall use reasonable endeavours to ensure that the amount of each payment to be made under this clause is determined as quickly as possible.
- 10.10 **Counterparty Obligations and Variation:** The Vendor shall when requested by the Purchaser take such steps as the Purchaser may request to enforce Counterparty Obligations (including correspondence and negotiations with Counterparties and litigation with Counterparties). The parties shall co-operate with each other to the fullest extent to ensure that Counterparty Obligations are performed by Counterparties, and enforced if not performed. The Purchaser shall pay the Vendor's reasonable costs of taking steps requested by the Purchaser under this clause, and shall indemnify the Vendor against any liability incurred in taking any such steps. The Vendor shall not agree to any amendment or variation to, or waiver of, a provision of a Split Contract that corresponds to a Purchaser Provision without the prior consent of the Purchaser. This clause shall only apply to an Assigned Contract if and until the benefit of that Assigned Contract is assigned to the Purchaser under clause 10.2, or a document in terms of clause 10.4 is entered into in respect of that Assigned Contract, and shall cease to apply to a Split Contract if and when the relevant Agreed Form Contract(s) is entered into.
- 10.11 **Mutual Indemnity:** The Purchaser shall indemnify the Vendor against all claims, liabilities and expenses which arise by reason of failure by the Purchaser after the Settlement Time to perform any Assumed Obligation. The Vendor shall indemnify the Purchaser against all claims, liabilities and expenses which arise by reason of the failure of the Vendor to perform any obligation under a Commercial Contract before the Settlement Time, or to perform any Retained Obligation after the Settlement Time.
- 10.12 **Expert Determination:** If the parties are unable to agree between themselves on the form of any document referred to in clause 10.4 or any payment to be made under clause 10.9, either party may require that matter to be determined by an Expert in accordance with clause 15.
- 10.13 **Legislative Direction:** If pursuant to any legislation the Shareholding Ministers give a direction dealing with the retention or transfer, or sharing or splitting of, any Commercial Contract, or requiring replacement contracts, that direction shall, to the extent it is inconsistent with this clause 10, prevail over this clause 10.
- 10.14 **Crown Indemnity:** The Vendor is the beneficiary of an indemnity from the Crown contained in a document entitled "Deed of Indemnity from the Crown under section 59 of the Public Finance Act 1989 in favour of Meridian Energy Limited, Mighty River Power Limited and Contact Energy Limited" dated 12 October 2004 (the "**Indemnity**"). The Vendor:
- (a) agrees that as from the Settlement Time the Purchaser, as the Vendor's successor in title to the Power Stations, may enforce the Indemnity in respect of any land which is subject to the Lake Tekapo/Lake McGregor operating easement, the Tekapo River operating easement, and any other operational land related to the Power Stations; and

- (b) to the fullest extent to which it is entitled at law to do so, assigns and transfers to the Purchaser, as from the Settlement Time, the right to enforce the Indemnity in the manner specified in sub-clause (a).

The parties shall use reasonable endeavours, both before and after Settlement, to obtain from the Crown confirmation of the rights of the Purchaser referred to in this clause.

11. VENDOR'S RETAINED INTERESTS/TITLE TO LAND

11.1 **Retained interests:** The Purchaser acknowledges that, following Settlement, the Vendor will continue to operate a power generation business in the vicinity of the Land and that in operating such business, the Vendor will, from time to time, require rights to access the Land and any other land owned legally or beneficially by the Purchaser for the purpose of utilising, maintaining, repairing or otherwise dealing with the Vendor's operations and assets. The Purchaser agrees to grant all such rights of access and to allow the Vendor to undertake such works and shall, if requested by the Vendor, enter into a formal document or documents capable of registration with Land Information New Zealand giving full effect to such rights. Without limiting the generality of the foregoing, the Purchaser shall ensure that the following specific interests are granted to the Vendor:

- (a) a vehicular right of way over the road known as Hayman Road, to the extent that it is owned by the Purchaser and not by the relevant district council;
- (b) a right to lay, install, maintain, repair and replace that part of the 33kV transmission line that does not form part of the Line along an adequate width corridor;
- (c) a right to lay, install, maintain, repair and replace the fibre optic cable and associated terminating equipment used in connection with the Power Stations in an adequate corridor; and
- (d) a right of access over the land currently comprised within certificate of title 425212 (Canterbury Registry) in order to access the boat ramp on such land and in order to access Lake Pukaki to enable the Vendor to continue to enjoy its rights and interests and to comply with its obligations under the Lake Pukaki operating easement created by registered easement 7611810.1.

11.2 **Action by Vendor:** The Vendor shall, both before and after Settlement, take such steps as may reasonably be required by the Purchaser to obtain title to that Land set out in Part B of Schedule 1, under the Land Transfer Act 1952 ("**Title**"), which for that Land which is subject to the Crown/ECNZ Agreements shall be by the Vendor:

- (a) exercising the Vendor's rights pursuant to the relevant provisions of the Crown/ECNZ Agreements;
- (b) using all commercially reasonable endeavours to procure any counterparty to the Crown/ECNZ Agreements to comply with their relevant obligations in those agreements; and
- (c) complying with the Vendor's obligations pursuant to the relevant provisions of the Crown/ECNZ Agreements,

to the intent that such Land shall be transferred to the Vendor from Electricity Corporation of New Zealand Limited.

- 11.3 **Expenses:** The Purchaser shall pay the Vendor's reasonable out-of-pocket expenses in taking any step of the nature referred to in clause 11.2 after the Settlement Time.
- 11.4 **Transfer of Title:** If after the Settlement Time the Vendor obtains Title to any Land the Vendor shall forthwith transfer Title to that Land to the Purchaser, and the provisions of clause 6.4 shall apply with the necessary modifications.
- 11.5 **Power of Attorney:** If Title to all Land has not been obtained by the Vendor within 18 months after the Settlement Date ("**Title Issue Date**"), then the Vendor, for the consideration expressed in this Agreement:
- (a) shall, at the written request of the Purchaser, irrevocably appoint the Purchaser from the Title Issue Date to sign and deliver on the Vendor's behalf and as attorney for the Vendor any document required to be executed and delivered by the Vendor in accordance with the Crown/ECNZ Agreements to obtain Title to any Land provided that the Purchaser shall not sign or deliver any document that gives rise to any liability or obligation on the Vendor which is not to be assumed by the Purchaser or derogates from any right of the Vendor (other than in respect of the transfer of Title to Land to the Purchaser) without the Vendor's prior written consent; and
 - (b) agrees to ratify and confirm whatever the Purchaser lawfully does as an attorney under this clause 11.5.
- 11.6 **Indemnity:** The Purchaser shall indemnify the Vendor against any liability incurred by the Vendor (including all costs incurred) as a result of anything done by:
- (a) the Vendor at the request of the Purchaser in relation to the Land including but not limited to anything done pursuant to clause 11.2; or
 - (b) the Purchaser acting as the Vendor's attorney pursuant to clause 11.5.
- 12. RISK**
- 12.1 **Risk:** The Assets will be at the sole risk of the Vendor until the Settlement Time and thereafter will be at the sole risk of the Purchaser.
- 12.2 **Obligation to insure:** The Purchaser will be responsible for the insurance of the Assets as from the Settlement Time and shall obtain from that date the same or similar insurance cover for the Assets as the Purchaser has in place for its other hydro-electricity generation assets.
- 12.3 **Damage to Assets before Settlement:** If any of the Assets are lost, destroyed or damaged before Settlement and the loss, destruction or damage has not been made good by the Settlement Date, the Purchaser shall complete the purchase of the Assets upon the basis that the Consideration is reduced by an amount equal to the amount needed to make good the loss, destruction or damage but no reduction shall be made to the Consideration if and to the extent that the Vendor's insurer has agreed to reinstate the relevant Assets within a period of time acceptable to the Purchaser acting reasonably.
- 12.4 **Dispute resolution:** If the parties do not agree on the amount by which the Consideration is to be reduced pursuant to clause 12.3, either party may require it be determined under clause 15. The appointee under that clause shall have the power, which shall be binding on the parties, to defer and fix a new date for Settlement which shall be treated for all purposes as the Settlement Date.

13. NO RELIANCE ON VENDOR**13.1 Release:** The Purchaser:

- (a) confirms that in entering into this Agreement, it has not relied on any statement, representation, warranty, condition, promise or undertaking by the Vendor or any authorised representative, agent, contractor or employee of the Vendor made in the course of communications or negotiations, whether express or implied and whether oral or written or resulting from, or implied by conduct, before or during the making of this Agreement, unless it is expressly set out in this Agreement; and
- (b) agrees that save for the Warranties, all express or (to the extent permitted by law) implied, or other representations or warranties of the Vendor in relation to the sale of the Power Stations and Assets are expressly excluded.

14. LITIGATION

14.1 Consent applications and appeals: To the extent that the Vendor has applied for, or is a party to any appeal proceedings relating to, resource consent applications relating exclusively to any Asset, the Vendor and the Purchaser will take all reasonable steps to have those applications or appeal proceedings transferred, in all respects to the Purchaser and, if necessary, will apply to have the Purchaser's name substituted in any relevant documents. To the extent that it is not possible to transfer any of those applications or appeal proceedings to the Purchaser, the Vendor will continue with the applications or appeal proceedings and will use all reasonable endeavours to deal with the applications and appeal proceedings in a timely and diligent manner (with assistance from and at the reasonable direction of the Purchaser, the Purchaser to meet the Vendor's reasonable costs in all things related thereto). The Vendor will transfer to the Purchaser any transferable consents granted to the Vendor as a result of any application or appeal proceedings referred to in this clause 14.1 as soon as practicable after they are granted.

14.2 Assistance: To the extent that the Vendor and the Purchaser are or become involved in any litigation or other legal proceedings (whether as plaintiff or defendant) which relate wholly or partly to any Asset, then the Vendor and the Purchaser will each:

- (a) provide to the other party such information, books and records and advice, and give such other co-operation and assistance as that other party may reasonably require to enable that other party to defend or contest or institute any proceedings or litigation (including, if necessary, making relevant employees available to give evidence); and
- (b) reimburse the other party for the reasonable costs and expenses incurred by that other party in providing such assistance to the first-mentioned party in a fair and reasonable manner.

14.3 Litigation between the parties: The provisions of clause 14.2 will not apply to any litigation or other legal proceedings which are brought by one party against the other party.

15. EXPERT DETERMINATION

15.1 If pursuant to an express provision of this Agreement any matter is to be determined by an Expert, then:

- (a) the parties will appoint by mutual agreement an Expert to determine the matter, but if they cannot do so within 10 Business Days, then either party may request (if the amount involved in the matter to be determined exceeds \$5,000,000) the Shareholding Ministers, or (if the amount involved is less than \$5,000,000 or the Shareholding Ministers after being requested decline to make an appointment) the president or vice president of the New Zealand Law Society or his or her nominee, to make that appointment. An appointment so made following such a request is conclusive, and subject to paragraph (d) below, ousts the parties' right to make that appointment. The Expert appointed may be a lawyer, chartered accountant, or other suitably qualified person. As a condition of accepting his or her appointment, an Expert is entitled to require security or indemnity for costs;
- (b) the Expert must give the parties notice of his or her appointment and, in that notice, invite the parties to submit to him or her within a specified period (not exceeding 30 Business Days) any representations that the parties wish to make;
- (c) the Expert:
 - (i) must act as an expert and not as an arbitrator;
 - (ii) must consider and take into account any representations submitted to him or her in accordance with paragraph (b) above, but will not be limited or fettered by them in any way;
 - (iii) is entitled to rely on his or her judgement and opinion;
 - (iv) is not required to state any reasons for his or her determination; and
 - (v) within 60 Business Days after his or her appointment, or within such extended period as the parties may agree, must give the parties written notice of his or her determination. That determination will be final and binding on the parties;
- (d) if the Expert does not give notice of his or her determination within the time and in the manner referred to above or if he or she relinquishes his or her appointment or dies or for any other reason it becomes apparent that he or she will be unable to complete his or her duties under this clause 15.1, a new person may be appointed as Expert in his or her place (and the provisions of this clause 15.1 are to operate in relation to that appointment as in relation to the original appointment). This procedure may be repeated as many times as necessary for the determination to be made in accordance with this clause 15.1; and
- (e) the Expert's fees or charges will be borne by a party to the dispute or borne and shared by both parties in the manner determined by the Expert and, in the absence of such a determination, will be borne and shared equally by both parties. Subject to this, each party will bear its own costs and expenses in connection with the determination.

16. WARRANTIES

- 16.1 **Purchaser's representations:** The Purchaser represents and warrants to the Vendor that:

- (a) it has the power to, and it has obtained all consents, authorisations or dispensations required for it to enter into, execute and perform its obligations under this Agreement; and
- (b) it has made its own independent enquiry and investigations in relation to the Power Stations and Assets and has entered into this Agreement in reliance on its own judgment and has not relied upon any statements in respect of the transaction contemplated by this Agreement made to it by or on behalf of the Vendor or by any other person for whom the Vendor is or may be responsible or by whom the Vendor is or may be bound, except as expressly set out in this Agreement.

16.2 **Warranties:** In consideration of the Purchaser entering into this Agreement, the Vendor:

- (a) gives the Warranties to the Purchaser at the date of execution of this Agreement by the Purchaser; and
- (b) agrees that each of the Warranties shall be deemed to be given again by the Vendor on the Settlement Date,

except in each case for any Warranties specified in Schedule 4 to apply at any other time, in which case those Warranties shall be given at the time so stated.

16.3 **Qualifications:** The Warranties are given subject to:

- (a) any exception or qualification fairly disclosed in any formal disclosure letter given by or on behalf of the Vendor to the Purchaser before execution of this Agreement by the Purchaser;
- (b) any matter expressly provided for under the terms of this Agreement;
- (c) any matter, circumstance or information fairly disclosed by or on behalf of the Vendor in writing or in electronic form to the Purchaser, or its advisers, during its due diligence investigation of the Power Stations and/or the Assets; and
- (d) any matter or thing done or omitted to be done in accordance with any provision of this Agreement or at the request, or with the prior approval, of the Purchaser.

16.4 **Indemnity by Vendor:** Without limiting any rights or remedies of the Purchaser, the Vendor indemnifies the Purchaser against:

- (a) all losses, damages, costs and expenses suffered or incurred by the Purchaser; and
- (b) all claims or demands made against the Purchaser,

arising out of any breach or non-fulfilment of any of the Warranties or any of the obligations of the Vendor under this Agreement.

16.5 **Restrictions on claims:** The Purchaser has no claim against the Vendor in respect of the Warranties or under clause 8.4 or section 9 if and to the extent that:

- (a) the claim arises from a matter recorded or disclosed in the register kept by Land Information New Zealand or the Personal Property Securities Register or in any Court register searchable by the public;

- (b) the relevant circumstance or amount has been or is made good, or recovered by or paid to the Purchaser without cost, liability or loss to the Purchaser;
 - (c) the relevant event, circumstance, loss, liability, cost or expense to which the claim relates would not have arisen but for:
 - (i) any act or omission by the Purchaser;
 - (ii) an obligation or commitment entered into or made after the Settlement Date by the Purchaser; or
 - (iii) the Purchaser admitting liability in respect thereof without the prior written consent of the Vendor, which will not be unreasonably withheld or delayed by the Vendor;
 - (d) the claim arises as a result only of any increase in the rates of taxation in force at the date of this Agreement;
 - (e) the claim arises as a result of a change after the date of this Agreement in any law or interpretation of any law or in NZ GAAP;
 - (f) the claim is based on a contingent liability, unless and until the contingent liability becomes an actual liability; or
 - (g) the loss the subject of the claim reduces the tax liability of the Purchaser ("**Tax Liability Reduction**"), provided that if any amount paid by the Vendor in respect of the claim is subject to taxation in the hands of the Purchaser then the Tax Liability Reduction will itself be reduced by the amount of any such taxation for the purposes of this clause 16.5(g).
- 16.6 **Reference to knowledge:** A reference in Schedule 4 to the best of the Vendor's knowledge and belief (however expressed) is a reference to the knowledge that the Vendor would have if the responsible officers of the Vendor had made due and careful enquiry into the matter in question.
- 16.7 **Duty to mitigate:** The Purchaser shall take all reasonable steps to avoid or mitigate any loss or liability which might give rise to a claim under any Warranty.
- 16.8 **Limitation of liability:** If the Vendor becomes liable to the Purchaser in respect of the Warranties or under clause 8.4 or section 9:
- (a) the liability shall be assessed after taking into account any saving to the Purchaser in taxation as a result of the relevant event, circumstance, loss, liability, cost, expense, claim or other amount in respect of which the liability to the Purchaser arose ("**Tax Saving**"), provided that if any amount paid by the Vendor is subject to taxation in the hands of the Purchaser then the Tax Saving will itself be reduced by the amount of any such taxation for the purposes of this clause 16.8(a);
 - (b) without limiting clause 16.8(c), no amount shall be claimed unless the amount claimed (excluding any legal or other professional costs incurred in respect of the claim) exceeds \$200,000 in respect of any individual claim or series of related claims;
 - (c) no amount shall be claimed unless the aggregate of the amount then claimed and of all other claims made (excluding any legal or other professional costs incurred in respect of the claims) or which would but for the provisions of this

sub-clause have previously been made, exceeds \$1,000,000, and then only to the extent of the excess; and

- (d) the total liability of the Vendor to the Purchaser:
 - (i) in respect of all such claims, except for a claim in respect of clause 7 of Schedule 4, shall be limited to an amount equal to half of the Consideration; or
 - (ii) in relation to a claim in respect of clause 7 of Schedule 4, shall be limited to the Consideration.

16.9 **Notice of claim by Purchaser:** Notwithstanding any other provision of this Agreement no claim shall be made by the Purchaser in respect of any breach of the Warranties, clause 8.4 or section 9 unless notice of the claim has been given to the Vendor by the Purchaser in good faith and in reasonable detail before the date 18 months after Settlement.

16.10 **Survive termination:** The provisions of this clause 16 are to survive the termination or expiration of this Agreement.

17. CONDUCT OF CLAIMS

17.1 **Vendor's right to defend claims:** If the Purchaser makes, or may seek to make, any claim against the Vendor pursuant to the provisions of this Agreement in respect of the Warranties or any other obligations of the Vendor expressed or implied in this Agreement or otherwise in relation to the sale of the Power Stations and Assets to the Purchaser and which relates to a claim by, or liability to, any third party, including without limitation any TPNZ Claim ("**Third Party Claim**"), the following shall apply:

- (a) The Purchaser shall forthwith give notice thereof (including reasonable details) to the Vendor and ensure that the Purchaser does not make any payment or admission of liability in respect of the Third Party Claim, or take any other steps which may in any way prejudice the defence of the Third Party Claim, without the prior written consent of the Vendor, which consent shall not be unreasonably withheld or delayed.
- (b) The Vendor may, at its election, in the name of the Purchaser conduct all negotiations and prosecute, challenge or defend any proceedings relating to the Third Party Claim. For this purpose the Purchaser shall make available to the Vendor all such information, books and records, and give such other co-operation (including making available employees as witnesses), as the Vendor may reasonably require for the purpose.
- (c) If the Purchaser is wholly or substantially successful in respect of any such proceedings relating to a Third Party Claim (other than any TPNZ Claim in respect of which the costs of the negotiations and proceedings shall be borne by the Vendor), the costs of the negotiations and proceedings shall be borne by the Purchaser but otherwise will be borne by the Vendor.

17.2 **Payment from Third Parties:** If the Purchaser recovers from any third party any amount to which a payment made by the Vendor to the Purchaser under this Agreement relates, the Purchaser shall procure that the amount so recovered by the Purchaser (net of the costs of recovery, but not exceeding the amount paid by the Vendor) shall forthwith be reimbursed to the Vendor.

- 17.3 **Action against Third Parties:** If the Purchaser has a claim against a third party in relation to a matter which gives rise to a claim in respect of which the Vendor has paid any amount to the Purchaser, the Purchaser shall (at the cost and expense of the Vendor) assign to the Vendor or its nominee all rights to the claim (if capable of assignment) against the third party. If the rights to any claim against the third party cannot be assigned to the Vendor, the Purchaser shall, at the request of the Vendor, comply with all reasonable directions of the Vendor in pursuing such claim, provided that the Vendor shall indemnify the Purchaser and its Related Companies against any costs, charges, liabilities and expenses that they may incur as a result of complying with the Vendor's directions.
- 17.4 **Survive termination:** The provisions of this clause 17 are to survive the termination or expiration of this Agreement.
- 17.5 **Damage to Purchaser's reputation:** In taking steps under clause 17.1(b), or in respect of a claim assigned under clause 17.3, or in giving directions under clause 17.3, the Vendor shall consult fully with the Purchaser, and shall not do, or require the Purchaser to do, anything which may harm the reputation or goodwill of the Purchaser, or the relationship of the Purchaser with any Stakeholder or with any members of the community in the vicinity of the Power Stations.
- 18. DELAY**
- 18.1 No delay, grant of time, release, compromise, forbearance (whether partial or otherwise) or other indulgence by one party in respect of any breach of the other party's obligations under this Agreement will:
- (a) operate as a waiver of, or prevent the subsequent enforcement of, that obligation; or
 - (b) be deemed a delay, grant of time, release, compromise, forbearance (whether partial or otherwise) or other indulgence in respect of, or a waiver of, any subsequent or other breach.
- 19. RECORDS**
- 19.1 **Access to general records after Settlement:** After the Settlement Date, each party (and, as the context may require, its auditors or the IRD) may have such access to relevant records, books of account and other documents of the other party and its subsidiaries as may reasonably and properly be required by the first-mentioned party for its own accounting or taxation purposes, provided that neither party will be required to release any information under this clause which relates to its strategic direction or which is otherwise commercially sensitive or confidential.
- 19.2 **Record keeping:** Each party undertakes in favour of the other party that it will safeguard and keep, and maintain in a readily accessible state, all its accounting and taxation records for income years ending before Settlement and for the income year in which Settlement occurs for a period of 10 years from the end of the relevant income year to which the respective records relate.
- 20. CONFIDENTIALITY**
- 20.1 **Confidentiality Obligation:** Subject to clause 20.2, each party shall keep confidential, and make no disclosure of:

- (a) clause 10.6 and Schedules 7 and 8 of this Agreement; and
- (b) all information obtained from the other party or the other party's advisers under this Agreement or in the course of negotiations in respect of this Agreement

(together "**Information**").

20.2 **Exceptions:** Information may be disclosed by a party if:

- (a) disclosure is required by law, or is necessary to comply with the listing rules of any recognised stock exchange or with any requirement of the Shareholding Ministers; or
- (b) disclosure is necessary to obtain the benefits of, and fulfil obligations under, this Agreement; or
- (c) that Information already is, or becomes, public knowledge other than as a result of a breach of clause 20.1 by that party; or
- (d) disclosure is made to a bona fide financier or potential financier of that party, so long as:
 - (i) that party has notified the other party of the proposed disclosure; and
 - (ii) the person to which disclosure is to be made has entered into a confidentiality agreement in a form reasonably acceptable to the other party; or
- (e) disclosure is made to a lawyer, accountant or other adviser for that party.

20.3 **Prior notification and consultation:** If either party is required by clause 20.2(a) to make a disclosure or announcement, it shall, before doing so:

- (a) give to the other party the maximum notice reasonably practicable in the circumstances, specifying the requirement under which it is required to disclose Information, and the precise Information which it is required to disclose;
- (b) comply with all reasonable directions by the other party to contest or resist the requirement to disclose Information; and
- (c) consult in good faith with the other party with a view to agreeing upon the form and timing of the disclosure or announcement.

20.4 **Survive termination:** The provisions of this clause 20 survive termination or expiration of this Agreement.

21. ENTIRE AGREEMENT

21.1 **Entire agreement:** This Agreement:

- (a) constitutes the entire understanding and agreement of the parties relating to the sale and purchase of the Assets; and
- (b) supersedes and extinguishes all prior agreements and understandings between the parties relating to that sale and purchase.

21.2 **Exclusion of implied terms:** All terms and conditions relating to this Agreement and the Assets that are implied by law or custom are excluded to the maximum extent permitted by law.

21.3 **Consumer Guarantees Act:** The Purchaser acknowledges that it has entered into this Agreement solely for business purposes and that nothing in the Consumer Guarantees Act 1993 is to apply to the sale of the Assets pursuant to this Agreement.

22. AMENDMENTS

22.1 No amendment to this Agreement will be effective unless it is in writing and signed by both parties.

23. LIMITS ON VARIATION OF AGREEMENT

23.1 **Limitation:** No extension, variation, novation, supplementation or further agreement or assurance under or in respect of this agreement ("**Extension**") may be made or acted upon to the extent that Extension or action will, or is likely to, materially extend the present or future benefit to a party of section 119(4) or section 130(1)(c) of the Electricity Industry Act 2010 compared to the benefit to that party of the relevant section in the absence of that Extension. Any such Extension is void to the extent it provides such benefit.

23.2 **Other agreements:** Clause 23.1 does not prevent the parties from making promises or agreements outside of this agreement, whether related to the subject matter of this agreement or otherwise, on the basis that the parties acknowledge that such promises or agreements are not part of this agreement and accordingly the provisions of sections 119(4) and 130(1)(c) of the Electricity Industry Act 2010 do not apply to those promises or agreements.

23.3 **Privity:** Clauses 23.1 and 23.2 are for the benefit of the Crown and are enforceable by it under the Contracts (Privity) Act 1982.

24. NOTICES

24.1 **Notice:** Every notice or other communication ("**Notice**") for the purposes of this Agreement shall:

- (a) be in writing; and
- (b) be delivered in accordance with clause 24.2.

24.2 **Method of service:** A Notice may be given by:

- (a) delivery to the physical address of the relevant party; or
- (b) posting it by pre-paid post to the postal address of the relevant party; or
- (c) sending it by facsimile transmission to the facsimile number of the relevant party, so long as clause 24.4 is complied with; or
- (d) sending it by email to the email address of the relevant party, so long as clause 24.4 is complied with.

24.3 Time of receipt: A Notice given in the manner:

- (a) specified in clause 24.2(a) is deemed received at the time of delivery;
- (b) specified in clause 24.2(b) is deemed received three Business Days after (but exclusive of) the date of posting;
- (c) specified in clause 24.2(c) or clause 24.2(d) is deemed (subject to clause 24.4) received:
 - (i) if sent between the hours of 9am and 5pm (local time) on a local working day, at the time of transmission; or
 - (ii) if subclause (i) does not apply, at 9am (local time) on the local working day most immediately after the time of sending.

For this purpose "local time" is the time in the place of receipt of the Notice, and a "local working day" is a normal working day in that place.

24.4 Facsimile and email notice: A Notice given:

- (a) by facsimile, is not deemed received unless (if receipt is disputed) the party giving Notice produces a facsimile transmission report of the device from which the transmission was made which evidences full transmission, free of errors, to the facsimile number of the party given Notice;
- (b) by email, is not deemed received unless (if receipt is disputed) the party giving Notice produces a printed copy of the email which evidences that the email was sent to the email address of the party given Notice.

24.5 Addresses: For the purposes of this clause the address details of each party are:

- (a) the details set out below; or
- (b) such other details as any party may notify to the others by Notice given in accordance with this clause.

The Purchaser:

Physical address:	The Ground Floor The Genesis Energy Building 602 Great South Road Greenlane Auckland
Postal address:	PO Box 17-188, Greenlane Auckland, 1546
Facsimile number:	09 580 4884
Email address:	allan.melhuish@genesisenenergy.co.nz
For the attention of:	General Manager Fuel Development cc General Counsel/Company Secretary

The Vendor:

Physical address: Level 1, 33 Customhouse Quay, Wellington
Postal address: PO Box 10840
Wellington
Facsimile number: 04 381 1287
Email address: jason.stein@meridianenergy.co.nz
For the attention of: General Counsel

25. ASSIGNMENT

- 25.1 **Successors:** This Agreement is binding on and enures for the benefit of the parties and their respective successors and permitted assignees.
- 25.2 **The Purchaser may not assign:** The Purchaser may not assign or transfer all or part of its rights or obligations under this Agreement without the prior written consent of the Vendor, such consent not to be unreasonably withheld, provided that the Purchaser may encumber, or assign or transfer its rights to the Assets after the Settlement Date.
- 25.3 **The Vendor may not assign:** The Vendor may not assign or transfer all or part of its rights or obligations under this Agreement without the prior written consent of the Purchaser, such consent not to be unreasonably withheld.

26. COUNTERPARTS

- 26.1 **Counterparts:** This Agreement is deemed to be signed by a party if that party has signed or has attached its signature(s) to, any of the following formats of this Agreement:
- (a) an original; or
 - (b) a facsimile copy; or
 - (c) a photocopy; or
 - (d) a PDF or email image copy;

and if each party has signed or attached its signature(s) to any such format and delivered it in any such format to the other party, the executed formats shall together constitute a binding agreement between the parties.

27. MISCELLANEOUS

- 27.1 **Governing law:** This Agreement is to be governed by and construed in accordance with New Zealand law.
- 27.2 **No partnership:** Nothing contained in this Agreement is to be deemed or construed to constitute the Vendor or the Purchaser as the agent or representative of the other or (except as expressly provided in this Agreement) to create any trust or commercial partnership between them.

- 27.3 **Severability:** If any provision of this Agreement is held to be invalid, illegal or unenforceable, the invalidity, illegality or unenforceability of that provision is not to affect the operation, construction or interpretation of any other provision of this Agreement, with the intent that the invalid, illegal or unenforceable provision is to be treated for all purposes as severed from this Agreement.

SIGNATURES

EXECUTED by **MERIDIAN ENERGY**
LIMITED by:

Signature of Authorised Signatory

Name of Authorised Signatory

EXECUTED by **GENESIS POWER**
LIMITED by:

Signature of director

Signature of director

Name of director

Name of director

SCHEDULE 1**LAND, OTHER INTERESTS, RESOURCE CONSENTS AND LICENCES AND PERMITS****Part A – Registered rights to be transferred to Purchaser**

#	Nature of asset	Title number (Canterbury Land Registry)	Area & legal description
1	Lake Tekapo and Lake McGregor	Operating Easement 6436252.1 registered over CIR 225433	10,536.8940 ha being Section 1 SO 20293 and Sections 1, 2 & 3 SO 331257
2	Tekapo River	Operating Easement 8237691.1 registered over CIR 489852	4,033.6900 ha being Sections 1 and 2 SO 394353
3	Lake George Scott	Operating Easement 8527946.1 registered over CIR 526831	21.8300 ha being Section 1 SO 346355
4	Tekapo A Intake Structure, Monitoring Station and Control Shed (Adjacent to Intake Structure)	CT 482628	1.3097 ha being Lots 1, 2 and 3 DP 421602
5	Part of the Tekapo A Tunnel	Tunnel Easement created by Transfer 5318624.2 registered on CFR 410645 (registered proprietor Lake Tekapo Enterprises Limited). This is an easement for the right to convey water.	No physical area measurement: shown as Area AF on DP 352127
6	Tekapo A Power Station, Surge Chamber and Tekapo Canal from Power Station to SH8 (including berm roads)	CFR 262118	258.9870 ha being Lots 1 and 2 DP 364538
7	Tekapo A Outdoor Switch Yards	CFR CB37C/1185	1,122 sq m being Lot 1 DP 63830
8	Tekapo B Power Station, Head Pond, Penstocks and Tekapo Canal from SH8 (including berm roads to the Head Ponds)	CFR 425212	362.4100 ha being Lots 1 and 2 DP 407182
9	Tekapo B Outdoor Switch Yards	CFR CB38C/168	5,986 sq m being Lot 1 DP 63833
10	Andrew Don Drive Property	CFR CB41A/163	228 sq m being Section 1 SO Plan 19444

#	Nature of asset	Title number (Canterbury Land Registry)	Area & legal description
11	Part of Tekapo A Radio Hut to Gate 16 Fibre Optic Cable	Telecommunications Easement created by Transfer 5026206.1 registered on CFR CB41A/162 (registered proprietor Stewart & Brown Limited).	No physical area measurement: shown as Areas A-B, C-D, D-H-I and G-E-H

Part B - Derivation of title from the Crown and outstanding core land matters

#	Nature of contract / Asset	Date	Parties	Rights and obligations to be transferred to the Purchaser	Title, area & legal description (if relevant)
1	Part of Tekapo A Tunnel	-	Creation of Tunnel Easements in the name of the Vendor, then transfer to Purchaser.	All of the Vendor's rights and obligations with respect to the land and structures	CFR CB28F/929 (registered proprietor MacKenzie District Council – Recreation Reserve). Areas A & B on LT 421602
2	Part of Tekapo Control Gates (Gate 16)	-	Issue titles in name of ECNZ, transfer to the Vendor then to Purchaser.	All of the Vendor's rights and obligations with respect to the land and structures	Proclamations 578704, 540490 and 636797 in the name of Her Majesty the Queen for the Development of Water Power. 1,242 sq m and 83 sq m respectively being Sections 3 and 5 SO20291
3	Part of Tekapo Control Gates (Gate 16)	-	Transfer of CIR 224689 to ECNZ, then to the Vendor then to Purchaser.	All of the Vendor's rights and obligations with respect to the land and structures	CIR 224689 in the name of Her Majesty the Queen for the Generation of Electricity. 267 sq m and 73 sq m respectively being Sections 4 and 6

#	Nature of contract / Asset	Date	Parties	Rights and obligations to be transferred to the Purchaser	Title, area & legal description (if relevant) SO20291
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Part C – Section 22 Electricity Act 1992 rights

#	Nature of asset	Rights and obligations to be transferred to Purchaser
1	Part of Tekapo Control Gates (Gate 16)	All of the Vendor's rights and obligations with respect to the land and structures contained in Sections 3 and 5 SO20291
2	Tekapo Intake and Monitoring Station	All of the Vendor's rights and obligations with respect to the land and structures contained in Lots 1, 2 & 3 LT 421602
3	Tekapo Tunnel	All of the Vendor's rights and obligations with respect to: (a) the easement and structures contained in and under Areas A & B on LT 421602; (b) the structures contained in and under Lakeside Drive being a MacKenzie District Council Road; and (c) the structures contained in and under Tekapo – Twizel Road (SH8) being a State Highway owned by the Crown and administered by the New Zealand Transport Agency.
4	SH8 Tekapo Canal Flyover	All of the Vendor's rights and obligations with respect to the Canal and structures contained in the State Highway owned by the Crown and administered by the New Zealand Transport Agency.
5	Fibre Optic Cable between Tekapo A Radio Hut and Gate 16	All of the Vendor's rights and obligations with respect to this cable over CFR 410645 and CFR 41382 (both owned by Lake Tekapo Enterprises Limited) and Andrew Don Drive.
6	All Hydrometric Station Equipment to which Section 22 of the Electricity Act can apply	All of the Vendor's rights and obligations with respect to these structures.
7	33kv transmission line from Pukaki substation to the Tekapo B Power Station	All of the Vendor's rights and obligations with respect to this transmission line.
8	Tekapo A – Control Shed (Adjacent to Intake Structure)	All of the Vendor's rights and obligations with respect to the land and structures.

Part D – Existing Leases

Registered Lease 5844264.1 - Switchyard lease to Transpower New Zealand Limited – Tekapo A
CIR 122797 issued as a result.

Registered lease 5844264.2 - Switchyard lease to Transpower New Zealand Limited – Tekapo B
- CIR 122798 issued as a result.

Part E – Resource Consents

Consent Reference	Description
Tekapo A	
CRC905301.2	Dam Tekapo River
CRC905302.2	Take up to 130 cumecs from Lake Tekapo
CRC905303.1	Take up to 386 cubic metres of water per day from a Spring for domestic supply
CRC905304.1	Discharge water up to rate of 850 cumecs into Tekapo River via Tekapo Control Structure
CRC905305.1	Use water up to 130 cumecs for power generation
CRC905306.2	Dam Tekapo River
CRC905307.1	Divert water up to 130 cumecs from Tekapo River into Tekapo-Pukaki canal
CRC905308.1	Take water up to 130 cumecs from Tekapo River into Tekapo-Pukaki canal
CRC905309.1	Discharge water up to 600 cumecs to Tekapo River via Lake George Scott Control Weir to control lake levels
Tekapo B	
CRC905310.1	Divert water of Fork Stream through a culvert under Tekapo-Pukaki canal
CRC905311.1	Divert water from Irishman's Creek through a culvert under Tekapo-Pukaki canal
CRC905312.1	Divert water from an unnamed stream through a culvert under Tekapo-Pukaki canal
CRC905313.1	Divert water from an unnamed stream through a culvert under Tekapo-Pukaki canal
CRC905314.1	Divert water from an unnamed stream through a culvert under Tekapo-Pukaki canal
CRC905315.1	Divert water from an unnamed stream through a culvert under Tekapo-Pukaki canal
CRC905316.1	Divert water from an unnamed stream through a culvert under Tekapo-Pukaki canal
CRC905317.1	Divert water from an unnamed stream through a culvert under Tekapo-Pukaki canal
CRC905318.1	Divert water from an unnamed stream through a culvert under Tekapo-Pukaki canal
CRC905319.1	To use water up to a maximum rate of 130 cubic metres per second at about Tekapo B Power Station
CRC905320.1	To discharge water up to a maximum rate of 130 cubic metres per second into Lake Pukaki via Tekapo B Power Station Tailrace
Global Culverts	
RM030034	Culvert alteration, repair, replacement and maintenance works at various locations to the extent relating to the Land
CRCO32260	Use, erect, reconstruct, place, alter, extend remove or demolish a permanent structure in, on or over the bed of a water course, at various locations to the extent relating to the Land

Consent Reference	Description
CRC032265	Temporarily discharge water containing contaminants to land to the extent relating to the Land
CRC032266	Temporarily discharge water and water containing contaminants to water to the extent relating to the Land
CRC032267	Temporarily dam and divert and take water of watercourses to the extent relating to the Land
Oil Interceptors	
CRC950297.1	Discharge water containing contaminants from Tekapo A power station into Tekapo canal
CRC950298.1	Discharge water containing contaminants from Tekapo B power station into Lake Pukaki
Land Use Consents	
RM080071	Water tank and pump station – Tekapo A power station
RM010034	Removal and burial of stumps, dead trees and septic tank and associated earthworks within bed of Lake Tekapo
Tekapo Canal Repair/Maintenance/Ongoing Investigations	
RM080098	Earthworks and structures associated with repairing the Tekapo hydro canal
CRC092389	Excavate land over an unconfined or semi confined aquifer – Tekapo canal
CRC092390	Erect use and maintain a buttress structure / extend and maintain culvert / clear vegetation within bed of tributary of Irishman Creek – Tekapo canal
CRC092391	Divert water in unnamed tributary of Irishman Creek – Tekapo canal
CRC092392	Discharge water containing contaminant to land and to water – Tekapo canal
CRC092393	Discharge contaminants (principally UST) to air – Tekapo canal
CRC102672	Installation of 20 permanent investigation/monitoring bores adjacent to the Tekapo Canal
CRC083496	Divert water from Tekapo Canal embankment to an unnamed tributary of Irishmans Creek – Tekapo Canal
CRC103354	Discharge of contaminants into water in Tekapo Canal for the purposes of detecting leakage points.

Part F – Licences and Permits

CA-17200-TEL	DOC concession for hydrometric sites located at 2 sites: Eade Memorial Hut and Panorama Ridge.
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Part G – Other Existing Encumbrances over the Land

1. Road Management Agreements with:
 - Balmoral Station;
 - The Crown;
 - Wolds Station;
 - Mt Cook Salmon Farm; and
 - Irishman's Creek.
2. Tekapo A Road Management agreement dated 12 January 2007 between the Mackenzie District Council and the Vendor.

3. Irrigation and stockwater rights over the Tekapo Canal in favour of:
 - Balmoral Station; and
 - The Wolds Station; and
 - Irishmans Creek Station.
4. Occupation and/or use rights granted by the Crown to third parties to drain sewage and/or stormwater into Lake Tekapo which is subject to Operating Easement 64362521.1 in favour of:
 - Mackenzie District Council; and
 - Alpine Springs & Spa Lake Tekapo Limited.
5. Occupation and/or use rights granted by the Crown over land which is subject to Operating Easement 64362521.1 and/or 8237691.1. Deeds of Covenant have been entered into by the Vendor, the Crown and in some cases third parties in order to ensure all parties will observe and perform all of the covenants in the Operating Easements. Covenants include the Vendor's consent to:
 - Motuariki Island to be set apart (by gazette notice) to Department of Conservation as Reserve under Section 167 of the Land Act 1948 with consultation to ensue with Mackenzie District Council, local community and iwi to decide on future management.
 - Mailbox Inlet (Piece Pond) to be set apart (by gazette notice) to Department of Conservation under Section 7 of the Conservation Act 1987 as land held by them for "conservation purposes". The land will remain with the Department as a wildlife habitat/reserve.
 - Management Agreement in favour of Environment Canterbury for Lake Tekapo Regional Park.

SCHEDULE 2
PLANT AND EQUIPMENT

Fixed Asset - Book Value 01
 Depreciation Book: TAX
 Meridian Energy Limited Live
 Fixed Asset: FA Location Code: TKA|TKB, FA Posting Date Filter: 01/07/09..28/02/10
 12 March 2010
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No.	Description 1	LOC	Serial No.	KKS	SL %	DV %	Acquisition Date	Class	Sub Class	Hydro Type
FA03924	Zat Strategy Chair Licorice	TKA			0	15	01/04/1999	OTFA	OFFF	Non-Hydro
FA03929	Mita Dc 145 Copier	TKA	20293		0	33	01/04/1999	OTFA	OFMA	Non-Hydro
FA04839	Tka River Safety Boom	TKA			0	9.5	01/04/1999	OTFA	PLLG	Non-Hydro
FA04840	Tka Intake Safety Booms	TKA			0	9.5	01/04/1999	OTFA	PLLG	Non-Hydro
FA04869	Water Filter System	TKA			0	9.5	01/04/1999	HYDR	ELVS	Non-Hydro
FA04870	Mechanical And Other Equipment	TKA			0	9.5	01/04/1999	OTFA	PLLG	Non-Hydro
FA04884	Public Toilets	TKA			0	0	01/04/1999	HYDR	OTCB	Non-Hydro
FA04885	Powerstation Garage	TKA			0	4	01/04/1999	HYDR	OTCB	Non-Hydro
FA04887	Workshop Building	TKA			0	4	01/04/1999	HYDR	OTWB	Non-Hydro
FA04890	Powerstation Land	TKA			0	0	01/04/1999	HYDR	LAND	Non-Hydro
FA05641	Resolution Effort & Equipment	TKA			0	40	01/04/1999	OTFA	EDPO	Mechanical
FA05648	Resolution Effort & Equipment	TKA			0	40	01/04/1999	OTFA	EDPO	Mechanical
FA05649	Resolution Effort & Equipment	TKA			0	40	01/04/1999	OTFA	EDPO	Mechanical
FA05751	Generator electrical protection	TKA		TKA01/MK	0	26.4	30/06/1999	HYDR	CONT	Control
FA05760	Generator governor system TK	TKA		TKA01/MEX	0	11.4	30/06/1999	HYDR	GOVS	Control
FA05763	Communications upgrade	TKA		TKA23/CYA	0	21.6	30/06/1999	HYDR	TELO	Control
FA05767	WAN upgrade TKA	TKA			0	48	30/06/1999	OTFA	EDPO	Non-Hydro
FA05777	WAN cabling TKA	TKA			0	31.2	30/06/1999	OTFA	EDPO	Non-Hydro
FA05804	Station services wiring TKA	TKA			0	9	30/06/1999	OTFA	TELC	Non-Hydro
FA05932	TKA Control Room Desk	TKA			0	18	01/07/1999	OTFA	OFFF	Non-Hydro
FA10763	GENERATOR OUTPUT	TKA		TKA01/BAA	0	7.5	01/04/1999	HYDR	GEN	Electrical

No.	Description 1	LOC	Serial No.	KKS	SL %	DV %	Acquisition Date	Class	Sub Class	Hydro Type
FA10764	Circuit Breaker	TKA		Tka01/Bac	0	7.5	01/04/1999	HYDR	CBRK	Electrical
FA10765	INTAKE GATE LIFTING EQUIPMENT	TKA		TKA31/LND	0	9.5	01/07/2002	HYDR	INTK	Civil
FA10766	INTAKE AND PENSTOCK(INCLUDES I	TKA		TKA01/LP	0	7.5	01/07/2002	HYDR	PENS	Civil
FA10767	Turbine Scrollcase Shaft Excl	TKA		Tka01/Mea	0	9.5	01/04/1999	HYDR	RUNS	Mechanical
FA10768	Turbine Runner	TKA		tka01/mea	0	9.5	01/04/1999	HYDR	RUNS	Mechanical
FA10769	Turbine Bearings	TKA		Tka01/Med	0	9.5	01/04/1999	HYDR	RUNS	Mechanical
FA10770	GOVERNOR Hydraulic	TKA		TKA01/MEX	0	9.5	01/04/1999	HYDR	GOVS	Mechanical
FA10771	GOVERNOR Control	TKA		Tka01/Mex10/C	0	9.5	01/04/1999	HYDR	GOVS	Control
FA10772	GENERATOR STATOR AND COOLERS	TKA		TKA01/MKA	0	9.5	01/07/2002	HYDR	COTH	Electrical
FA10774	Generator Excitation	TKA		Tka01/Mkc	0	9.5	01/04/1999	HYDR	GEN	Electrical
FA10775	Generator Bearings	TKA		Tka01/Mkd	0	9.5	01/04/1999	HYDR	GEN	Mechanical
FA10776	Cooling Water	TKA		Tka01/Mkf	0	9.5	01/04/1999	HYDR	CLSY	Mechanical
FA10777	Protection Equipment	TKA		TKA01/MYA	0	22	01/04/1999	HYDR	CONT	Control
FA10778	Plc Controller Equipment	TKA		TKA01/MYA	0	22	01/04/1999	HYDR	CONT	Control
FA10779	Stoplogs Screens Dewatering An	TKA		TKA20/LPA	0	18	01/04/1999	HYDR	GATE	Mechanical
FA10781	Air Distribution	TKA		TKA20/SCB	0	15	01/04/1999	HYDR	CAIR	Mechanical
FA10782	Fixed Fire Protection System	TKA		TKA20/SGJ	0	9.5	01/04/1999	HYDR	FIRE	Control
FA10783	Intake Stoplog Crane	TKA		TKA20/SML	0	7.5	01/04/1999	HYDR	CRNF	Mechanical
FA10784	Tailwater Stoplog Crane	TKA		TKA20/SML	0	7.5	01/04/1999	HYDR	DAM	Mechanical
FA10785	Invert Crane	TKA		TKA20/SML	0	7.5	01/04/1999	HYDR	CRNF	Mechanical
FA10786	Station Crane	TKA		TKA20/SMM	0	7.5	01/04/1999	HYDR	CRNF	Mechanical
FA10787	ELECTRICAL DISTRIBUTION PLANT	TKA		TKA20/B	0	7.5	01/07/2002	HYDR	CONT	Electrical
FA10789	MAIN 400V BOARD BUS A	TKA		TKA20/BHA	0	7.5	01/07/2002	HYDR	CABL	Electrical
FA10790	SUPPLY TRANSFORMERS	TKA		TKA20/BHT	0	7.5	01/07/2002	HYDR	COTH	Electrical
FA10791	STATION EMERGENCY SYSTEMS	TKA		TKA20/BRV	0	7.5	01/04/1999	HYDR	CONT	Electrical
FA10792	Revenue Metering	TKA		TKA20/CFA	0	22	01/04/1999	HYDR	MET	Control
FA10795	POWERHOUSE AND FACILITIES	TKA		TKA31/UM	0	4	01/07/2002	HYDR	POWER	Civil
FA10796	TAILRACE	TKA		TKA31/UM	0	4	01/07/2002	HYDR	GATES	Civil
FA10799	Control And Protection Systems	TKA		Tka01/My	0	22	01/04/1999	HYDR	COTH	Control
FA10800	Local Service Control And Prot	TKA		TKA20/BYA	0	22	01/04/1999	HYDR	CONT	Control

No.	Description 1	LOC	Serial No.	KKS	SL %	DV %	Acquisition Date	Class	Sub Class	Hydro Type
FA10801	Station Services Control And P	TKA		TKA20/SYA	0	22	01/04/1999	HYDR	CONT	Control
FA10802	GATE 16 CONTROL AND PROTECTION	TKA		TKA41/LND	0	22	01/07/2002	HYDR	GATE	Control
FA10803	Station Services Plc Controлле	TKA		Tka23/Mya50	0	22	01/04/1999	HYDR	CONT	Control
FA10804	SECURITY SYSTEMS	TKA		TKA20/SS	0	22	01/07/2002	HYDR	PLLG	Control
FA10805	TELEPHONE SYSTEMS	TKA		TKA20/CYA	0	22	01/07/2002	HYDR	TELC	Control
FA10806	REMOTE CONTROL AND SUPERVISORY	TKA		TKA20/CKN	0	22	01/07/2002	HYDR	CONT	Control
FA11038	Tekapo A Remote Control	TKA			0	22	01/04/1999	HYDR	COTH	Control
FA11039	Tekapo A Remote Control	TKA			0	22	01/04/1999	HYDR	COTH	Control
FA11040	Control Cables	TKA			0	7.5	01/04/1999	HYDR	CABL	Control
FA11041	Remote Control Gates Tekapo A	TKA			0	22	01/04/1999	HYDR	COTH	Mechanical
FA11042	Resolution Effort & Equipment	TKA			0	40	01/04/1999	HYDR	COTH	Mechanical
FA11043	Resolution Effort & Equipment	TKA			0	40	01/04/1999	HYDR	COTH	Mechanical
FA13893	Tka U01 Generator Excitation	TKA		Tka01/Mkc	0	11.4	01/06/2000	HYDR	EXSY	Mechanical
FA13894	Tka U01 Protection Equipment	TKA		Tka01/Mya10	0	11.4	01/06/2000	HYDR	CONT	Mechanical
FA13895	Control And Protection Systems	TKA		Tka01/My	0	11.4	01/06/2000	HYDR	COTH	Mechanical
FA13896	Local Service Control And Prot	TKA		Tka22/My	0	11.4	01/06/2000	HYDR	CONT	Mechanical
FA13897	Station Services Control And P	TKA		Tka23/My	0	11.4	01/06/2000	HYDR	CONT	Mechanical
FA13898	Remote Control And Supervisory	TKA		Tka23/Cyg	0	48	01/06/2000	HYDR	CONT	Mechanical
FA13899	Tka Emergency Generator System	TKA		Tka22/Brv	0	11.4	01/06/2000	HYDR	GEN	Mechanical
FA14409	LAKE CONTROL GATE	TKA		TKA01/LPB	0	9.5	01/07/2002	HYDR	GATE	Civil
FA14410	Penstock Tunnel	TKA			0	4	01/04/1999	HYDR	PENS	Civil
FA14549	CCTV Transmission & Mux TKA	TKA		TKA??/SSA	0	39.6	01/07/2000	HYDR	SECY	Control
FA14566	CCTV Power System TKA	TKA		TKA??/SSA	0	39.6	01/07/2000	HYDR	SECY	Control
FA14591	Tekapo A Airshaft Upgrade	TKA			0	7.5	01/12/2000	HYDR	OTHR	Non-Hydro
FA14612	Drill Press	TKA			0	11.4	01/08/2000	HYDR	PLLG	Non-Hydro
FA14613	Drum Trolley	TKA			0	11.4	01/08/2000	HYDR	PLPLE	Non-Hydro
FA14614	Drum Trolley	TKA			0	11.4	01/08/2000	HYDR	PLPLE	Non-Hydro
FA14621	Oil Filler Governor Pump	TKA		TKA??/MEX	0	14.4	01/12/2000	HYDR	GOVS	Mechanical
FA14815	110v DC Battery	TKA	C492841000	TKA??/BTB	0	11.4	31/05/2001	HYDR	ACSW	Electrical
FA14816	Top Cover Mono Pump	TKA	C492851000	TKA??/MEA	0	21.6	31/05/2001	HYDR	SEWG	Mechanical

No.	Description 1	LOC	Serial No.	KKS	SL %	DV %	Acquisition Date	Class	Sub Class	Hydro Type
FA14863	Inverter	TKA	C400530100	TKA??/BRU	0	11.4	18/09/1999	HYDR	OTHR	Electrical
FA14873	Seismograph ETNA Installation	TKA	C401260100	TKA??/CFE	0	11.4	30/08/2001	HYDR	OTHR	Control
FA14878	Seismograph ETNA	TKA	C401260100	TKA??/CFE	0	11.4	31/01/2001	HYDR	OTHR	Control
FA15428	Intake Tunnel Access Ladder	TKA	C492881000		0	18	01/07/2002	OTFA	PLLG	Non-Hydro
FA15440	TKA Lunch Room Upgrade	TKA	C492831000		0	11.4	01/07/2002	HYDR	OTCB	Non-Hydro
FA15511	Cisco Router 2501	TKA	C109032200		0	48	01/07/2002	OTFA	EDPO	Non-Hydro
FA15520	Modbus Network Adaptors	TKA	C109032000	TKA??/CY	0	48	01/07/2002	HYDR	CONT	Control
FA15530	PLC Upgrades Hardware	TKA	C109032000	TKA??/CKN	0	48	01/07/2002	HYDR	CONT	Control
FA15540	Automation Upgrades	TKA	C109032000	TKA??/CKN	0	48	01/07/2002	HYDR	CONT	Control
FA16366	Outlet Stoplogs	TKA	C429411000		0	2.4	01/11/2002	HYDR	GATE	Control
FA16475	Telemetry Systems	TKA			0	22	01/07/2002	HYDR	TELO	Non-Hydro
FA16664	Mono Dresser E081 TKA Pump A	TKA	C429801000		0	21.6	01/07/2003	HYDR	OLIN	Non-Hydro
FA16665	Mono Dresser E081 TKA Pump B	TKA	C429801000		0	21.6	01/07/2003	HYDR	OLIN	Non-Hydro
FA16708	Voltage Detector & Rod	TKA	C493531000		0	26.4	01/07/2003	OTFA	TEST	Non-Hydro
FA16728	GCS UPS Batteries	TKA	C109072700		0	39.6	01/07/2003	HYDR	UPS	Non-Hydro
FA16729	GCS WAN Extension	TKA	C109073900		0	48	01/07/2003	HYDR	RCSC	Non-Hydro
FA18686	No Fish Signs @ Crl Gate 16	TKA	C493481000		0	11.4	01/07/2003	HYDR	GATE	Non-Hydro
FA18875	TKA Dewatering Control System	TKA		TKA LSL	0	11.4	01/07/2004	HYDR	SEWG	Control
FA19435	Microwave equipment - Diverse Comms Upgrade	TKA			0	21.6	01/06/2005	OTFA	TELC	Non-Hydro
FA19869	SDH Transmission equipment	TKA			0	60	01/05/2006	OTFA	PLLG	Non-Hydro
FA19927	Powerhouse 24V Battery Banks	TKA	TKA20/BTD50		0	12	01/06/2006	HYDR	UPS	Electrical
FA20268	Defibrillator & Wall Attachment	TKA			0	15.6	01/07/2006	OTFA	PLLG	Non-Hydro
FA20328	TKA T4 Local Service Transformer 11/0.4kV withOLTC	TKA		TKA/BHT04	0	9.6	01/03/2007	HYDR	TRAN	Electrical
FA20374	TKA Seismic work - CO2 Gas Bottle Rack	TKA		TKA	0	15.6	01/07/2006	HYDR	FIRE	Control
FA20375	TKA Seismic work - UPS 400v Support frame	TKA		TKA20/C	0	36	01/07/2006	HYDR	UPS	Control
FA20376	TKA Seismic work - Battery Rack	TKA		TKA20/BTD	0	15.6	01/07/2006	HYDR	POWER	Control
FA20377	TKA Seismic work - Cooling Water	TKA		TKA20/G	0	15.6	01/07/2006	HYDR	CLWR	Control
FA20378	TKA Seismic work - Gate 16 Scada	TKA		TKA20/CK	0	12	01/07/2006	HYDR	GATE	Control
FA20379	TKA Seismic work - 2 x Scada	TKA		TKA20/CK	0	12	01/07/2006	HYDR	POWER	Control
FA20380	TKA Seismic work - Domestic water	TKA		TKA20/GKB	0	9.6	01/07/2006	HYDR	WATR	Control

No.	Description 1	LOC	Serial No.	KKS	SL %	DV %	Acquisition Date	Class	Sub Class	Hydro Type
FA20381	TKA Seismic work - Air Receiver	TKA		TKA20/SCB52	0	15.6	01/07/2006	HYDR	CAIR	Control
FA20382	TKA Seismic work - Store	TKA		TKA20/STORE	0	3	01/07/2006	HYDR	POWER	Control
FA20383	TKA Seismic work - Fire Compressor	TKA		TKA20/SGE50	0	9.6	01/07/2006	HYDR	FIRE	Control
FA20384	TKA Seismic work - Neutral Earth	TKA		TKA20/B	0	9.6	01/07/2006	HYDR	ACSW	Control
FA20385	TKA Seismic work - Sepa	TKA		TKA20/G	0	15.6	01/07/2006	HYDR	OLST	Control
FA20386	TKA Seismic work - Control Room Computers	TKA		TKA20	0	60	01/07/2006	HYDR	CAIR	Control
FA20559	Fixed Fire Fighting System - Tekapo A	TKA		TKA20/SGY	0	12	01/07/2007	BLDG	FIRE	Control
FA20575	HP DL380 Server Plant Info System	TKA	SAUB62600N9		0	60	01/07/2007	OTFA	EDPO	Non-Hydro
FA20580	40ft Flairack Container for Stoplog Transportation	TKA	7487FR	TKA20/SMP10/AE010 /MU01	0	12	01/07/2007	HYDR	CRNS	Mechanical
FA20581	40ft 10 tonne Crane Beam for Stoplog Installation	TKA	7487	TKA20/SMP10/AE010 /MK01	0	15.6	01/07/2007	HYDR	CRNS	Mechanical
FA20582	Demag DKUN20 5t Chain Hoist	TKA	61758573	TKA20/SMP10/AE011	0	15.6	01/07/2007	HYDR	CRNS	Mechanical
FA20583	Demag DKUN20 5t Chain Hoist	TKA	61758575	TKA20/SMP10/AE012	0	15.6	01/07/2007	HYDR	CRNS	Mechanical
FA20630	TKA lower limit switch on crane	TKA		TKA20/SMM11	0	9.6	01/03/2008	HYDR	CRNF	Mechanical
FA20631	TKA Replace station air compressor	TKA		TKA20/SCA50	0	15.6	01/03/2008	HYDR	CAIR	Mechanical
FA21461	Fixed Fire Fighting System (Sprinklers) Tekapo A	TKA		TKA 20/SGE	0	9.6	01/07/2008	BLDG	FIRE	Control
FA21512	Governor Air Breathers	TKA			0	15.6	01/07/2008	HYDR	OLST	Control
FA21978	TKA Unit PLC	TKA		TKA01/MYA50	0	12	01/07/2008	HYDR	RSCC	Control
FA21981	TKA Headgate Control System	TKA		TKA/LPB10	0	12	01/07/2008	HYDR	CONT	Control
FA22121	Corporate Network Equipment	TKA			0	19.2	01/07/2008	OTFA	TELC	Non-Hydro
FA22130	GCS Network Equipment	TKA			0	19.2	01/07/2008	OTFA	TELC	Non-Hydro
FA22141	Radio Paging System	TKA			0	24	01/07/2008	OTFA	TELC	Non-Hydro
FA22201	TKA Intake Boom	TKA			0	12	01/07/2008	HYDR	FLBM	Civil
FA22428	Westermo TD36 modem	TKA			0	60	01/07/2008	OTFA	TEST	Non-Hydro
FA22429	Radata Integra TR Radio	TKA			0	30	01/07/2008	OTFA	TELC	Non-Hydro
FA22430	Communications board	TKA			0	24	01/07/2008	OTFA	TELC	Non-Hydro
FA22431	Westermo TD36 modem	TKA			0	60	01/07/2008	OTFA	TELC	Non-Hydro
FA22432	Radata Integra TR Radio	TKA			0	30	01/07/2008	OTFA	TELC	Non-Hydro
FA22449	STM16 JE2 port fibre termination unit	TKA			0	24	01/07/2008	OTFA	TELC	Non-Hydro
FA22451	STM 16 Port card	TKA			0	24	01/07/2008	OTFA	TELC	Non-Hydro

No.	Description 1	LOC	Serial No.	KKS	SL %	DV %	Acquisition Date	Class	Sub Class	Hydro Type
FA22452	15Db booster	TKA			0	24	01/07/2008	OTFA	TELC	Non-Hydro
FA22607	Canal 11.7km transducer	TKA			0	12	01/04/2009	HYDR	CANL	Control
FA22864	Fibre Optic Driver Haka Valley Loop - TKA	TKA	1196782 BST 15 OPTICAL DRIVER	TKA20/CYG12/EU01 01-B01	0	24	01/08/2008	HYDR	TELC	Control
FA22866	Fibre Optic AMP Haka Valley Loop - TKA	TKA	1196783 L16-2ND OPTICAL AMPLIF	TKA20/CYG12/EU01 01-N01	0	24	01/08/2008	HYDR	TELC	Control
FA22877	Colour CCTV camera	TKA			0	24	01/05/2009	HYDR	SECY	Control
FA22878	Colour CCTV camera	TKA			0	24	01/05/2009	HYDR	SECY	Control
FA22879	Colour CCTV camera	TKA			0	24	01/05/2009	HYDR	SECY	Control
FA22880	Colour CCTV camera	TKA			0	24	01/05/2009	HYDR	SECY	Control
FA22881	Colour CCTV camera	TKA			0	24	01/05/2009	HYDR	SECY	Control
FA22882	Colour CCTV camera	TKA			0	24	01/05/2009	HYDR	SECY	Control
FA23023	Tekapo A Revenue Metering	TKA	PT-0603A050-01/PT- 0603A051-01	TKA20/CFA	0	15.6	01/07/2009	OTFA	MET	Non-Hydro
FA23257	24v Inverter Power Systems at Tekapo A/B	TKA			0	24	01/07/2009	OTFA	TELC	Non-Hydro
FA03933	Mita Photocopier Dc 1415	TKB	125202H		0	33	01/04/1999	OTFA	OFMA	Non-Hydro
FA04939	Control Panels Powerhouse	TKB			0	22	01/04/1999	HYDR	CONT	Control
FA04954	Water Filter System	TKB			0	9.5	01/04/1999	HYDR	ELVS	Non-Hydro
FA04970	Fences	TKB			0	9.5	01/04/1999	LIMP	FENC	Non-Hydro
FA04971	Powerstation Land	TKB			0	0	01/04/1999	HYDR	LAND	Non-Hydro
FA04973	Elevator	TKB			0	7.5	01/04/1999	HYDR	ELVS	Non-Hydro
FA05258	Asset Manager Office	TKB			0	9.5	01/04/1999	HYDR	POWER	Non-Hydro
FA05646	Resolution Effort & Equipment	TKB			0	40	01/04/1999	HYDR	TUR	Mechanical
FA05752	Generator electrical protection	TKB			0	26.4	30/06/1999	HYDR	CONT	Control
FA05769	WAN upgrade TKB	TKB		TKB02-3IMK	0	48	30/06/1999	OTFA	EDPO	Non-Hydro
FA05778	WAN cabling TKB	TKB			0	31.2	30/06/1999	OTFA	EDPO	Non-Hydro
FA05933	TKB Control Room Desk	TKB			0	18	01/07/1999	OTFA	OFFF	Non-Hydro
FA10808	Spare Transformer And Cooling	TKB		Tkb00/Bat	0	7.5	01/04/1999	HYDR	TRAN	Electrical
FA10809	GENERATOR OUTPUT	TKB		TKB02/BAA	0	7.5	01/07/2002	HYDR	GEN	Electrical
FA10810	Circuit Breaker	TKB		Tkb02/Bac	0	7.5	01/04/1999	HYDR	CBRK	Electrical

No.	Description 1	LOC	Serial No.	KKS	SL %	DV %	Acquisition Date	Class	Sub Class	Hydro Type
FA10811	Transformer And Cooling Red Ph	TKB		TKB02/BAT11	0	7.5	01/04/1999	HYDR	TRAN	Electrical
FA10812	Transformer And Cooling Yellow	TKB		TKB02/BAT12	0	7.5	01/04/1999	HYDR	TRAN	Electrical
FA10813	Transformer And Cooling Blue P	TKB		TKB02/BAT13	0	7.5	01/04/1999	HYDR	TRAN	Electrical
FA10814	400 V DISTRIBUTION BOARD	TKB		TKB02/BFA	0	7.5	01/04/1999	HYDR	ACSW	Electrical
FA10816	Turbine Scrollcase Shaft Excl	TKB		Tkb02/Mea	0	9.5	01/04/1999	HYDR	RUNS	Mechanical
FA10817	Turbine Runner	TKB		TKB02/MEA	0	9.5	01/04/1999	HYDR	RUNS	Mechanical
FA10818	Turbine Bearings	TKB		Tkb02/Med	0	9.5	01/04/1999	HYDR	RUNS	Mechanical
FA10819	GOVERNOR AND BPV CONTROL Hyd	TKB		TKB02/MEX	0	9.5	01/04/1999	HYDR	GOVS	Mechanical
FA10820	GOVERNOR AND BPV CONTROL Con	TKB		Tkb02/Mex10/C	0	9.5	01/04/1999	HYDR	COTH	Control
FA10821	GENERATOR STATOR AND COOLERS	TKB		TKB02/MKA	0	9.5	01/04/1999	HYDR	GEN	Electrical
FA10822	Generator Rotor	TKB		TKB02/MKA	0	9.5	01/04/1999	HYDR	GEN	Electrical
FA10823	Generator Excitation	TKB		Tkb02/Mkc	0	9.5	01/04/1999	HYDR	EXSY	Electrical
FA10824	Generator Bearings	TKB		Tkb02/Mkd	0	9.5	01/04/1999	HYDR	GEN	Mechanical
FA10825	Cooling Water	TKB		Tkb02/Mkf	0	9.5	01/04/1999	HYDR	CLSY	Mechanical
FA10826	Protection Equipment	TKB		TKB02/MYA	0	22	01/04/1999	HYDR	CONT	Control
FA10827	Plc Controller Equipment	TKB		TKB02/MYA	0	22	01/04/1999	HYDR	CONT	Control
FA10829	Circuit Breaker	TKB		Tkb03/Bac	0	7.5	01/04/1999	HYDR	CBRK	Electrical
FA10830	Transformer And Cooling Red Ph	TKB		TKB03/BAT11	0	7.5	01/04/1999	HYDR	TRAN	Electrical
FA10831	Transformer And Cooling Yellow	TKB		TKB03/BAT12	0	7.5	01/04/1999	HYDR	TRAN	Electrical
FA10832	Transformer And Cooling Blue P	TKB		TKB03/BAT13	0	7.5	01/04/1999	HYDR	TRAN	Electrical
FA10833	400 V DISTRIBUTION BOARD	TKB		TKB02/BFA	0	7.5	01/04/1999	HYDR	ACSW	Electrical
FA10834	Turbine Scrollcase Shaft Excl	TKB		Tkb03/Mea	0	9.5	01/04/1999	HYDR	RUNS	Mechanical
FA10835	Turbine Runner	TKB		TKB03/MEA	0	9.5	01/04/1999	HYDR	RUNS	Mechanical
FA10836	Turbine Bearings	TKB		Tkb03/Med	0	9.5	01/04/1999	HYDR	RUNS	Mechanical
FA10837	GOVERNOR AND BPV CONTROL Hyd	TKB		TKB02/MEX	0	9.5	01/04/1999	HYDR	GOVS	Mechanical
FA10838	GOVERNOR AND BPV CONTROL Con	TKB		Tkb03/Mex10/C	0	9.5	01/04/1999	HYDR	GOVS	Control
FA10839	GENERATOR STATOR AND COOLERS	TKB		TKB03/MKA	0	9.5	01/04/1999	HYDR	GEN	Electrical
FA10840	Generator Rotor	TKB		TKB03/MKA	0	9.5	01/04/1999	HYDR	GEN	Electrical
FA10841	Generator Excitation	TKB		Tkb03/Mkc	0	9.5	01/04/1999	HYDR	EXSY	Electrical
FA10842	Generator Bearings	TKB		Tkb03/Mkd	0	9.5	01/04/1999	HYDR	GEN	Mechanical

No.	Description 1	LOC	Serial No.	KKS	SL %	DV %	Acquisition Date	Class	Sub Class	Hydro Type
FA10843	Cooling Water	TKB		TKb03/MKf	0	9.5	01/04/1999	HYDR	CLSY	Mechanical
FA10844	Protection Equipment	TKB		TKB03/MYA	0	22	01/04/1999	HYDR	CONT	Control
FA10845	Plc Controller Equipment	TKB		TKB03/MYA	0	22	01/04/1999	HYDR	CONT	Control
FA10846	Stoplogs Screens Dewatering An	TKB		TKB20/LPA	0	18	01/04/1999	HYDR	GATE	Mechanical
FA10848	Air Distribution	TKB		TKB20/SCB	0	15	01/04/1999	HYDR	CAIR	Mechanical
FA10849	Oil Cleaning And Storage	TKB		TKB20/SDV	0	7.5	01/04/1999	HYDR	PLLG	Mechanical
FA10850	CO2 FIRE PROTECTION SYSTEM	TKB		TKB20/SGJ	0	9.5	01/04/1999	HYDR	FIRE	Control
FA10851	Intake Stoplog Crane	TKB		TKB20/SML	0	7.5	01/04/1999	HYDR	CRNF	Mechanical
FA10852	Tailwater Stoplog Crane	TKB		TKB20/SML	0	7.5	01/04/1999	HYDR	DAM	Mechanical
FA10853	Station Crane	TKB		TKB20/SMM	0	7.5	01/04/1999	HYDR	CRNF	Mechanical
FA10854	33 kV TRANSMISSION SYSTEMS	TKB		TKB20/AH	0	9.5	01/04/1999	HYDR	CABL	Electrical
FA10855	Electrical Distribution Plant	TKB		TKB20/B	0	7.5	01/04/1999	HYDR	CONT	Electrical
FA10856	Earthing And Lightning Protec	TKB		TKB20/BAW	0	9.5	01/04/1999	HYDR	CONT	Electrical
FA10857	MAIN 400V BOARD A BUS	TKB		TKB20/BHA	0	7.5	01/04/1999	HYDR	CABL	Electrical
FA10858	MAIN 400V BOARD B BUS	TKB		TKB20/BHB	0	7.5	01/04/1999	HYDR	CABL	Electrical
FA10859	HEADGATE SWITCHBOARD C	TKB		TKB20/BHC	0	7.5	01/04/1999	HYDR	ACSW	Electrical
FA10860	SUPPLY TRANSFORMERS	TKB		TKB20/BHT	0	7.5	01/04/1999	HYDR	TRAN	Electrical
FA10861	Emergency Generator System	TKB		TKB20/BRV	0	7.5	01/04/1999	HYDR	GEN	Electrical
FA10862	Revenue Metering	TKB		TKB20/CFA	0	22	01/04/1999	HYDR	MET	Control
FA10863	CANAL	TKB		TKB31/ULZ	0	4	01/07/2002	HYDR	CANL	Civil
FA10864	POWERHOUSE AND FACILITIES	TKB		TKB31/UME	0	4	01/07/2002	HYDR	POWER	Civil
FA10869	CANAL INLET (GATE 7)	TKB		TKB35/UPL	0	4	01/07/2002	HYDR	CANL	Civil
FA10870	Canal Inlet (Gate 17) Gate Lif	TKB		TKB41/LPB	0	9.5	01/04/1999	HYDR	CANL	Mechanical
FA10871	Control And Protection Systems	TKB		TKb02/My	0	22	01/04/1999	HYDR	COTH	Control
FA10872	Control And Protection Systems	TKB		TKb03/My	0	22	01/04/1999	HYDR	COTH	Control
FA10873	Local Service Control And Prot	TKB		TKB20/BYA	0	22	01/04/1999	HYDR	CONT	Control
FA10874	Station Services Control And P	TKB		TKB20/SYA	0	22	01/04/1999	HYDR	CONT	Control
FA10875	GATE 17 CONTROL AND PROTECTION	TKB		TKB41/LPB	0	22	01/04/1999	HYDR	GATE	Control
FA10876	Station Services Plc Controlle	TKB		TKb23/Mya50	0	22	01/04/1999	HYDR	CONT	Control
FA10877	SECURITY SYSTEMS	TKB		TKB20/SS	0	22	01/07/2002	HYDR	PLLG	Control

No.	Description 1	LOC	Serial No.	KKS	SL %	DV %	Acquisition Date	Class	Sub Class	Hydro Type
FA10880	TELEMETRY SYSTEMS	TKB		TKB20/CYH	0	22	01/07/2002	HYDR	TELO	Control
FA10881	RADIO SYSTEMS	TKB		TKB20/CYS	0	22	01/07/2002	HYDR	TELO	Control
FA10882	CONTROL STRUCTURE GATE LIFTING	TKB		TKB45/LND	0	22	01/07/2002	HYDR	GATES	Civil
FA10883	Dc System Distribution	TKB		TKB20/BU	0	22	01/04/1999	HYDR	ACSW	Electrical
FA13900	TKB U02 Governor And Bvp Control	TKB		TKb03/Mex10/A	0	21.6	01/06/2000	HYDR	GOVS	Mechanical
FA13901	TKB U02 Governor And Bvp Control	TKB		TKb04/Mex10/A	0	21.6	01/06/2000	HYDR	GOVS	Mechanical
FA13902	Control And Protection Systems	TKB		TKb02/My	0	11.4	01/06/2000	HYDR	COTH	Mechanical
FA13903	Control And Protection Systems	TKB		TKb03/My	0	11.4	01/06/2000	HYDR	COTH	Mechanical
FA13904	Local Service Control And Prot	TKB		TKb22/My	0	11.4	01/06/2000	HYDR	CONT	Mechanical
FA13905	Station Services Control And P	TKB		TKb23/My	0	11.4	01/06/2000	HYDR	CONT	Mechanical
FA13906	Remote Control And Supervisory	TKB		TKb23/Cyg	0	48	01/06/2000	HYDR	CONT	Mechanical
FA14411	PENSTOCK INTAKE STRUC INLET GT	TKB		TKB31/ULP	0	4	01/07/2002	HYDR	GATE	Civil
FA14413	PENSTOCK	TKB		TKB02/LPC TKB03/LPC	0	7.5	01/07/2002	HYDR	PENS	Civil
FA14550	CCTV Transmission & Mux TKB	TKB		TKB??/SSA	0	39.6	01/07/2000	HYDR	SECY	Control
FA14567	CCTV Power System TKB	TKB		TKB??/SSA	0	39.6	01/07/2000	HYDR	SECY	Control
FA14800	Unit 2 stator rewind	TKB		TKB??/MKA	100	0	30/11/2000	HYDR	STWD	Electrical
FA14806	Unit 3 Rotor Shaft Plug	TKB	C49306'000	TKB??/MKA	0	11.4	30/09/2001	HYDR	CBRK	Mechanical
FA14807	Step Ladder	TKB	C49305'000		0	26.4	31/08/2001	HYDR	PLLG	Mechanical
FA14808	Step Ladder	TKB	C49305'000		0	26.4	31/08/2001	HYDR	PLLG	Mechanical
FA14809	Step Ladder	TKB	C49305'000		0	26.4	31/08/2001	HYDR	PLLG	Mechanical
FA14810	Extension Ladder	TKB	C49305'000		0	26.4	31/08/2001	HYDR	PLLG	Mechanical
FA14811	Sack Barrow	TKB	C49305'000		0	60	31/08/2001	HYDR	OTHR	Mechanical
FA14812	400v Circuit Breakers (GE)	TKB	C49300'000	TKB??/BHA	0	9	30/06/2001	HYDR	CBRK	Electrical
FA14813	400v Circuit Breaker (GE)	TKB	C49300'000	TKB??/BHA	0	9	30/06/2001	HYDR	CBRK	Electrical
FA14899	Drill Press	TKB	C29302'000		0	11.4	30/09/2000	HYDR	PLLG	Control
FA14900	Ladder 8	TKB	C29302'000		0	11.4	30/09/2000	HYDR	PLLG	Control
FA14901	Ladder 8	TKB	C29302'000		0	11.4	30/09/2000	HYDR	PLLG	Control
FA15429	TKB Headgate Lighting Protectn	TKB	C49307'000	TKB??/LPB	0	11.4	01/08/2002	HYDR	LGHT	Control

No.	Description 1	LOC	Serial No.	KKS	SL %	DV %	Acquisition Date	Class	Sub Class	Hydro Type
FA15512	Cisco Router 2501	TKB	C109032000		0	48	01/07/2002	OTFA	EDPO	Non-Hydro
FA15521	Modbus Network Adaptors	TKB	C109032000	TKB??/CY	0	48	01/07/2002	HYDR	CONT	Control
FA15531	PLC Upgrades Hardware	TKB	C109032000	TKB??/CKN	0	48	01/07/2002	HYDR	CONT	Control
FA15541	Automation Upgrades TKB	TKB	C109032000	TKB??/CKN	0	48	01/07/2002	HYDR	CONT	Control
FA16322	Turbine Bearing (Spare)	TKB	C493011000	TKB??/MED	0	11.4	01/01/2003	HYDR	GEN	Mechanical
FA16325	Circuit Breakers 400v	TKB	C493031000	TKB??/BHA	0	9	01/07/2002	HYDR	CBRK	Electrical
FA16376	Governor Pump 1 Duty	TKB	C493041000	TKB??/MEX	0	11.4	01/11/2002	HYDR	GOVS	Mechanical
FA16377	Governor Pump 2 Standby	TKB	C493041000	TKB??/MEX	0	11.4	01/11/2002	HYDR	GOVS	Mechanical
FA16378	Governor Pump 1 Duty	TKB	C493041000	TKB??/MEX	0	11.4	01/11/2002	HYDR	GOVS	Mechanical
FA16379	Governor Pump 2 Standby	TKB	C493041000	TKB??/MEX	0	11.4	01/11/2002	HYDR	GOVS	Mechanical
FA16384	A600H 600ah 110v Battery Bank	TKB	C493091000	TKB/BTB	0	39.6	01/11/2002	HYDR	ACSW	Electrical
FA16385	Battery Rack	TKB	C493091000		0	39.6	01/11/2002	HYDR	ACSW	Electrical
FA16505	Thrust Guide Bearing Filt Unit	TKB	C493081000	TKB/IMKD	0	11.4	01/12/2002	HYDR	GEN	Mechanical
FA16506	Thrust Guide Bearing Filt Unit	TKB	C493081000	TKB/IMKD	0	11.4	01/12/2002	HYDR	GEN	Mechanical
FA16666	Mono Dresser E081 TKB Pump A	TKB	C429801000		0	21.6	01/07/2003	HYDR	OLIN	Non-Hydro
FA16709	Voltage Detector & Rod	TKB	C493531000		0	26.4	01/07/2003	OTFA	TEST	Non-Hydro
FA18575	Transformer Fire Enclosures	TKB	C321251000	TKB31/UME	0	4	15/05/2004	HYDR	POWER	Control
FA18576	Transformer Unit 2 Red	TKB	C321251000	TKB03/BAT11	0	9	15/05/2004	HYDR	TRAN	Electrical
FA18577	Transformer Unit 2 Yellow	TKB	C321251000	TKB03/BAT12	0	9	15/05/2004	HYDR	TRAN	Electrical
FA18578	Transformer Unit 2 Blue	TKB	C321251000	TKB03/BAT13	0	9	15/05/2004	HYDR	TRAN	Electrical
FA18579	Transformer Unit 3 Red	TKB	C321251000	TKB03/BAT11	0	9	15/05/2004	HYDR	TRAN	Electrical
FA18580	Transformer Unit 3 Yellow	TKB	C321251000	TKB03/BAT12	0	9	15/05/2004	HYDR	TRAN	Electrical
FA18581	Transformer Unit 3 Blue	TKB	C321251000	TKB03/BAT13	0	9	15/05/2004	HYDR	TRAN	Electrical
FA18582	Transformer Oil Removal System	TKB	C321251000	TKB20/SDV	0	11.4	15/05/2004	HYDR	OLST	Mechanical
FA18919	GCS UPS Batteries	TKB		TKB20/BR	0	39.6	30/09/2004	HYDR	UPS	Non-Hydro
FA19510	Gate 16 Fibre Optic Connection	TKB			0	14.4	01/06/2005	HYDR	CONT	Control
FA19870	SDH Transmission equipment	TKB			0	60	01/05/2006	OTFA	PLLG	Non-Hydro
FA19912	PLC Protection Software	TKB	TKB		0	60	01/03/2005	SOFT	SOFTW	Control
FA19926	Intake Gate 24V Battery Banks	TKB			0	12	01/06/2006	HYDR	UPS	Electrical
FA19928	Powerhouse 24V Battery Banks	TKB	TKB20/ETD50		0	12	01/06/2006	HYDR	UPS	Electrical

No.	Description 1	LOC	Serial No.	KKS	SL %	DV %	Acquisition Date	Class	Sub Class	Hydro Type
FA20289	Defibrillator & Wall Attachment	TKB			0	15.6	01/07/2006	OTFA	PLLG	Non-Hydro
FA20352	Generator Windings Store (seismic) Strengthening	TKB		TKB/STORE	0	12	01/07/2006	HYDR	STWD	Control
FA20353	Sprinkler Preaction Compressor (seismic)Strengthen	TKB		TKB20/SG	0	12	01/07/2006	HYDR	FIRE	Control
FA20354	Mechanical Spares Storage (seismic)Strengthen	TKB		TKB00	0	12	01/07/2006	HYDR	POWER	Mechanical
FA20355	Transformer Oil Tanks (seismic)Strengthen	TKB		TKB20/SDV20	0	15.6	01/07/2006	HYDR	OLST	Control
FA20356	Headgate Bulkhead Lifting Beam (seismic)Strengthen	TKB		TKB20/SML	0	15.6	01/07/2006	HYDR	GATE	Control
FA20387	Switchyard Circuit Breakers (No. 3)	TKB		TKB20/A	0	9.6	01/07/2006	HYDR	CBRK	Control
FA20388	Battery Charger Room	TKB		TKB20/BT	0	9.6	01/07/2006	HYDR	POWER	Control
FA20389	Sepa Oil Interceptor	TKB		TKB20/SD	0	15.6	01/07/2006	HYDR	OLST	Control
FA20502	Compressor/Atlas Copco rotary screw	TKB	AP1296578	TKB20/SCA50	0	15.6	01/07/2007	HYDR	CAIR	Non-Hydro
FA20503	Compressor/Atlas Copco rotary screw	TKB	AP1295300	TKB20/SCA50	0	15.6	01/07/2007	HYDR	CAIR	Non-Hydro
FA20504	Baur compressor	TKB	1688-C	TKB20/SCA30	0	15.6	01/07/2007	HYDR	CAIR	Non-Hydro
FA20505	Baur compressor	TKB	1687-C	TKB20/SCA30	0	15.6	01/07/2007	HYDR	CAIR	Non-Hydro
FA20560	Fixed Fire Fighting System - Tekapo B	TKB		TKB20/SGY	0	12	01/07/2007	BLDG	FIRE	Control
FA20576	HP DL380 Server Plant Info System	TKB	SAUB62600VS		0	60	01/07/2007	OTFA	EDPO	Non-Hydro
FA21462	Fixed Fire Fighting System (Sprinklers) Tekapo B	TKB		TKB 20/SGE	0	9.6	01/07/2008	BLDG	FIRE	Control
FA21513	Governor Air Breathers	TKB			0	15.6	01/07/2008	HYDR	OLST	Control
FA21566	TKB Headgate Indication System	TKB		TKB/LPB	0	12	01/07/2008	HYDR	CONT	Control
FA21567	TKB Headgate PLC I/O Comms Link	TKB		TKB/LPB	0	12	01/07/2008	HYDR	CONT	Control
FA21571	TKB Headgate Power Supplies	TKB		TKB/LPB	0	9.6	01/07/2008	HYDR	MCCD	Electrical
FA21982	TKB G2 Headgat Control System	TKB		TKB02/LPB10	0	12	01/07/2008	HYDR	RCSC	Control
FA21983	TKB G3 Headgat Control System	TKB		TKB03/LPB10	0	12	01/07/2008	HYDR	RCSC	Control
FA21986	TKB G2 penstock ultrasonic flow measurement system	TKB		TKB/LPC02	0	12	01/07/2008	HYDR	PENS	Civil
FA22120	Corporate Network Equipment	TKB			0	19.2	01/07/2008	OTFA	TELC	Non-Hydro
FA22129	GCS Network Equipment	TKB			0	19.2	01/07/2008	OTFA	TELC	Non-Hydro
FA22142	Radio Paging System	TKB			0	24	01/07/2008	OTFA	TELC	Non-Hydro
FA22186	OHA 24V Batteries	TKB		TKB/LPB	0	48	01/07/2008	HYDR	UPS	Electrical
FA22187	TKB 400V Circuit Breakers CB25/CB29	TKB		TKB20/BHB10/GS025	0	9.6	01/07/2008	HYDR	CBRK	Electrical
FA22197	Air Gap Monitoring transducer (LS120)& signal cond	TKB			0	12	01/07/2008	HYDR	GEN	Control
FA22198	Slipring Monitoring Matrix Proximity Probe & Drive	TKB			0	12	01/07/2008	HYDR	GEN	Control

No.	Description 1	LOC	Serial No.	KKS	SL %	DV %	Acquisition Date	Class	Sub Class	Hydro Type
FA22214	Accelerometer MTN / 1185CM8-10	TKB			0	12	01/07/2008	HYDR	CONT	Control
FA22606	Civil Seismic Equipment Upgrade	TKB			0	12	01/08/2008	HYDR	CANL	Control
FA22718	TekapoB 8.17km Canal Earth Buttress&Culvert-Outlet	TKB		TKBJULZ20/BR020	0	4.8	01/02/2009	HYDR	CANL	Civil
FA22719	TekapoB 8.17km Canal Earth Buttress&Culvert-Inlet	TKB		TKBJULZ20/BR025	0	4.8	01/02/2009	HYDR	CANL	Civil
FA22883	Colour CCTV camera	TKB			0	24	01/05/2009	HYDR	SECY	Control
FA23082	Field flashing protection	TKB			0	12	01/07/2009	HYDR	OTHR	Electrical
FA23085	CB27 400v replacement system	TKB			0	9.6	01/07/2009	HYDR	CONT	Electrical
FA23207	Wolds station fencing	TKB			0	12	01/07/2009	LIMP	FENC	Non-Hydro
FA23208	Wolds station road access	TKB			0	4.8	01/07/2009	LIMP	ROAD	Non-Hydro

Turbine by-pass dissipator.

SCHEDULE 3

INTELLECTUAL PROPERTY

Physical documentation Tekapo A & B including drawings and reports.

Waitaki Water flow computer model extract Tekapo A & B in electronic form.

Plant archive database extract Tekapo A & B in electronic form.

Maintenance management system extract Tekapo A & B in electronic form.

Operator training manuals in electronic form.

Plant Information (PI) database extract Tekapo A & B in electronic form

SCHEDULE 4

WARRANTIES

1. **Information:** To the best of the Vendor's knowledge and belief, all information in writing given by or on behalf of the Vendor or any Subsidiary of the Vendor (whether by any director, agent, professional adviser or other person) to the Purchaser or any director, agent, professional adviser or other representative of the Purchaser, in the course of negotiations leading to this Agreement and in respect of the Power Stations or the Assets, was, when given, complete and accurate.
2. **Material circumstances:** The Vendor is not aware of any circumstances (other than circumstances affecting the electricity industry or market generally) which has not been disclosed in writing to the Purchaser and which might reasonably be expected Materially and adversely to affect the Power Stations or the Assets or their operation, or which might otherwise be Material to a purchaser of the Power Stations.
3. **Contracts:** There is no contract or agreement to which the Vendor or a Subsidiary is party which is Material to the operation of the Power Stations, other than the Commercial Contracts.
4. **Business operations:** If the obligations of the Vendor under clause 9.1(a) to (g), and 9.1(i), of this Agreement had been entered into by the Vendor in favour of the Purchaser on 9 December 2009, no breach of those obligations would have occurred during the period from 9 December 2009 to the date of this Agreement.
5. **Licences:** The Vendor holds current in its own name all licences, authorities, warrants, Consents, approvals and permits from or issued by an Authority which are necessary or otherwise required to enable it to own and operate the Power Stations fully and effectively ("**Licences**"). Save to the extent provided for in the EIA, or as a consequence of the EIA or implementation of the transactions evidenced by this Agreement, the Vendor is not aware that any of the Licences are being or are likely to be withdrawn, cancelled, qualified, or adversely affected in any manner, and the Vendor is not operating in breach of the provisions of any of the Licences, nor aware of any circumstances which entitle or may entitle any authority to suspend, cancel or terminate any of the Licences, in any way that is Material to the operation of the Power Stations or the Assets.
6. **Compliance with laws:** To the best of the Vendor's knowledge and belief, the Vendor is not in breach of any statutory provision, order, by-law or regulation binding on or applicable to it, or in breach of any Commercial Contract, where such breach is Material to the operation of the Power Stations or the Assets.
7. **Sufficiency of and title to, Assets:** The Assets:
 - (a) are the absolute property of, and under the control of, the Vendor;
 - (b) will not on Settlement be subject to any Security Interest (other than those arising in the ordinary course of business); and
 - (c) are not subject to any right of first refusal or obligation to offer back to earlier owners or other parties,except that, for those Assets comprising the Land listed in Part B of Schedule 1:
 - (d) at the date of execution of this Agreement and at the Settlement Date:
 - (i) the Warranties at paragraphs 7(a) and (b) shall not apply;

- (ii) the Warranty at paragraph 7(c) shall apply, amended by inserting at the end of that paragraph the words "other than pursuant to section 40 of the Public Works Act 1981";
 - (e) at the time of any transfer to the Purchaser, the Warranties at paragraphs 7(a) to (c) (inclusive) shall be given except that the Warranty at paragraph 7(b) shall be amended by deleting the words "on Settlement" and replacing them with the words "upon transfer to the Purchaser"; and
 - (f) on Settlement that Land will be held as described in the right hand column of Part B of Schedule 1.
8. **Land:** The Land listed in Part A of Schedule 1 was transferred to the Vendor by Electricity Corporation of New Zealand Limited, not by the Crown.
9. **No other assets:** Other than the Assets, and save as disclosed in writing to the Purchaser prior to the date of this Agreement or provided for in the TSA, there are no:
- (a) assets which are necessary for the operation of the Power Stations and the Assets in the manner in which they have been operated by the Vendor before the date of this Agreement; or
 - (b) Material assets which are necessary for the maintenance of the Power Stations and the Assets in the manner in which they have been maintained by the Vendor before the date of this Agreement.
10. **Not held by Subsidiaries:** Without limiting clause 9 of this schedule, none of the Assets are owned by any Subsidiary of the Vendor.
11. **Operation and Maintenance:** The Vendor has:
- (a) operated, conducted and dealt with the Power Stations and the Assets in the ordinary course of business and in accordance with Good Industry Practice; and
 - (b) maintained all Assets in accordance with Good Industry Practice and, in respect of the 2009/2010 year, in accordance with the Vendor's 2009/2010 maintenance plan, a copy of which is attached as Schedule 10.
12. **Requisitions:** To the best of the Vendor's knowledge and belief, there are no:
- (a) unsatisfied requisitions by, or disputes with, any Authority which are Material to the operation of the Power Stations or the Assets; or
 - (b) outstanding disputes with, or complaints by, third parties which are Material to the operation of the Power Stations or the Assets; or
 - (c) notices, orders or planning proposals which have been served on the Vendor or otherwise notified in writing by any Authority which are Material to the operation of the Power Stations or the Assets; or
 - (d) Maori land claims in existence of threatened which are Material to the operation of the Power Stations or the Assets; or
 - (e) other claims or litigation (whether of a civil or criminal nature) existing or threatened against the Vendor or a Subsidiary which are Material to the operation of the Power Stations or the Assets.

13. **Intellectual Property:** The Vendor is the sole owner of, and has the sole right to use, all of the Intellectual Property, and, to the best of the Vendor's knowledge and belief, no party other than the Vendor has any right or claim to, or has made any claim in respect of, any of the Intellectual Property.

SCHEDULE 5**COMMERCIAL CONTRACTS****PART A****Assigned Contracts**

1. Facilities Deed between the Vendor and Transpower New Zealand Limited dated 3 November 1999 relating to Tekapo A.
2. Services Agreement between the Vendor and Transpower New Zealand Limited dated 3 November 1999 relating to Tekapo A.
3. Memorandum of Lease between the Vendor and Transpower New Zealand Limited dated 3 November 1999 relating to Tekapo A.
4. Facilities Deed between the Vendor and Transpower New Zealand Limited dated 3 November 1999 relating to Tekapo B.
5. Services Agreement between the Vendor and Transpower New Zealand Limited dated 3 November 1999 relating to Tekapo B.
6. Memorandum of Lease between the Vendor and Transpower New Zealand Limited dated 3 November 1999 relating to Tekapo B.
7. Road Management Agreements with:
 - Balmoral Station
 - The Crown
 - Wolds Station
 - Mt Cook Salmon Farm
8. Tekapo A Road Management agreement dated 12 January 2007 between the Mackenzie District Council and the Vendor.

PART B**Split Contracts**

1. Agreement between Meridian Energy Limited and Transit New Zealand, dated April 2008, entitled "Agreement in relation to water rights".
2. Agreement between Meridian Energy Limited and Her Majesty The Queen acting by and through the Director-General of Conservation, dated September 2006, entitled "Compensatory funding agreement".
3. Agreement between Meridian Energy Limited and the Mackenzie District Council, dated January 2008, entitled "Agreement in relation to water rights".
4. Agreement between Meridian Energy Limited and Royal Forest & Bird Protection Society of New Zealand Incorporated, undated, entitled "Agreement in relation to water rights".
5. Agreement between Meridian Energy Limited and Central South Island Fish and Game Council, dated 24 September 2008, entitled "Agreement in relation to water rights".
6. Agreement between Meridian Energy Limited and New Zealand Recreational Canoeing Association Incorporated and Tekapo Whitewater Trust, dated 30 September 2009, entitled "Agreement in relation to water rights".
7. Agreement between Meridian Energy Limited and Mount Cook Salmon Limited, dated 24 May 1999, entitled "Agreement to lease".
8. The head agreement between Electricity Corporation of New Zealand Limited and—
 - (a) Her Majesty The Queen acting by and through the Minister of Conservation; and
 - (b) South Canterbury Fish and Game Council; and
 - (c) Ngāi Tahu Trust Board; and
 - (d) Benmore Irrigation Company Limited; and
 - (e) The New Zealand Canoeing Association Incorporated; and
 - (f) Mackenzie District Council; and
 - (g) Lower Waitaki Irrigation Company Limited; and
 - (h) Maerewhenua District Water Resource Co. Limited; and
 - (i) Morven, Glenavy, Ikawai Irrigation Company Limited; and
 - (j) Transit New Zealand; and
 - (k) South Canterbury Branch of Royal Forest & Bird Protection Society of New Zealand Incorporated; and
 - (l) New Zealand Salmon Anglers Association Incorporated, dated 26 November 1990, entitled "Agreement to Electricity Corporation's water rights".

9. Agreement between Meridian Energy Limited and Mackenzie Irrigation Company Limited, dated 31 October 2006, entitled "Agreement in relation to the allocation of water for irrigation".
10. Agreement between Meridian and Mackenzie Irrigation Company Limited, undated, entitled "Agreement in relation to stock water".
11. Agreement between Meridian and—
 - (a) Her Majesty The Queen acting by and through the Minister of Land Information; and
 - (b) The Director General of Conservation for and on behalf of the Department of Conservation and
 - (c) The Canterbury Regional Council; and
 - (d) Fish and Game New Zealand; and
 - (f) Mackenzie District Council,date 1 July 2004.

SCHEDULE 6**HYDROMETRIC STATION EQUIPMENT****Site Name: Godley at Panorama Ridge**

- NIWA Site Number: 304410
- Map Ref (NZMS260): I35:063438
- Measurements: Rainfall, Air Temperature, Mean Wind Speed, Maximum Wind Speed, Mean Wind Direction, Snow Depth.
- Structures: Mast (3m wooden pole), Mast (6m lattice), Housings (2 pole mounted), but excluding hermetically sealed housing owned by a third party.
- Instrumentation: Aquitel Remote, Campbell CR10 Datalogger, Kainga Campbell Logger Mod, OTA Tipping Bucket Rain Gauge, Check Gauge, Unidata L34 Air Temperature Sensor, RM Young Wind Speed/Direction Sensor, Lundahl DCU7 Snow Depth Sensor.
- Other Equipment: Solar Panels (3 off), Radio (Salcom UHF), Aerial (Yagi), A/D Converter, Battery/Cable/Telem comms.

Site Name: Godley at Eade Hut

- NIWA Site Number: 305411
- Map Ref (NZMS260): I36:065399
- Measurements: Rainfall, Air Temperature
- Structures: Mast (3m wooden pole), Housings (2 pole mounted).
- Instrumentation: Aquitel Remote, OTA Tipping Bucket, Check Gauge, Unidata L34 Air Temperature Sensor.
- Other Equipment: Solar Panel (1 off), Radio (Salcom UHF), Aerial (Yagi), A/D Converter, Battery/Cable/Telem comms.

Site Name: Mt Hay Repeater

- Map Ref (NZMS260): I37:145925
- Structures: Mast (3m wooden), Housing (1 pole mounted)
- Essential communication site for the transfer of hydrology data
- Other Equipment: Solar Panels (2 off), Radio (Salcom UHF), Radio (Tait T198), Aerial (2 off UHF/VHF), Battery/cables.

Site Name: Lake Tekapo at Power Station Intake

- Site Number: 71132
- Map Reference (NZMS260): I37:074865
- Funding: MEL 33%, FRST 33%, m-Co 33%. Telemetry MEL 50%, m-Co 50%

- Measurements: Stage
- Instrumentation: Varec water level device but excluding all other structures and instrumentation including Aquitel Remote, Kainga Encoder, NIWA Datalogger Aerial (VHF Yagi), Radio (Tait T198), battery, cables, charger which are owned by a third party.

SCHEDULE 7
AGREED FORM CONTRACTS

SCHEDULE 8

MIC MANAGEMENT AGREEMENT

SCHEDULE 9**ASSETS OWNED BY TRANSPOWER NEW ZEALAND LIMITED
OR OTHER THIRD PARTIES****Tekapo A Power Station**

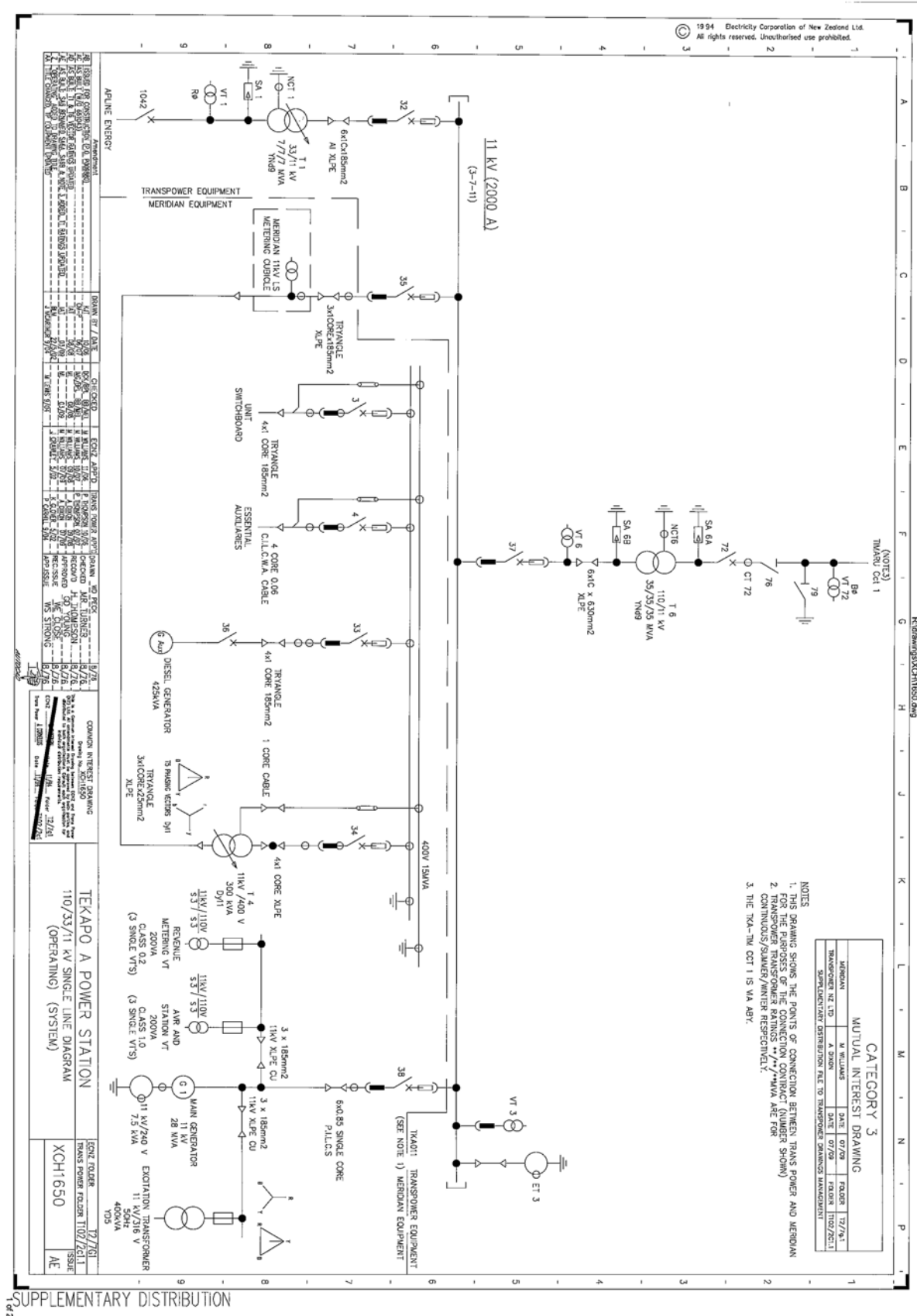
1. All assets relating to the national transmission grid or the local electricity distribution network from the point specified as being "Transpower Equipment" in the diagram at Appendix 1 and excluding, for the avoidance of doubt, those assets specified as being "Meridian Equipment" as identified in that diagram.
2. Without limiting paragraph 1 above:
 - (a) the Vendor houses the following equipment owned by Transpower in the Tekapo A Power Station: 11kV circuit breakers numbered 32, 35 and 37 and associated protection equipment and telecommunications equipment in a cabinet identified with the Transpower logo; and
 - (b) Transpower houses the Vendor's 400kV local service transformer in Transpower's switchyard located at the Tekapo A Power Station.
3. Cellphone radio-frequency amplifier and associated communications equipment owned by Vodafone New Zealand Limited.

Tekapo B Power Station

4. All assets relating to the national transmission grid or the local electricity distribution network from the point specified as being "Transpower Equipment" in the diagram at Appendix 2 and excluding, for the avoidance of doubt, those assets specified as being "Meridian Equipment" as identified in that diagram.
5. Without limiting paragraph 4 above:
 - (a) the Vendor houses the following equipment owned by Transpower in the Tekapo B Power Station: line protection equipment and telecommunications equipment in each case located in the station control room and two empty equipment cabinets identified with the Transpower logo; and
 - (b) Transpower houses the Vendor's 33kV local service incoming disconnecter, circuit breaker, earth switch and main unit circuit breakers in Transpower's switchyard located at the Tekapo B Power Station.
6. Cellphone radio-frequency amplifier and associated communications equipment owned by Vodafone New Zealand Limited.

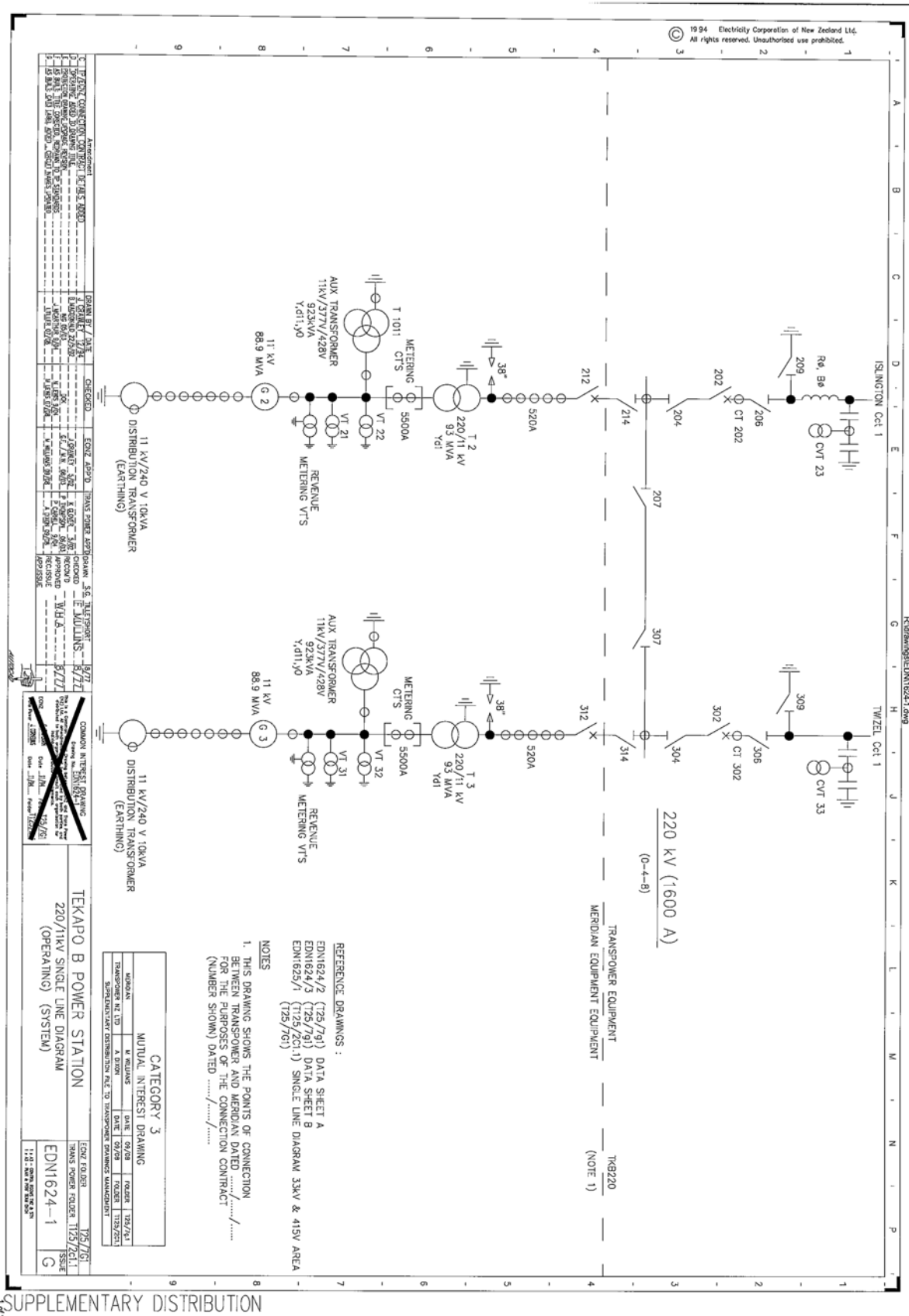
SCHEDULE 9

APPENDIX 1



SCHEDULE 9

APPENDIX 2



SCHEDULE 10

2009/10 MAINTENANCE PLAN

FINAL/RELEASE VERSION

MERIDIAN ENERGY LIMITED

GENESIS POWER LIMITED

WATER MANAGEMENT AGREEMENT

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AGREEMENT dated

2011

PARTIES

MERIDIAN ENERGY LIMITED ("Meridian")

GENESIS POWER LIMITED ("Genesis Energy")

INTRODUCTION

- A. The parties hold Rights in relation to water which flows through interconnected lakes, rivers and canals to the mouth of the Waitaki River, and own power stations, canals and related infrastructure which utilise that water to generate electricity.
- B. Each party has agreed, in order to mitigate the potential adverse consequences of Meridian no longer controlling the whole Waitaki Power Scheme, to exercise those Rights and operate those assets in the manner provided in this agreement.

AGREEMENT

1. DEFINITIONS AND INTERPRETATIONS

1.1 Definitions: In this agreement, unless the context otherwise requires:

"ASX" means Australian Securities Exchange Limited.

"Bill Rate" means the "FRA" rate for 90 day bank accepted bills (expressed as a percentage per annum) as quoted on Reuters page BKBM (or such other page as may replace that page on that service for displaying quotations for bank bills of exchange having a tenor of 90 days) at or about 10.45 am on the Business Day next following the due date.

"Business Day" means a day (other than a Saturday, Sunday or public holiday) on which registered banks are open for business in Wellington.

"Commencement Date" has the meaning in clause 2.1.

"Cumec" and "**m³/s**" both mean cubic metre per second.

"Dam Safety Emergency Event" means an emergency declared in good faith by the Meridian Markets and Production Emergency Manager that concerns dam safety.

"Derogation" means any existing or future right (including a Resource Consent) of any person to take and use water in the Waitaki Catchment the exercise of which would or might derogate from either party's existing Rights (including Resource Consents) in relation to the water used in the operation of that party's part of the Waitaki Power Scheme as varied, or added to, renewed and replaced from time to time.

"Electricity Code" means the Electricity Industry Participation Code 2010.

"Emergency Response Plan" means a specific response plan approved by the Meridian Markets and Production Emergency Manager in good faith to address the risks posed by a Dam Safety Emergency Event or any replacement or successor equivalent plan for that purpose.

"Environmental Regulator" means the regional council (as that term is defined in the Resource Management Act 1991) responsible for administration of Resource Consents in the Waitaki Catchment.

"Fish and Game Minimum Flow" means a rate of flow (measured in cumecs) that, in discharge of its obligations under clause 9.3(b)(ii) of Meridian's Stakeholder Agreement with Central South Island Fish and Game Council, for so long as an obligation exists under that clause or any replacement or successor to that clause, Meridian actually maintains in the Waitaki River measured at the Kurow recorder from June to September in each year.

"GADS" means Genesis Energy's Generation Availability Data System as implemented on 9 December 2009, or, if that Generation Availability Data System ceases to have the function of being the system in which Genesis Energy internally records planned outages or shutdowns, any system that replaces or succeeds the Generation Availability Data System in that function.

"Good Industry Practice" means that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled, reasonable and experienced operator of both the Tekapo and Waitaki Power Stations, with reference to New Zealand legislation and standards and best international practice.

"HiCoG" means the group established pursuant to section 5 and Schedule 3.

"HiCoG Representative" means a representative appointed by a party to the HiCoG in accordance with clause 3 of Schedule 3.

"High Flow Plan" means a plan prepared in accordance with clause 3 of Schedule 1 in relation to each high flow event which caused, or might cause, either of the Upper Waitaki Lakes to enter a High Flow Planning Zone at a particular time.

"High Flow Planning Zone" has the meaning in clause 2.1 of Schedule 1.

"High Flow Rules" means the provisions of Schedule 1.

"Maximum Design Flow Rates" means, in respect of the Tekapo Power Stations, the flow rates through each part of those power stations which would enable water to be delivered to the Water Delivery Point continuously at all times at the rate of 130 Cumecs.

"MED Price Path" means the most recent Ministry of Economic Development's Energy Outlook Reference Case Price Path, being, as at the Commencement Date, the 2009/2010 Edition, published September 2009.

"Metservice" means the principal service through which the parties receive heavy rainfall forecast warnings, any replacement or successor service having that function.

"MCL" for each of the Upper Waitaki Lakes means the applicable Maximum Control Level of the relevant lake stipulated in the Waitaki Operating Rules or any successor or replacement Maximum Control Level in respect of either lake, whether imposed as a condition of a Resource Consent or otherwise.

"MIC Agreement" means the agreement between Meridian and Mackenzie Irrigation Company Limited dated 31 October 2006 or any agreement between either or both of Meridian or Genesis Energy and Mackenzie Irrigation Company Limited entered into in substitution for that agreement under clause 9 of the SPA.

"Mm³" means million cubic metres.

"Must Run Auction Rights" means any auction rights purchased by Genesis Energy or Meridian (as the context so requires) as a generator pursuant to subpart 3 of part 13 of the Electricity Code which authorises that generator to offer electricity into the wholesale electricity market at zero price for the relevant time block and trading period.

"Outage Notification Process" means the planned outage co-ordination process required by the Electricity Industry Participation Code 2010, or any procedure with the same purpose that may be in force in the New Zealand electricity industry from time to time.

"Planned outage" has the meaning in clause 8.2(a).

"Pukaki Supply" has the meaning in clause 7.1.

"Regional Plan" means the proposed or operative Canterbury Natural Resources Regional Plan or such other instrument which has succeeded or replaced it for the time being.

"Resource Consent" has the meaning in section 2 of the RMA.

"Right" means any right, including Resource Consents, to utilise the waters and tributary inflows of the Waitaki Catchment to generate electricity at generating plants in the Waitaki Valley, including any successor or replacement rights for that purpose."

"RMA" means the Resource Management Act 1991.

"SPA" means the agreement between Meridian and Genesis Energy entitled "Agreement for the Sale and Purchase of the Tekapo A and Tekapo B Power Stations" dated on or about 1 June 2011.

"Spill" means the transfer of excess water via spillways, when Lakes Tekapo and/or Pukaki are in the High Flow Planning Zone.

"Stakeholder Agreement" means an agreement listed in Schedule 5 of the Electricity Industry Act 2010 or any replacement for such agreement between the relevant stakeholder and either or both of Meridian or Genesis Energy.

"Tekapo Catchment" means:

- (a) Lake Tekapo; and
- (b) the area of land bounded by watersheds draining into Lake Tekapo; and
- (c) includes aquifers wholly or partially within that area of land.

"Tekapo Power Stations" means the works including hydraulic control structures, dams, canals, water diversions, penstocks, spill weirs, spill gates, bypass valves, sluice gates, power stations and generating plant, associated ancillary land and structures and Resource Consents and other rights held by Genesis Energy to utilise the waters and tributary inflows of the Tekapo Catchment to generate electricity at generating plants above Lake Pukaki, including the power stations known as "Tekapo A" and "Tekapo B".

"Tekapo A Power Station" means the power generating station located on certificate of title CFR 262118, Lot 1 (Canterbury Land Registry).

"Tekapo B Power Station" means the power generating station located on certificate of title CFR 425212, Lot 1 (Canterbury Land Registry).

"Tekapo Canal" means the canal which flows from the outlet of the Tekapo A Power Station to the inlet of the Tekapo B Power Station.

"Tekapo Power Scheme Operating Rules" means the "Tekapo Power Scheme, Appendix A, Extracts of Waitaki Operating Rules (9 November 1990)", as appended to the Waitaki Consents which relate to the operation of Lake Tekapo and associated works.

"Term" has the meaning in clause 2.1.

"Third Party Claim" means any claim or actual or threatened proceedings against either party by a third party (including arising out of the Waitaki Consents) in any way connected with the ownership or operation of the Waitaki Power Scheme or the subject matter of this agreement.

"Unplanned outage" has the meaning in clause 8.2(a).

"Upper Waitaki Lakes" means Lake Tekapo and Lake Pukaki.

"Waitaki Catchment" means:

- (a) the area of land bounded by watersheds draining into the Waitaki River; and
- (b) includes aquifers wholly or partially within that area of land.

"Waitaki Consents" means the Resource Consents relating to the Waitaki Power Scheme.

"Waitaki Minimum Flow" means the minimum rate of flow (measured in cumecs) required by the Waitaki Consents to be maintained in the Waitaki River as measured immediately below the Waitaki Dam, being, as at the Commencement Date, 120 Cumecs.

"Waitaki Operating Rules" means the Tekapo Power Scheme Operating Rules and/or the "Waitaki Power Development Operating Rules" as the context may require.

"Waitaki Power Development Operating Rules" means the "Waitaki Power Development, Appendix A, Extracts of Waitaki Operating Rules (9 November 1990)", as appended to the Waitaki Consents which relate to the operation of the Waitaki Power Stations.

"Waitaki Power Scheme" means the Waitaki Power Stations and the Tekapo Power Stations.

"Waitaki Power Stations" means the works including hydraulic control structures, dams, canals, water diversions, penstocks, spill weirs, spill gates, bypass valves, sluice gates, power stations and generating plant, associated ancillary land and structures and Resource Consents and other rights held by Meridian to utilise the waters and tributary inflows of the Waitaki Catchment to generate electricity at generating plants below Lake Pukaki, including, for the avoidance of doubt, those generating stations below Lake Ohau.

"Water Delivery Assets" has the meaning in clause 8.2(a).

"Water Delivery Point" means the discharge point from Tekapo B Power Station.

"WMC" means the group established pursuant to section 4 and Schedule 4.

1.2 **Interpretation:** In this agreement unless the context otherwise requires, or specifically stated otherwise:

- (a) headings are to be ignored in construing this agreement;

- (b) the singular includes the plural and vice versa;
- (c) references to individuals include companies and other corporations and vice versa;
- (d) a reference to a statute or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them (whether before or after the date of this agreement);
- (e) reference to any document includes reference to that document (and, where applicable, any of its provisions) as amended, novated, supplemented, or replaced from time to time;
- (f) reference to a party, person or entity includes:
 - (i) an individual, partnership, firm, company, body corporate, corporation, association, trust, estate, state, government or any agency thereof, municipal or local authority and any other entity, whether incorporated or not (in each case whether or not having a separate legal personality); and
 - (ii) an employee, agent, successor, permitted assign, executor, administrator and other representative of such party, person or entity;
- (g) "written" and "in writing" include any means of reproducing words, figures or symbols in a tangible and visible form;
- (h) references to money are to New Zealand dollars;
- (i) references to times of day or dates are to New Zealand times and dates;
- (j) a reference in this agreement to a clause or a section is a reference to a clause or a section of the main body of this agreement or the relevant schedule;
- (k) each schedule, appendix or other attachment forms part of this agreement; and
- (l) "including" and similar words do not imply any limitation.

2. TERM

2.1 **Term:** This agreement will commence at 8.00am on the date on which the acquisition of the Tekapo Power Stations by Genesis Energy is settled in accordance with the SPA ("**Commencement Date**"), and will continue until midnight at the end of 30 April 2025 ("**Term**").

2.2 **Enforcement:** This agreement is intended to be enforceable by the parties throughout the Term despite any change in market circumstances.

3. WAITAKI POWER SCHEME RESOURCE CONSENTS AND CONDUCT OF BUSINESS

3.1 **Waitaki Power Scheme Resource Consents:** If either party intends to permit or require any transfer, variation, cancellation, or other disposition of any of the Waitaki Consents held by it, it shall, prior to such transfer, variation, cancellation, or other disposition, consult with the other party about the implications thereof (but this shall not derogate from the provisions of section 18).

- 3.2 **Conduct of Business:** Except to the extent necessary to comply with its obligations under this agreement, each party is entitled to conduct its business and operate its power stations in the manner it sees fit and in its own best interests.

4. WATER MANAGEMENT COMMITTEE

- 4.1 **Establishment of WMC:** The parties shall, promptly after the Commencement Date, establish a Water Management Committee ("**WMC**") consisting of representatives of each party as set out in Schedule 4.
- 4.2 **Purpose of WMC:** The purpose of the WMC shall be to collaborate and communicate on resource management and water management issues concerning the Waitaki Catchment, including third party claims, with a view to achieving outcomes that are beneficial for the environment and the parties.
- 4.3 **Procedure of WMC:** The procedure of the WMC shall be as set out in Schedule 4.

5. HIGH FLOW MANAGEMENT CO-ORDINATION GROUP

- 5.1 **Establishment of HiCoG:** The parties shall, promptly after the Commencement Date, establish a High Flow Management Co-ordination Group ("**HiCoG**") consisting of representatives of each party as set out in Schedule 3.
- 5.2 **Purpose and procedure:** The purpose and procedure of the HiCoG shall be as set out in Schedule 1 and Schedule 3.

6. HIGH FLOW EVENT FORECASTING AND PLANNING

- 6.1 **Responsibilities for high flow event management:** The parties acknowledge that, while the Environmental Regulator has a statutory responsibility for high flow management in the Waitaki Catchment, Meridian and Genesis Energy are responsible for compliance with those Waitaki Consents that are held by each of them respectively and for managing the Waitaki Power Scheme in an integrated manner to the extent possible during high flow events.
- 6.2 **Principles of High Flow Management:** The parties:
- (a) acknowledge that high flow events in the Waitaki Catchment must be managed in an integrated manner to the extent possible, notwithstanding that the Tekapo Power Stations and Waitaki Power Stations are owned and operated by the parties separately; and
 - (b) will manage high flow events in an integrated manner to the extent possible, given the control options available to them, to, where possible, protect and minimise adverse effects on people, the environment and plant and structures.
- 6.3 **Compliance:** Genesis Energy and Meridian shall:
- (a) have regard to the High Flow Rules in section 2 (High Flow Management), the requirements for High Flow Plans in section 3 (High Flow Plans) and the exchange of information provisions in section 4 (Exchange of High Flow Information), in each case of Schedule 1;
 - (b) comply with sections 5 and 6 of Schedule 1;
 - (c) comply with the relevant sections of the Waitaki Operating Rules; and

- (d) proactively share relevant hydrological information and explanation, and communicate and consult effectively by means of the HiCoG in order to maintain environmental outcomes.

6.4 **Schedule 1:** Genesis Energy and Meridian shall each comply with the provisions of clause 1.4 (Forecasting Methodologies) of Schedule 1 and section 4 (Exchange of High Flow Information) of Schedule 1.

7. PUKAKI SUPPLY

7.1 **Pukaki Supply:** Subject to the following provisions of this section 7, and to the provisions of section 8, Genesis Energy shall each month deliver into Lake Pukaki at the Water Delivery Point the volumes of water specified below in respect of that month ("**Pukaki Supply**"):

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Volume Mm ³	91.60	79.83	88.66	88.39	95.75	89.04	88.39	86.78	88.00	89.06	92.28	97.49

7.2 **Increases in Pukaki Supply deriving from regulation:** If there is any increase in the Waitaki Minimum Flow which results from:

- (a) a change to the Waitaki Catchment Water Allocation Regional Plan which becomes operative in accordance with clause 20 of Schedule 1 of the RMA; or
- (b) a change to any of the Resource Consents relating to the Waitaki Power Stations which is approved by the Environmental Regulator pursuant to sections 127 or 128-132 of the RMA,

(except, in each case, an increase which Meridian has sought or applied for, or in any way consented to, actively assisted with, or not opposed), the Pukaki Supply shall, as from the end of the month in which that increase becomes operative, be increased by an amount agreed by the parties or, failing agreement, determined by an expert in accordance with section 15. For the purpose of agreeing or determining the appropriate increase in the Pukaki Supply pursuant to this clause 7.2, the parties acknowledge that the Pukaki Supply to be provided by Genesis Energy and set out in clause 7.1 is based on Meridian maintaining a rate of flow (measured in Cumecs) in the Waitaki River as measured below the Waitaki Dam of 150 Cumecs.

7.3 **Decreases in Pukaki Supply resulting from regulation:** If:

- (a) the Environmental Regulator imposes a requirement that a minimum flow be maintained in the Tekapo River (except a requirement which Genesis Energy has sought or applied for, or in any way consented to, actively assisted with or not opposed); or
- (b) a decrease in the Waitaki Minimum Flow occurs,

the Pukaki Supply shall, as from the end of the month in which that requirement or decrease (as the case may be) becomes operative, be decreased by:

- (c) if subclause (a) applies, the amount of the minimum flow required to be maintained in the Tekapo River; and
- (d) if subclause (b) applies, an amount agreed by the parties or failing agreement determined by an expert in accordance with section 15.

7.4 **Supplementary Pukaki Supply for Fish and Game Stakeholder Agreement:** Provided that Meridian has used reasonable endeavours to maintain, to the extent

lawful, a rate of flow in the Waitaki River measured at the Kurow recorder during May of any year during the Term as low as is reasonably practicable, Genesis Energy shall use reasonable endeavours to deliver supplementary Pukaki Supply (measured in cumecs) in the months of June to September in such year as calculated in accordance with the following formula:

$$\text{SPS} = (\text{FGMF} - 150) \times 0.228$$

where:

SPS = supplementary Pukaki Supply (measured in cumecs), as described above; and

FGMF = Fish and Game Minimum Flow.

Meridian shall provide all information reasonably requested by Genesis Energy (including data from the Kurow recorder) to enable Genesis Energy to verify the calculation of any supplementary Pukaki Supply pursuant to this clause 7.4.

- 7.5 **Generation ceases at Tekapo B:** The Pukaki Supply pro-rated to a day in a month shall be reduced to zero for each day in that month during which at the request of Meridian under clause 9.1 of this agreement, section 5 of Schedule 1, or after notification by Meridian under section 6 of Schedule 1, Genesis Energy ceases generation at the Tekapo B Power Station or does not allocate Must Run Auction Rights at the Tekapo B Power Station.
- 7.6 **Relief:** Genesis Energy shall be relieved of its obligations under clause 7.1 to the extent that:
- (a) a Planned outage or Unplanned outage occurs or is in effect and any of clauses 8.1, 8.3, or 8.4 of this agreement apply to relieve Genesis Energy of its obligations; or
 - (b) Genesis Energy ceases delivering water into Lake Pukaki at the request of Meridian pursuant to section 9; or
 - (c) section 14 of this agreement applies to relieve Genesis Energy of its obligations.
- 7.7 **Pukaki Supply amended by agreement:** For the avoidance of doubt, the Pukaki Supply may be amended by the amount and at the times agreed by the parties.

8. MAINTENANCE AND OUTAGE NOTIFICATION

8.1 **Maintenance:** At all times during the Term:

- (a) Genesis Energy shall maintain the Tekapo Power Stations; and
- (b) Meridian shall maintain the Waitaki Power Stations,

in accordance with Good Industry Practice. If at the time Genesis Energy acquired the Tekapo Power Stations there was any defect or lack of repair in the Tekapo Power Stations (including without limitation in the Tekapo Canal):

- (c) Genesis Energy shall use reasonable endeavours to remedy that defect or lack of repair in accordance with Good Industry Practice; and
- (d) Genesis Energy shall be relieved of its obligations under this agreement, including clause 7.1, to the extent that performance of such obligations is

prevented or affected by that defect or lack of repair, until that defect or lack of repair has been remedied. This clause 8.1 does not limit any other provisions of this agreement.

8.2 Notification: Genesis Energy shall:

- (a) notify Meridian of any event or circumstance in which:
 - (i) The Tekapo B Power Station; or
 - (ii) The Tekapo Canal; or
 - (iii) The Tekapo A Power Station and the control gate at the inlet to the Tekapo River known as "Gate 17" (so that notification is required of a shutdown or outage affecting both of them, but not only one of them),

(together "**Water Delivery Assets**") are likely to be incapable of operation at their Maximum Design Flow Rates. Any such event or circumstance which, could have been anticipated 15 days or more before the applicable Water Delivery Assets were, or became likely to be, incapable of such operation and is entered in GADS (such entry to be in accordance with clause 8.2(b)(i)) between 1 January and 1 May in any year, shall, for the purpose of this Agreement, be referred to as a "**Planned outage**". Any other such event or circumstance shall be referred to as an "**Unplanned outage**";
- (b) give each such notice to Meridian:
 - (i) in the case of such a Planned outage, immediately after Genesis Energy enters (or amends the entry of) the outage into GADS (and Genesis Energy shall make or amend that entry in GADS as soon as the earlier of the Genesis Energy executive responsible for the availability of Genesis' Energy's generation capacity (at the date of this agreement the executive with the title of General Manager – Production), or the Genesis Energy board of directors or Chief Executive, in good faith determines the time at which such Planned outage is to occur or likely to occur or in good faith determines that the Genesis Energy plan for such outage is to be amended);
 - (ii) in the case of such Unplanned outage, as soon as the Unplanned outage becomes known to Genesis Energy; and
 - (iii) in accordance with the procedures for delivery of notices under the Outage Notification Process.
- (c) include in each such notice all relevant information available to Genesis Energy about the nature and extent, and the likely duration, including likely start and end date, of the shutdown or outage and the extent to which any of the Water Delivery Assets are likely to be prevented from operating at their Maximum Design Flow Rates, and shall advise Meridian on any material changes to such matters until that Planned or Unplanned outage shall have ended. Genesis Energy shall notify Meridian as soon as it considers that such Planned or Unplanned outage has ended, whereupon the provisions of this section 8 shall cease to apply.

8.3 Planned outage during Winter: Notwithstanding anything in clause 7.1, Genesis Energy shall, in the case of a Planned outage:

- (a) to the extent that that Planned outage occurs or has effect at any time between midnight at the beginning of 1 May and midnight at the end of 31 October

(inclusive) in any year, continue to comply with its obligations under clause 7.1 for that period, unless that outage occurs or has effect because:

- (i) at the Commencement Date those assets were subject to a condition which caused that outage;
- (ii) that condition resulted from the Water Delivery Assets not having been maintained by Meridian before the Commencement Date in accordance with Good Industry Practice; and
- (iii) that condition would not have been remedied in accordance with maintenance required by Good Industry Practice in the period from the Commencement Date to the date on which the Planned outage is notified under clause 8.2(b),

in which case Genesis Energy shall be relieved of its obligations under clause 7.1 for the duration of that Planned outage, to the extent performance was actually prevented by that Planned outage; or

- (b) to the extent that that Planned outage occurs or has effect at any time in any year other than the period described in clause 8.3(a), be relieved of its obligations under clause 7.1 for the duration of that Planned outage, to the extent performance was actually prevented by that Planned outage.

8.4 Unplanned outage during Winter: Notwithstanding anything in clause 7.1, Genesis Energy shall, in the case of an Unplanned outage:

- (a) to the extent that that Unplanned outage occurs or has effect at any time during the period from midnight at the beginning of 1 May to midnight at the end of 31 October (inclusive) in any year, take all reasonably practicable steps to comply with its obligations under clause 7.1 during such period, but if, notwithstanding it having taken such steps, Genesis Energy is prevented by that Unplanned outage from complying with those obligations, Genesis Energy shall instead deliver any such shortfall in the Pukaki Supply as soon as reasonably practicable after such Unplanned outage shall have occurred; or
- (b) to the extent that that Unplanned outage occurs or has effect at any time in any year other than the period described in clause 8.4(a), and Genesis Energy has complied with clause 8.1, be relieved of its obligations under clause 7.1 for the duration of that Unplanned outage, to the extent performance was actually prevented by that Unplanned outage.

8.5 Reinstatement: Notwithstanding clauses 8.3 or 8.4, in the case of a Planned or Unplanned outage which removes the Tekapo B Power Station from operation for a period such that, as a consequence of such outage, Genesis Energy is prevented from complying with its obligation under clause 7.1 (Pukaki Supply) in respect of any month during the Term,, Genesis Energy shall take reasonably practicable steps to utilise the Tekapo B main unit energy dissipator to ensure that water can continue to flow into Lake Pukaki.

8.6 Exceptions: The parties agree that:

- (a) clause 8.2 shall be without prejudice to the parties' obligations under the Outage Notification Process;
- (b) Genesis Energy is not required to give notice under clause 8.2 in respect of any event or circumstance which is not likely to affect its ability to deliver water to the Water Delivery Point at a rate of 130 Cumecs.

- 8.7 The parties intend to consult with each other with respect to the time for commencement and duration ("**Timing**") of any work on the Tekapo Canal that Genesis Energy considers necessary or desirable wholly or in part as a result of the condition of the Tekapo Canal at the Commencement Date if that work is likely to cause the Water Delivery Assets to be incapable of delivering the Pukaki Supply in accordance with clause 7 ("**Canal Remediation Work**").
- 8.8 If Genesis Energy is of the view that Canal Remediation Work is required, and has determined the scope of such work which it intends to commence within the following 9 months, Genesis Energy shall notify Meridian in writing ("**Consultation Notice**") and the parties shall promptly meet (and in any event within 10 days) and consult in good faith with a view to agreeing the optimal Timing for the proposed Canal Remediation Work.
- 8.9 Genesis Energy shall give Meridian at least four months' written notice of Genesis Energy's proposed Timing of any Canal Remediation Work, which notice shall be given not less than 30 days after the Consultation Notice. Genesis Energy shall propose the Timing which it considers optimal, acting reasonably and in accordance with Good Industry Practice, and in particular having regard to matters affecting the operation of the Water Delivery Assets and the consequences of remediation works including (without limitation) prudent asset and risk management, dam safety considerations, forecast South Island hydrology (including inflow sequences, storage availability and spill avoidance), construction methodology and seasonal constraints and the impact on and rights and obligations of Genesis Energy, Meridian and third parties. The parties each acknowledge that the undertaking of any Canal Remediation Work shall have, or is likely to have, an economic or financial impact on the operations of each party which is not able to be avoided.
- 8.10 The notice provided by Genesis Energy pursuant to clause 8.9 shall set out:
- (a) the proposed Timing of the Canal Remediation Work; and
 - (b) Genesis Energy's reasons for such proposed Timing together with relevant supporting documentation (if any).
- 8.11 Meridian shall respond in writing within 30 days of its receipt of Genesis Energy's notice either giving or declining its consent to the Timing of such work. Meridian shall only decline its consent if:
- (a) it considers on reasonable grounds that the Timing proposed in Genesis Energy's notice did not have due regard to the matters and consequences set out in clause 8.9, the reasons for such view to be set out in Meridian's written response; and
 - (b) Meridian proposes an alternative Timing for the relevant works (which shall be within 4 months of the Timing proposed by Genesis Energy).

If Meridian fails to respond within such 30 days then Meridian shall be deemed to have given its consent to the proposed Timing of the relevant work.

- 8.12 If Meridian declines its consent in accordance with clause 8.11, the parties shall meet and negotiate in good faith with a view to agreeing the optimal Timing of the Canal Remediation Work. If the parties fail to agree on the optimal Timing of any Canal Remediation Work within 10 Business Days of Meridian's written notice declining its consent, then that matter shall be referred to an expert who shall determine, in accordance with clause 15, whether or not the Timing proposed in Genesis Energy's notice had due regard (being reasonable and in accordance with Good Industry Practice) to the matters and consequences set out in clause 8.9 in proposing the Timing for the Canal Remediation Work pursuant to clause 8.9. If the expert determines that:

- (a) the Timing proposed in Genesis Energy's notice had due regard to such matters, then Meridian shall be deemed to have consented to the Timing of the relevant Canal Remediation Work; or
- (b) the Timing proposed in Genesis Energy's notice did not have due regard to such matters, then the expert shall determine an appropriate Timing of the Canal Remediation Work.

For the avoidance of doubt, any determination by the expert pursuant to this clause 8.12 is subject to clause 15.2.

- 8.13 Notwithstanding any agreement to or planned Canal Remediation Work, Genesis Energy may, in its sole discretion, immediately halt such work or its plans for such work at any time if Genesis Energy considers, acting reasonably and in accordance with Good Industry Practice, that it is prudent or desirable to do so.
- 8.14 Subject to clause 8.13, Genesis Energy shall only carry out any Canal Remediation Work at a time and for a duration agreed between the parties or determined by an expert in accordance with section 8.
- 8.15 Any breach of section 8 is agreed to be a wilful breach of section 8. Clauses 8.7 to 8.15 prevail over the remainder of section 8 to the extent of any inconsistency.

9. DAM SAFETY

9.1 Dam Safety Emergency Event Response: If:

- (a) Meridian's Markets and Production Emergency Manager in good faith declares there to be a risk of a Dam Safety Emergency Event occurring; and/or
- (b) compliance with an Emergency Response Plan requires Meridian to drain any reservoir; and
- (c) Meridian's Markets and Production Emergency Manager considers in good faith that the actions of Genesis Energy could assist with Meridian's emergency management response,

Meridian may request that Genesis Energy, and Genesis Energy must agree to, cease, as soon as reasonably practicable whichever one or both of the following as Meridian may require:

- (d) delivering water into Lake Pukaki at the Water Delivery Point; and
- (e) delivering flows down the Tekapo River,

as specified in that request, provided that at all times Genesis Energy must comply with those Waitaki Consents that it holds.

9.2 **Notification:** As soon as practicable after Meridian makes a request in accordance with clause 9.1, Meridian shall:

- (a) notify the Environmental Regulator of the Dam Safety Emergency Event; and
- (b) advise Genesis Energy of the specific nature of the event, the reasons for Meridian's concern, its response to date and its intended actions, and shall keep Genesis Energy fully updated on such aspects until that Dam Safety Emergency Event is deemed to have ended.

- 9.3 **Termination of Dam Safety Emergency Event Response:** Meridian shall notify Genesis Energy as soon as its Markets and Production Emergency Manager considers that any Dam Safety Emergency Event that is the subject of a request under clause 9.1 has ended, whereupon Genesis Energy's obligations under clause 9.1 in respect of that request shall cease.

10. DEROGATION APPROVALS

- 10.1 **Approval of Derogation:** Genesis Energy shall not approve, permit, or support the grant or exercise of any Derogation unless specifically permitted to do so in accordance with this section 10.

- 10.2 **Request for Derogation:** If Genesis Energy receives a formal or informal request for approval of the grant of a Derogation, Genesis Energy shall either:

- (a) decline that request; or
- (b) promptly notify Meridian of that request together with all information which Genesis Energy has about the requester, the proposed taking, the use to which the taken water will be applied and the consequences of the proposed Derogation being granted including:
 - (i) the proposed volume of water, times and rates of taking; and
 - (ii) information as to whether the proposed use would be efficient and reasonable.

- 10.3 **Permitted Derogations:** Not later than 20 Business Days after Meridian has received all the information referred to in clause 10.2, Meridian must consent to the grant and exercise of a Derogation that falls wholly within one or more of the following:

- (a) an application (or proposed application) to reconsult an existing Resource Consent which would be utilised for the purposes of an agricultural or horticultural activity, if that application has been, or is to be, made on materially the same terms and conditions as the existing Resource Consent and the proposed water take is efficient in the context of the agricultural or horticultural activity in question;
- (b) an application (or proposed application) for a new Resource Consent which would allow the taking of water for the purposes of an agricultural or horticultural activity, if the applicant is permitted to take that water by the MIC Agreement;
- (c) an application (or proposed application) to reconsult an existing Resource Consent which would be utilised for the purposes of industrial, commercial, town, or community supply or a tourism or recreation activity, if that application has been, or is to be, made on materially the same terms and conditions as the existing Resource Consent and the proposed water take is efficient in the context of the activity in question;
- (d) an application (or proposed application) for a new Resource Consent to allow the taking of water for town or community supply if the applicant is seeking a quantity of water which is reasonable for the community serviced, and no part of the supply is to be used by water intensive industries.

- 10.4 **Compensation:** Not later than 20 Business Days after Meridian has received all the information referred to in clause 10.2, Meridian must consent to the grant and exercise of any Derogation that does not fall wholly within clause 10.3 where:

- (a) the applicant has agreed with Meridian to pay compensation to Meridian in accordance with clause 11.2 for the lost generation potential associated with that Derogation; or
- (b) Genesis Energy has agreed with Meridian to pay compensation to Meridian in accordance with clause 11.2 for the lost generation potential associated with that Derogation,

provided that, in the case of a Derogation that falls partly within clause 10.3, compensation shall only be payable under this clause for such lost generation as arises from the part of that Derogation that falls outside clause 10.3. If the parties are unable to agree the extent to which of lost generation arises from any Derogation under this clause 10.4, that extent shall be determined by an expert in accordance with section 15.

10.5 **Conditions:** When consenting to a Derogation to which Meridian has consented under clause 10.3 or 10.4, Genesis Energy shall:

- (a) have regard to any conditions or limitations which Meridian has reasonably requested be imposed on any such consent for the purposes of ensuring efficient use of water and/or water quality;
- (b) request that the Environmental Regulator grant consent subject to appropriate conditions and limitations with respect to efficient use and metering of water; and
- (c) if Genesis Energy becomes aware that an application under clause 10.3 is not likely to be granted on materially the same terms and conditions as the existing Resource Consent (where applicable):
 - (i) as soon as reasonably practicable inform Meridian of the same; and
 - (ii) take all reasonably practicable steps requested by Meridian to ensure that the Environmental Regulator grants that application on materially the same terms and conditions as the existing Resource Consent.

Meridian may not impose any condition on a consent given under clause 10.3 or 10.4, but may make a request in accordance with clause 10.5(a) and 10.5(c)(ii). If Meridian requests Genesis Energy to take a step under clause 10.5(c)(ii), Meridian shall pay to Genesis Energy 78% of Genesis Energy's reasonable costs (including legal costs) in taking that step, and shall indemnify Genesis Energy against 78% of any liability incurred by Genesis Energy as a result of taking that step, provided that, if Meridian gives notification to Genesis Energy requesting that Genesis Energy cease taking such steps, Genesis Energy shall so cease and Meridian shall have no liability in respect of Genesis Energy's taking of such steps on and from the date of that notification.

10.6 **Meridian Decision:** Not later than 20 Business Days after Meridian has received all the information referred to in clause 10.2, Meridian shall advise Genesis Energy, in respect of Derogations, other than those to which Meridian must consent under clause 10.3 or 10.4, whether or not Meridian consents to the Derogation being approved and any conditions or limitations which Meridian imposes on any such consent, which in each case shall be at Meridian's absolute discretion.

10.7 **Approval:** Upon receipt of any consent from Meridian in accordance with clause 10.6, Genesis Energy may approve the granting and exercise of the Derogation but only on such conditions and subject to such limitations as shall have been specified by Meridian in accordance with clause 10.6, where Meridian's consent has been provided under that clause.

11. COSTS AND COMPENSATION

11.1 **Costs:** Each party shall bear its own costs in relation to the negotiation and preparation of this agreement.

11.2 **Compensation:** Compensation payable by a person to Meridian in accordance with clause 10.4 shall be paid annually in arrears in each remaining calendar year, or part thereof, in the Term. The amount payable shall be calculated as the total value of generation lost to Meridian in each calendar year, or part thereof, in the Term (each an "**Applicable Year**") as a result of that Derogation being granted in accordance with the following formula:

$$\text{Compensation} = P \times G_{pa}$$

where:

P = the average market prices quoted by ASX in respect of each Applicable Year or part thereof (or, for years for which ASX prices are not available, on the mid-point of the MED Price Path, or if that is not available, an alternative publicly referenced price path as agreed between the parties); and

G_{pa} = the gigawatt hours as agreed between the parties that Meridian will lose in each Applicable Year or part thereof as a result of the Derogation being granted.

If the parties are unable to agree an alternative publicly referenced price path, or on the amount of compensation payable (including the gigawatt hours that Meridian will lose), that amount shall be determined by an expert in accordance with section 15.

12. SHARING OF RIGHTS AND LIABILITY UNDER STAKEHOLDER AGREEMENTS

12.1 If, pursuant to a direction given pursuant to s124(4)(c) of the Electricity Industry Act 2010, Genesis Energy is or becomes a party to:

- (a) an agreement between Meridian and Her Majesty The Queen acting by and through the Director-General of Conservation, dated September 2006, entitled "Compensatory funding agreement" or any replacement for such agreement;
- (b) the MIC Agreement;
- (c) an agreement between Meridian and Mackenzie Irrigation Company Limited, undated, entitled "Agreement in relation to stock water" or any replacement for such agreement;
- (d) a head agreement between Electricity Corporation of New Zealand Limited and twelve other parties dated 26 November 1990, entitled "Agreement to Electricity Corporation's water rights" or any replacement for such agreement;
- (e) any other agreement referred to as an "existing agreement" under the Electricity Industry Act 2010; or
- (f) any replacement for any agreement referred to in (a) to (e),

and, under that agreement, Meridian's and Genesis Energy's rights and obligations are joint, or joint and several (each a "**Tripartite Agreement**"), as between themselves, each party shall:

- (g) not attempt to exercise, or prevent the other party from exercising, those rights properly belonging solely to the other party (having regard to the purpose of that Tripartite Agreement); and
- (h) indemnify the other party ("**indemnified party**") against any claims, liabilities, and expenses incurred by the indemnified party arising out of or in connection to a breach of a Tripartite Agreement by the first party.

13. THIRD PARTY CLAIMS

13.1 **High flow claims:** If any person makes a Third Party Claim against either Meridian or Genesis Energy, or both of them, in respect of damage caused by high flows in the Waitaki Catchment which occurred at a time when:

- (a) either Lake Tekapo or Lake Pukaki was in a High Flow Planning Zone; and
- (b) both Meridian and Genesis Energy were complying with their respective High Flow Plans,

any compensation paid by either or both of Meridian or Genesis Energy shall be borne by Meridian and Genesis Energy jointly in the proportions of 77.8% for Meridian and 22.2% for Genesis Energy, and the parties shall make the necessary payments between them to achieve that result.

13.2 **Other Third Party Claims:** If either party ("**claimee party**") becomes aware of any Third Party Claim not governed by clause 13.1, and the claimee party believes that the other party contributed, through its breach of this agreement, to such Third Party Claim in any manner, the claimee party may:

- (a) notify the other party of all information available to it about the Third Party Claim; and
- (b) require the WMC to meet in accordance with Schedule 4 to discuss in good faith the parties' respective liability for that Third Party Claim and the proportion in which the parties consider the cost of that Third Party Claim should be shared.

13.3 **No admission of liability:** The claimee party shall not compromise or admit liability to any third party in relation to a Third Party Claim unless the parties so agree. If the parties are unable to agree on that matter, either party may require it to be determined by an expert under section 15, but on the basis that the reference in clause 15.1 to the president or the vice president for the time being of the Institute of Professional Engineers New Zealand is deemed to be a reference to the president or vice president of the New Zealand Law Society.

13.4 **Management of Third Party Claim:** Subject to clause 13.3, and unless a discussion of the WMC results in an agreement between the parties to the contrary, the claimee party shall manage all Third Party Claims as it sees fit.

14. FORCE MAJEURE

14.1 **Events:** Subject to clause 14.3, neither party shall be liable for any failure or delay in complying with any obligation imposed on that party under this agreement if:

- (a) the failure or delay arises directly from an event or circumstance reasonably beyond that party's control ("**Event**"). The following are included as, but not limited to, events or circumstances reasonably beyond a party's control:

- (i) act of God, earthquake, fire, or natural events not contemplated by this agreement for which provision could not reasonably practicably have been made;
 - (ii) interruption or failure of any utility services, or unpredictable delays which could not reasonably practicably be prevented in delivery of materials, equipment or services necessary for the compliance by that party with an obligation under this agreement;
 - (iii) sabotage, riot, civil disturbance, explosion, terrorist acts, insurrection, epidemic, national emergency (whether in fact or law) or act of war (whether declared or not) for which provision could not reasonably practicably have been made;
 - (iv) act or omission of any governmental or other authority not directly or indirectly arising from any act or omission by that party, its agents, representatives or advisors; and
 - (v) breakdown or failure of equipment, machinery or structures included within the Waitaki Power Scheme that would not have been avoided by the application of Good Industry Practice; and
- (b) that party complies with clause 14.2.

14.2 **Notice:** A party which wishes to rely on clause 14.1 shall:

- (a) give the other party written notice as soon as possible, but within five days after becoming aware of the Event or likelihood of the Event, providing details of the nature, expected duration and effect of the Event, and keep the other party informed of any changes in the nature of, and of the cessation, of the Event; and
- (b) take all reasonably practicable steps to:
 - (i) mitigate the effects of the Event on that party's obligations under this agreement; and
 - (ii) perform that party's obligations under this agreement within the time specified by this agreement despite the Event.

In determining what are reasonably practicable steps for the purposes of subclause (b), regard shall be had to, and Genesis Energy acknowledges, the importance to Meridian of the maintenance of a flow of water into Lake Pukaki in accordance with clause 7.1.

14.3 **High Flow Events:** A party is not relieved by clause 14.1 from complying with clause 5 or 6 of Schedule 1 by an event to which any part of the High Flow Rules applies, but may be relieved by such an event from complying with any other provision of this agreement.

14.4 **Payments:** Clause 14.1 does not excuse a party from any obligation to make a payment when due under this agreement.

15. EXPERT DETERMINATION

15.1 **Determination:** Any matter which this agreement provides is to be determined by an expert ("**Matter**") will be referred to the determination of a single expert. The referral to expert determination will be commenced by a party giving notice to the other party stating the subject matter and details of the Matter and requiring the Matter to be referred to the determination of an expert to be appointed by the parties. Failing

agreement within 10 Business Days after the date of giving the notice, the expert will be appointed at the request of a party by the president or the vice-president for the time being of the Institute of Professional Engineers New Zealand or the nominee of such president or vice-president. The guidelines which will govern the proceedings for determining the Matter will be set by the parties. Failing agreement on the guidelines within 10 Business Days after the appointment of the expert, a party may request the expert to set the guidelines which will govern the proceedings for determining the Matter. Without limiting the provisions of this clause 15, if a Matter is referred to an expert for determination pursuant to clause 8.12, the guidelines to govern proceedings (whether agreed or determined by such expert) shall provide:

- (a) The notice provided by Genesis Energy pursuant to clause 8.10 and the notice provided by Meridian pursuant to clause 8.11 shall be deemed to be each party's submission to the expert, and shall be provided to the expert upon his appointment;
- (b) Each party may, within a further 5 Business Days provide supplemental submissions;
- (c) The expert will make his determination having considered the written submissions provided by each party. The expert will make his determination expeditiously and in any event be expected to make his determination within 15 Business Days of receipt of the supplemental submissions; and
- (d) There will be no hearing or verbal submissions. The expert will not contact or communicate with either party otherwise than in electronic or written form addressed to both parties.

15.2 **Decision:** The expert will determine the Matter and deliver to each party a written decision. The decision must specify brief reasons for the decision. The decision will be final and binding on the parties.

15.3 **Confidentiality:** The parties and the expert will keep confidential and will not disclose to anyone not involved in the expert determination any information contained in the decision unless such disclosure is required by law, is necessary to comply with the listing rules of any recognised stock exchange, or is made in any subsequent proceedings to enforce the expert's decision.

15.4 **Arbitration statutes not to apply:** Referral of the Matter to the expert will not be an arbitration agreement for the purposes of the Arbitration Act 1996 and the provisions of that Act will not apply to or govern such referral.

15.5 **Costs:** The parties will bear their own costs (including legal costs) and an equal share of the costs and expenses of the expert.

16. DISPUTE RESOLUTION

16.1 **Mediator:** Any dispute, difference, or claim arising out of or in connection with this agreement, or the subject matter of this agreement, including any dispute as to its existence or validity (but excluding any dispute which falls within section 15) ("**Dispute**") will be referred to the mediation of a single mediator. The referral to mediation will be commenced by a party giving notice to the other party stating the subject matter and details of the Dispute and requiring the Dispute to be referred to a mediator to be appointed by the parties. Failing agreement within 10 Business Days after the date of giving the notice, the mediator will be appointed at the request of a party by the president (or his or her nominee) for the time being of the Arbitrators' and Mediators' Institute of New Zealand Inc ("**AMINZ**"). The mediation will be conducted in accordance with the AMINZ mediation protocol.

- 16.2 **Condition precedent:** Subject to any right any party may have to apply to a court for any interim or preliminary relief in respect of the Dispute, completion or termination of the mediation will be a condition precedent to the commencement of any other form of dispute resolution proceedings relating to the Dispute or any part of it.
- 16.3 **Arbitration:** If a Dispute has not been resolved in accordance with clause 16.1 within 20 Business Days after it is referred to a mediator, either party may require that the Dispute be referred to arbitration by a single arbitrator. The arbitration will be commenced by a party giving notice to the other party stating the subject matter and details of the Dispute and requiring the Dispute to be referred to arbitration. The arbitrator will be appointed by the parties, or failing agreement within 10 Business Days after, and exclusive of, the date of giving the notice, will be appointed at the request of a party by the president or vice-president for the time being of the New Zealand Law Society or the nominee of such president or vice-president. The place of arbitration will be Christchurch.
- 16.4 **Costs:** The parties will bear their own costs (including legal costs) and an equal share of the costs of the award in relation to the arbitration, unless the arbitrator determines that a party shall bear some proportion of, or all of, the costs of the other party because of impropriety, lack of cooperation or unreasonable conduct by that party.

17. LIMITATION OF LIABILITY

- 17.1 **Maximum liability:** The combined maximum liability of one party to the other in respect of claims in connection with this agreement in contract, tort (including negligence) or otherwise (each a "**Claim**"), shall be limited to:
- (a) \$2,000,000 for any one event or circumstance or series of related events or circumstances; and
 - (b) \$10,000,000 in the aggregate in respect of all events and circumstances in any 12 month period,

but the limitation in this clause shall not apply to a wilful breach of section 7, a wilful breach of section 8 or a wilful breach of section 10, nor shall such limitation apply to compensation referred to in clause 10.4, calculated in accordance with section 11.

- 17.2 **Further limitations on liability:** No party shall be liable in connection with a Claim for any indirect or consequential loss or for any loss of revenue, including any revenue lost or claimed to have been lost by reason of a party not generating, or not being able to generate, electricity, but the limitation in this clause shall not apply to any wilful breach of section 7, a wilful breach of section 8 or a wilful breach of section 10 nor shall such limitation apply to compensation referred to in clause 10.4, calculated in accordance with section 11.

18. ASSIGNMENT AND ASSET TRANSFER

- 18.1 **No assignment:** Subject to clause 18.2, neither party ("**assigning party**") may, without the prior written consent of the other party ("**consenting party**"), such consent not to be unreasonably withheld, assign any of its rights or obligations under this agreement (except by way of security or charge).
- 18.2 **Permitted Assignment:** Subject to clauses 18.4, 18.5 and 18.6 a party may assign all (but not part) of its rights and transfer all (but not part) of its obligations under this agreement provided:
- (a) the assignment or sale is to a wholly-owned subsidiary (as that term is defined in the Companies Act 1993); or

- (b) the assignment or sale has been consented to by the other party in accordance with clause 18.1; or
 - (c) the assignment is to (in the case of Genesis Energy) a party which acquires the Tekapo Power Stations or (in the case of Meridian) a party which acquires the Waitaki Power Stations and the other party has consented to that assignment in accordance with clause 18.3.
- 18.3 **Sale of Stations:** A party must consent to an assignment in accordance with clause 18.2(c) by the other party if the proposed assignee has the financial substance reasonably necessary to comply with its obligations under this agreement. An assignee is deemed to have that financial substance if it holds a credit rating of BBB or better from Standard & Poors, or an equivalent credit rating from another recognised credit rating agency.
- 18.4 **Subsidiary:** In the event that a party assigns to a wholly-owned subsidiary in accordance with clause 18.2(a), that party shall ensure that that wholly-owned subsidiary remains as such for the entire Term.
- 18.5 **No assignment without transfer:** In no event shall Genesis Energy be entitled to assign this agreement without also transferring all of the Tekapo Power Stations to the same person or persons to whom this agreement shall be assigned, and (pursuant to clause 18.6) all of whom shall be jointly and severally liable for the performance of this agreement, or be entitled to sell all of the Tekapo Power Stations without also assigning this agreement to the same person or persons to whom this agreement shall be assigned, and (pursuant to clause 18.6) all of whom shall be jointly and severally liable for the performance of this agreement, unless Genesis Energy has obtained Meridian's consent in accordance with clause 18.1. In no event shall Meridian be entitled to assign this agreement without also transferring all of the Waitaki Power Stations to the same person or persons to whom this agreement shall be assigned, and (pursuant to clause 18.6) all of whom shall be jointly and severally liable for the performance of this agreement, or be entitled to sell all of the Waitaki Power Stations without also assigning this agreement to the same person or persons to whom this agreement shall be assigned, and (pursuant to clause 18.6) all of whom shall be jointly and severally liable for the performance of this agreement, unless Meridian has obtained Genesis Energy's consent in accordance with clause 18.1.
- 18.6 **Valid and binding undertaking required:** No assignment of this agreement shall be effective unless the assigning party delivers to the other party a binding undertaking executed by the assignee (in a form acceptable to that other party, acting reasonably) in favour of the other party that the assignee agrees to observe and be bound by this agreement as if it had executed this agreement as the assigning party. On and following the date of delivery of such undertaking, the assigning party shall be released in all respects from, and shall no longer be liable in respect of, any duties or obligations arising under this agreement, unless the assignment is to a wholly-owned subsidiary in accordance with clause 18.2(a), in which case the assigning party shall remain bound by this agreement for the entire Term.
- 18.7 **Change of Control:** A change of shareholding in or control of Genesis Energy or Meridian will have no consequence in terms of this agreement.

19. DEFAULT AND TERMINATION

- 19.1 **Termination:** If in respect of either party:

- (a) that party:
 - (i) is, becomes, or is deemed to be, insolvent or bankrupt; or

- (ii) goes into receivership or administration or has a receiver, manager (including a statutory manager) or administrator appointed in respect of all or any of its property; or

(b) any resolution is passed, or order is made, for the liquidation of that party,

the other party may, by notice to that party, terminate this agreement.

19.2 **Other remedies:** Clause 19.1 is without prejudice to any other right, power or remedy under this agreement, at law, or otherwise, that either party has in respect of a default by the other party.

19.3 **Default interest:** If either party does not pay any amount payable under this agreement on the due date for payment ("**Due Date**") that party shall pay to the other party interest (both before and after judgment) on that amount. That interest shall be:

- (a) paid at the Bill Rate plus 3% per annum; and
- (b) calculated on a daily basis from and including the Due Date until the unpaid amount is paid in full.

The right of a party to require payment of interest under this clause does not limit any other right or remedy of the party.

20. CONFIDENTIALITY

20.1 **Confidentiality:** Subject to clause 20.2, each party shall keep confidential, and make no disclosure of, information obtained from the other party under this agreement or in the course of negotiations in respect of this agreement ("**Information**").

20.2 **Permitted Disclosure:** Information may be disclosed by a party if:

- (a) disclosure is required by law or necessary to comply with the listing rules of any recognised stock exchange or with any requirement of the Ministers of the Crown who hold shares in a party; or
- (b) disclosure is necessary to obtain the benefits of, and fulfil obligations under, this agreement; or
- (c) that Information already is, or becomes, public knowledge other than as a result of a breach of clause 20.1 by that party; or
- (d) disclosure is made to a bona fide financier or potential financier of that party, or to a bona fide purchaser or potential purchaser of all or part of the business of, or the shares in, that party, so long as:
 - (i) that party has notified the other of the proposed disclosure; and
 - (ii) the person to which disclosure is to be made has entered into a confidentiality agreement in a form reasonably acceptable to the other party; or
- (e) disclosure is made to a lawyer or accountant for that party.

20.3 **Required Disclosure:** If either party is required by clause 20.2(a) to make a disclosure or announcement (other than to a Minister of the Crown), it shall, before doing so:

- (a) give to the other party the maximum notice reasonably practicable in the circumstances, specifying the requirement under which it is required to disclose Information, and the precise Information which it is required to disclose;

- (b) comply with all reasonable directions by the other party to contest or resist the requirement to disclose Information; and
- (c) consult in good faith with the other party with a view to agreeing upon the form and timing of the disclosure or announcement.

20.4 **Clarification:** For clarity, this section 20 does not prevent a party from disclosing the existence of, or the contents of, this agreement.

21. NOTICE

21.1 **Notice:** Every notice or other communication ("**Notice**") for the purposes of this agreement shall:

- (a) be in writing; and
- (b) be delivered in accordance with clause 21.2.

21.2 **Method of service:** A Notice may be given by:

- (a) delivery to the physical address of the relevant party; or
- (b) posting it by pre-paid post to the postal address of the relevant party; or
- (c) sending it by facsimile transmission to the facsimile number of the relevant party, so long as clause 21.4 is complied with; or
- (d) sending it by email to the email address of the relevant party, so long as clause 21.4 is complied with.

21.3 **Time of receipt:** A Notice given in the manner:

- (a) specified in clause 21.2(a) is deemed received at the time of delivery;
- (b) specified in clause 21.2(b) is deemed received three Business Days after (but exclusive of) the date of posting;
- (c) specified in clause 21.2(c) or clause 21.2(d) is deemed (subject to clause 21.4) received:
 - (i) if sent between the hours of 9am and 5pm (local time) on a local working day, at the time of transmission; or
 - (ii) if subclause (i) does not apply, at 9am (local time) on the local working day most immediately after the time of sending.

For this purpose "local time" is the time in the place of receipt of the Notice, and a "local working day" is a normal working day in that place.

21.4 **Facsimile and email notice:** A Notice given:

- (a) by facsimile, is not deemed received unless (if receipt is disputed) the party giving Notice produces a facsimile transmission report of the device from which the transmission was made which evidences full transmission, free of errors, to the facsimile number of the party given Notice;
- (b) by email, is not deemed received unless (if receipt is disputed) the party giving Notice produces a printed copy of the delivery status notification which

evidences that the email was delivered to the email address of the party given Notice.

21.5 **Addresses:** For the purposes of this clause the address details of each party are:

- (a) the details set out below; or
- (b) such other details as any party may notify to the others by Notice given in accordance with this clause.

Meridian: Mike Roan, Manager Wholesale Markets

Physical address: Level1, 33 Customhouse Quay

Postal address: PO Box 10840

Facsimile number: 04 3811201

Email address: mike.roan@meridianenergy.co.nz

Genesis Energy: Bob Weir, General Manager Production

Physical address: Cnr Te Ohaki and Hetherington Rds

Huntly

Postal address: Private Bag 501

Huntly 3740

Facsimile number: 07 828 6845

Email address: bob.weir@genesisenergy.co.nz

22. NO THIRD PARTY RIGHTS

22.1 Except as provided in clause 23.3, this agreement is intended to create rights and obligations only for the parties. For the avoidance of doubt, except as provided in clause 23.3, this agreement does not create benefits for, and may not be enforced at the suit of, any third party.

23. LIMITS ON VARIATION OF AGREEMENT

23.1 **Limitation:** No extension, variation, novation, supplementation or further agreement or assurance under or in respect of this agreement ("**Extension**") may be made or acted upon to the extent that Extension or action will, or is likely to, materially extend the present or future benefit to a party of section 119(4) or section 130(1)(c) of the Electricity Industry Act 2010 compared to the benefit to that party of the relevant section in the absence of that Extension. Any such Extension is void to the extent it provides such benefit.

23.2 **Other agreements:** Clause 23.1 does not prevent the parties from making promises or agreements outside of this agreement, whether related to the subject matter of this agreement or otherwise, on the basis that the parties acknowledge that such promises or agreements are not part of this agreement and accordingly the provisions of sections 119(4) and 130(1)(c) of the Electricity Industry Act 2010 do not apply to those promises or agreements.

23.3 **Privity:** Clauses 23.1 and 23.2 are for the benefit of the Crown and are enforceable by it under the Contracts (Privity) Act 1982.

24. GENERAL

24.1 **Counterparts:** This agreement is deemed to be signed by a party if that party has signed or attached that party's signature to any of the following formats of this agreement:

- (a) an original; or
- (b) a facsimile copy; or
- (c) a photocopy; or
- (d) a PDF or email image copy,

and if each party has signed or attached that party's signature to any such format and delivered it in any such format to the other party, the executed formats shall together constitute a binding agreement between the parties.

24.2 **Entire agreement:** This agreement constitutes the entire agreement between the parties relating to the subject matter of this agreement and supersedes and cancels any previous agreement, understanding or arrangement whether written or oral.

24.3 **Amendments:** No:

- (a) amendment to this agreement;
- (b) agreement between the parties for the purpose of, or referred to in, this agreement; or
- (c) consent or approval for the purposes of, or referred to in, this agreement,

is effective unless it is in writing and signed (if subclauses (a) or (b) apply) by both parties or (if subclause (c) applies) the party required to give the consent or approval.

24.4 **Severance:** If any provision of this agreement is, or becomes unenforceable, illegal or invalid for any reason it shall be deemed to be severed from this agreement without affecting the validity of the remainder of this agreement and shall not affect the enforceability, legality, validity or application of any other provision of this agreement.

24.5 **No partnership, joint venture:** Nothing in this agreement shall create or evidence any partnership, joint venture, agency, trust or employer/employee relationship between the parties, and a party may not make, or allow to be made, any representation that any such relationship exists between the parties. A party shall not have authority to act for, or to incur any obligation on behalf of, the other party, except as expressly provided for in this agreement.

24.6 **Waiver:** No failure or forbearance by a party to exercise, or delay in exercising, (in whole or in part) any right, power or remedy under, or in connection with, this agreement shall operate as a waiver of that right, power or remedy. A waiver of any breach of any provision of this agreement shall not be effective unless that waiver is in writing and is signed by the party against whom that waiver is claimed. A waiver of any breach shall not be, or be deemed to be, a waiver of any other or subsequent breach.

24.7 **Governing law:** This agreement is governed by the laws of New Zealand and the parties submit to the non-exclusive jurisdiction of the courts of New Zealand in respect of any dispute or proceeding arising out of this agreement.

SIGNATURES**MERIDIAN ENERGY LIMITED** by:

Authorised Signatory:

Name of Authorised Signatory:

GENESIS POWER LIMITED by:

Name:

Position:

in the presence of:

Name:

Occupation:

Address:

SCHEDULE 1

High Flow Management and Rules

1. HIGHFLOW EVENT FORECASTING AND PLANNING

1.1 **Responsibilities for high flow event management:** The parties acknowledge that, while the Environmental Regulator has a statutory responsibility for high flow management in the Waitaki Catchment, Meridian and Genesis Energy are responsible for compliance with those Waitaki Consents that are held by each of them respectively and for managing the Waitaki Power Scheme in an integrated manner to the extent possible during high flow events.

1.2 **Principles of high flow management:**

The parties:

- (a) acknowledge that high flow events in the Waitaki Catchment must be managed in an integrated manner to the extent possible, notwithstanding that the Tekapo Power Stations and Waitaki Power Stations are owned and operated by the parties separately; and
- (b) will manage high flow events in an integrated manner to the extent possible, given the control options available to them, to, where possible, protect and minimise adverse effects on people, the environment, plant, and structures.

1.3 **Establishment of HiCoG:** To facilitate achievement of the principles set out in clause 1.2 of this schedule, the parties shall, promptly after the Commencement Date, establish a High-Flow Management Co-ordination Group consisting of representatives of each party and according to procedures as set out in Schedule 3 ("**HiCoG**").

1.4 **Forecasting methodologies:** Following the Commencement Date, Meridian and Genesis Energy shall each without delay establish and provide to the other party, a proposed methodology to determine whether Lake Pukaki (in the case of Meridian) and Lake Tekapo (in the case of Genesis Energy) are within the High Flow Planning Zone. The methodology of each party shall include the heavy rainfall forecast warnings provided by MetService or such other forecasting service as the parties agree. The parties shall consult and endeavour to agree on the methodology to be applied by each party. If the parties are unable to agree, each party shall determine its own methodology. If, during the Term, either party decides to change the forecasting methodology then in use by that party, that party shall, prior to implementation of a proposed methodology, inform and consult with the other party in accordance with this clause 1.4 in respect of that proposed methodology.

1.5 **Environmental Regulation:** For the avoidance of doubt, nothing in this agreement shall in any way affect or derogate from the statutory functions and duties of the Environmental Regulator under the RMA.

1.6 **Public notification of high flow events:** The Environmental Regulator shall provide the central and single source of high flow information to civil defence and the public once flows in the mid-Waitaki River (at Lake Benmore or below) are forecasted to equal or exceed 850 Cumecs.

1.7 **Notification of high flow events otherwise:** Genesis Energy and Meridian shall each provide any notifications of high flow events required to be given by that party under the Waitaki Consents, the Stakeholder Agreements, or by law.

2. HIGH FLOW MANAGEMENT

2.1 **High Flow Planning Zone Response:** The High Flow Planning Zone in respect of either or both of the Upper Waitaki Lakes is deemed to be entered in the following situations:

- (a) lake level is within 1 metre of the MCL for that lake and rainfall of greater than 200mm is forecast by MetService in the catchment of that lake within 5 days of the date of that lake level measurement; or
- (b) lake level within 300mm of the MCL for that lake and rainfall of greater than 100mm is forecast by MetService in the catchment of that lake within 5 days of the date of that lake level measurement; or
- (c) Lake Tekapo and/or Lake Pukaki is actually Spilling,

and in any such case, actual or forecasted flows from the Tekapo Canal and/or River are, in the reasonable opinion of either party, an important factor in managing the above events to achieve the principles in clause 1.2 of this schedule.

2.2 **Notice:** If either party concludes that either or both of the Upper Waitaki Lakes has entered the High Flow Planning Zone, that party shall notify the other party of:

- (a) the reasons for that conclusion;
- (b) the time at which that party concluded the relevant lake entered any of the states described above; and
- (c) shall provide the other party with its preliminary view of the information required to be contained in that party's High Flow Plan, as set out in Appendix 1 to this Schedule 1 (High Flow Plan Template).

Upon receipt of such notification, the party receiving that notification shall promptly provide its preliminary view of the information required to be contained in that party's High Flow Plan, as set out in Appendix 1 to this Schedule 1 (High Flow Plan Template) to the notifying party.

2.3 **High Flow Planning Zone Obligations:** If one party gives to the other notice under clause 2.2 of this schedule, the parties shall:

- (a) cause the HiCoG to act in accordance with Schedule 3;
- (b) record all data requests, decisions and actions;
- (c) exchange their proposed High Flow Plans which shall (unless otherwise agreed) be in the form attached as Appendix 1 to this Schedule 1 (High Flow Plan Template).

The information in subclauses (b) and (c) is to be exchanged through a meeting of the HiCoG held in accordance with Schedule 3 unless the parties otherwise agree.

2.4 **Forecast:** If either party forecasts that either or both of the Upper Waitaki Lakes is at a level that, having regard to forecasted inflows, is forecasted to result in Spill at that or any other downstream lake, that party may require HiCoG to meet to discuss the situation.

3. HIGH FLOW PLANS

3.1 **Requirements of a High Flow Plan:** Each High Flow Plan to be provided by a party under clause 2.3(c) of this schedule shall (unless otherwise agreed) be in the form attached as Appendix 1 to this Schedule 1 (High Flow Plan Template), shall comply with

the requirements of this Schedule 1 and shall be formulated in accordance with the following principles:

- (a) to the extent possible, co-ordination of the parties' actions so as to minimise as far as practicable any adverse effects on the environment of the relevant high flow event, in the same manner as those effects would have been minimised if only one party were operating the power stations, canals and related infrastructure which at that time is operated by both parties;
- (b) minimisation as far as practicable of spill and the adverse effects of spill on:
 - (i) the environment;
 - (ii) the Tekapo Power Stations, Waitaki Power Stations, and/or surrounding infrastructure; and
 - (iii) safety.
- (c) taking such steps as each party considers necessary to inform the public that high flows are expected, in the case of Genesis Energy, the Tekapo River, and in the case of Meridian, in the Pukaki River, the Ohau River and/or downstream of Lake Pukaki (including Lakes Benmore, Aviemore, Waitaki and the lower Waitaki River), except for communications provided under clause 1.6 of this schedule; and
- (d) identification of the particular actions to be taken by that party at particular times or in particular circumstances.

3.2 **Approval:** Either party may, following receipt of the other party's High Flow Plan pursuant to clause 2.3(c) of this schedule, at its discretion, approve or disapprove that High Flow Plan and may provide to the Environmental Regulator such information (including a copy of that High Flow Plan) as it sees fit.

3.3 **Compliance:** Each party shall comply with the High Flow Plan provided by it under clause 2.3(c) of this schedule unless and until directed otherwise by the Environmental Regulator, whether or not that High Flow Plan is approved by the other party.

3.4 **Change:** Any change to a party's High Flow Plan shall be exchanged in accordance with clause 2.3 of this schedule and shall comply with, and be complied with in accordance with, this section 3.

1. EXCHANGE OF HIGH FLOW INFORMATION

1.1 **Genesis Energy Information:** Genesis Energy shall provide the following information to Meridian with the following frequency while either of the Upper Waitaki Lakes is in a High Flow Planning Zone:

Information	Frequency
Actual level of Lake Tekapo	As often as Genesis Energy records this information, as soon as possible after its measurement.
Probability of spill from Lake Tekapo	As frequently as Genesis Energy produces such forecasts but not less frequently than weekly.
Actual rainfall	As frequently as Genesis Energy and or Metservice produces or records this information.
Lake Tekapo Inflow forecasts	As frequently as Genesis Energy produces or records this information.

Detail any plant outages or deratings	As soon as the information is available.
Actual George Scott Weir flows	As often as Genesis Energy records this information, as soon as possible after its measurement.
Actual Tekapo B outflows	As often as Genesis Energy records this information, as soon as possible after its measurement
Any forecasted departures from the High Flow Plan relevant to the High Flow Planning Zone exchanged in accordance with clause 2.3(c) of this schedule.	As often as Genesis Energy forecasts such departures.

- 4.2 **Meridian Information:** Meridian shall provide the following information to Genesis Energy with the following frequency while either of the Upper Waitaki Lakes is in a High Flow Planning Zone:

Information	Frequency
Actual level of Lake Pukaki (masl)	As often as Meridian records this information, as soon as possible after its measurement.
Probability of spill from Lake Pukaki and Lake Ohau	As frequently as Meridian produces such forecasts but not less frequently than weekly.
Actual rainfall	As frequently as Meridian and or Metservice produces or records this information.
Lake Pukaki and Lake Ohau Inflow forecasts	As frequently as Meridian produces or records this information.
Detail any plant outages or deratings	As soon as the information is available.
Ohau spill data (including Lake Ruataniwha) and generation data.	Following a high flow event in the Ohau River, 15 days following the end of the month in which such data was collected.
Any forecasted departures from the High Flow Plan relevant to the High Flow Planning Zone exchanged in accordance with clause 2.3(c) of this schedule.	As often as Meridian forecasts such departures.

5. INTEGRATED HIGH FLOW MANAGEMENT

- 5.1 **High Flow Planning Zone:** For so long as a High Flow Planning Zone applies to Lake Pukaki and Lake Pukaki is at or above MCL, Meridian may request, and Genesis Energy may at its discretion agree, to cease generation at the Tekapo B Power Station.

- 5.2 **Spilling:** For so long as Lake Pukaki is Spilling through Gate 19, Meridian may request Genesis Energy to do one of the following, and Genesis Energy shall comply with that request:

- (a) cease generation at the Tekapo B Power Station: or
- (b) not allocate Must Run Auction Rights to the Tekapo A or Tekapo B Power Stations.

6. OHAU

6.1 Subject to clause 6.2 below, if Meridian notifies Genesis Energy in writing that:

(a) Lake Ruataniwha is:

- (i) forecasted to spill within the then current gate closure period from the gate known as Gate 22; and
- (ii) is likely to spill unless Meridian generates at full available capacity from the power stations known as Ohau A, B and C; and

(b) the wholesale electricity market conditions are such that there is a material risk that Meridian will not be able to clear energy in the wholesale electricity market without allocating Must Run Auction Rights at the power stations known as Ohau A, B and C;

then, provided that Meridian does not allocate any Must Run Auction Rights to any other of its power stations in the South Island, other than as required by its Resource Consents, Stakeholder Agreements, by law, or to clear energy in the wholesale electricity market in accordance with the Electricity Code, Genesis Energy must not allocate Must Run Auction Rights to the Tekapo A or B Power Stations from the first market gate closure in the wholesale electricity market after Meridian notifies Genesis Energy in accordance with this clause 6.1.

6.2 Meridian shall notify Genesis Energy immediately after it becomes aware that the conditions set out in sub-clauses 6.1(a) and (b) no longer apply, whereupon Genesis Energy's obligations under clause 6.1 in respect of notification given under that clause shall be deemed to have ended. All notices given by Meridian pursuant to this clause 6.1 shall be given in good faith.

Appendix 1 to Schedule 1

High Flow Plan Template

Date	
Time	
Company	
Name	
Version	

High Flow Planning Zone	<i>Tick box</i>	Lake Tekapo
	<i>Tick box</i>	Lake Pukaki

<i>Tick box</i>	Lake level is within 1 metres of MCL, rainfall greater than 200mm is forecast within next 5 days.
<i>Tick box</i>	Lake level is within 300mm of MCL, rainfall greater than 200 mm is forecast within next 5 days.
<i>Tick box</i>	Actually spilling

High flow data – (at time of constructing report)
(Genesis)

Lake Tekapo Level (masl)	
Rainfall forecast and heavy rain warnings from MetService (mm range) for forecasted duration of flood event	
Plant outages/derratings	
Inflow forecasts to Lake Tekapo (cumec range) for forecasted duration of flood event (if known)	
Potential to enact the Tekapo Operating Rules	<i>(Date/Time, includes information on when may spill George Scott Weir if known or probability of spill)</i>
Forecast generation flows (cumec range) and spill flows (cumecs) for period prior to and during the forecasted duration of flood event from Tek B and Lake George Scott Weir (if known) (range cumecs)	

(Meridian)

Lake Pukaki, Ohau and Ruataniwha Level (masl)	
Rainfall forecast and heavy rain warnings from MetService (mm range) for forecasted duration of flood event	
Plant outages/derratings	
Inflow forecasts to Lakes Pukaki, Ohau, Ruataniwha, Benmore, Aviemore, Waitaki and lower Waitaki and Ahuriri Rivers (cumec range) for forecasted duration of flood event (if known)	
Potential to enact the Waitaki Power Station Operating Rules	<i>(Date/Time, includes information on when may spill from Lake Pukaki, Lake Ohau, Lake Ruataniwha, if known or probability of spill)</i>
Time Meridian may ask Genesis to cease generation at Tek B (if known)	

Time Meridian may ask Genesis to cease generation at Tek B, and Lake Pukaki is spilling (if known)	
--	--

Anticipated pre-emptive measures:

Detail here where and when the party will generate, store or spill water in advance of the high flow arriving

Anticipated Generation profile (Genesis only):

Detail here any relevant info for Meridian on planned operations at Tekapo B

Communications Plan:

Detail the steps necessary to inform the public that high flows are expected (Genesis Energy, Tekapo, Meridian, Pukaki). Communications with the public, with the Environmental Regulator, between the parties.

HICOG:

Date/Time met:	
Attendees:	

Notes/Comments:

SCHEDULE 2**Exchange of Information****1. EXCHANGE OF INFORMATION**

- 1.1 Genesis Energy shall provide the following information to Meridian with the following frequency in accordance with data quality standards set by the Regulatory Authority or in accordance with a National Environmental Standard for water measurement:

Information	Frequency
Actual inflows to Lake Tekapo	At intervals of 6 months from the Commencement Date, in respect of the preceding 6 months.
Actual snowpack indicator information from Panorama	Hourly, one hour after measurement is taken.
Actual level of Lake Tekapo	Hourly, one hour after the measurement is taken.
Actual George Scott Weir flows	Hourly, one hour after the measurement is taken.
Actual Tekapo B flows	Hourly, one hour after the measurement is taken.

- 1.2 Meridian shall provide the following information to Genesis Energy with the following frequency in accordance with data quality standards set by the Regulatory Authority or in accordance with a National Environmental Standard for water measurement:

Information	Frequency
Actual level of Lake Pukaki	Hourly, one hour after the measurement is taken.
Rose Ridge – Rainfall	As often as Meridian records this information.
Lake Waitaki natural inflows	Whichever is the more frequent of every 24 months and as soon as Genesis Energy requires this information for the purposes of this agreement.

- 1.3 Genesis Energy shall use reasonable endeavours to obtain independently data from the Whataroa River at SH1 rainfall site, and from the Waitaki River at Kurow minimum flow site, the Maryburn at Mt McDonald site and the Forks at Balmoral site. Meridian shall support Genesis Energy in accessing this data.

SCHEDULE 3

HiCoG Purpose and Procedure

1. **Purpose of HiCoG:** The purpose of the HiCoG shall be to communicate with a view to:
 - (a) enable data and information transfer for high flow management purposes;
 - (b) communicate and to the extent possible co-ordinate a pre-emptive high flow response in the form of a High Flow Plan, to apply throughout a high flow event;
 - (c) facilitate and co-ordinate communication between the parties prior to and during a high flow event;
 - (d) manage effectively, as far as practicable, the adverse effects of high flow events on people, the environment, plant and structures; and
 - (e) enable review and audit after high flow events to better understand the consequences of different high flow events on people, the environment, plant and structures.
2. **Role of HiCoG:** HiCoG shall, once a High Flow Planning Zone is reached at any of the Upper Waitaki Lakes, meet to provide a forum for communication and co-ordination. HiCoG will endeavour to:
 - (f) establish any pre-emptive measures required prior to a high flow arriving;
 - (g) establish any measures required to be taken during a high flow; and
 - (h) comply with this agreement and this Schedule.
3. **Constituency:** Each party shall be entitled to appoint two HiCoG Representatives and remove any person appointed as that party's HiCoG Representative by it and appoint another HiCoG Representative, provided that:
 - (a) Each appointment and removal of a person as a HiCoG Representative must be effected by notice in writing to the other party,
 - (b) Prior to the Commencement Date, the parties will each notify each other of their initial HiCoG Representatives.
 - (c) Each party may (in the same manner provided in clause 3(a)) of this schedule appoint a person as an alternate for the HiCoG Representative appointed by it from time to time and remove any person so appointed and appoint another person in his place. An alternate will be entitled to attend any meeting of the HiCoG which is not attended by the HiCoG Representative whose alternate he or she is, and to exercise all powers of that HiCoG Representative to the extent that that HiCoG Representative has not exercised them.
4. **Power of HiCoG Representatives:** Decisions of the HiCoG will not bind either party. The HiCoG may make recommendations to the parties in respect of high flow management matters and in respect of amendments to Schedule 1. For clarity, this clause does not affect the obligation of each party to comply with the High Flow Plan provided by it under clause 2.3 of Schedule 1.
5. **Meetings:** The parties shall cause the HiCoG to meet:

- (a) as soon as practicable after either of the Upper Waitaki Lakes enters the High Flow Planning Zone in accordance with clause 2.1 of Schedule 1; and
 - (b) at other times as agreed between the parties.
- 6. Methods of holding meetings:** A meeting of the HiCoG may be held either:
- (a) by at least one HiCoG Representative of each party, being assembled together at the place, date, and time appointed for the meeting; or
 - (b) by means of audio, or audio and visual, communication by which at least one HiCoG Representative of each party can simultaneously hear each other throughout the meeting.
- 7. Minutes:** The HiCoG Representatives must ensure that:
- (a) minutes are kept of all decisions of the HiCoG in accordance with clause 6(a) of this Schedule; and
 - (b) where possible, recordings are made of decisions of the HiCoG made in accordance with clause 6(b) of this Schedule.
- 8. Costs of attendance at HiCoG meetings:** Costs and expenses incurred by a party relating to the attendance of its HiCoG Representative(s) at meetings of the HiCoG will be borne by that party.

SCHEDULE 4

WMC Procedure

1. **Role of WMC:** Genesis Energy and Meridian wish to have a constructive, open process to address resource management and water management issues of mutual interest, including certain third party claims, that may arise from time to time. The WMC shall conduct such meetings and attempt to resolve any matters before it in accordance with its purpose in clause 4 of the main body of this agreement.
2. **Constituency:** The WMC shall consist of:
 - (a) a senior manager responsible for environmental/operational matters associated with the management of the Waitaki Power Scheme; and
 - (b) one other representative,of each party ("**WMC Representatives**"). Each party shall be entitled to appoint a WMC Representative and remove any person appointed as that party's WMC Representative by it and appoint another WMC Representative, provided that:
 - (c) Every person appointed by a party as a WMC Representative shall be, to the other party's reasonable satisfaction, of a sufficiently senior level within the appointing party's organisation to enable that person to actively assist the WMC with fulfilling its purpose in clause 4 of the main body of this agreement;
 - (d) Each appointment and removal of a person as a WMC Representative must be effected by notice in writing to the other party;
 - (e) Prior to the Commencement Date, the parties will each notify each other of their initial WMC Representative;
 - (f) Each party may (in the same manner provided in clause 2 of this Schedule, and provided that subclause 2(c) is complied with) appoint a person as an alternate for the WMC Representative appointed by it from time to time and remove any person so appointed and appoint another person in his place. An alternate will be entitled to attend any meeting of the WMC which is not attended by the WMC Representative whose alternate he or she is, and to exercise all powers of that WMC Representative to the extent that that WMC Representative has not exercised them.
3. **Meetings:** The parties shall cause the WMC to meet:
 - (a) no less frequently than at annual intervals unless the parties agree in writing that a particular meeting is not necessary;
 - (b) when either party is considering changes in operational procedures that may materially affect the other party's operation of its part of the Waitaki Power Scheme;
 - (c) when either party is planning on submitting comment on any document or proposal governed by the RMA, where those matters may, in the opinion of either party, may materially affect the operation of this agreement, the Waitaki Operating Rules the ability for either party to comply with its Resource Consents;
 - (d) to discuss in good faith the parties' respective liability for Claims in accordance with clause 13.2 of the main body of this agreement; and

- (e) in respect of any additional resource or water management matters affecting the Waitaki Power Scheme.
- 4. **Power:** Decisions of the WMC will not bind either party. The WMC may make recommendations to the parties in respect of resource management and water management issues.
- 5. **Methods of holding meetings:** A meeting of the WMC may be held either:
 - (a) by at least one WMC Representative of each party, being assembled together at the place, date, and time appointed for the meeting; or
 - (b) by means of audio, or audio and visual, communication by which at least one WMC Representative of each party can simultaneously hear each other throughout the meeting.
- 6. **Minutes:** The WMC Representatives must ensure that:
 - (a) minutes are kept of all decisions of the WMC in accordance with clause 5(a) of this Schedule; and
 - (b) where possible, recordings are made of decisions of the WMC made in accordance with clause 5(b) of this Schedule.
- 7. **Costs of attendance at WMC meetings:** Costs and expenses incurred by a party relating to the attendance of its WMC Representative(s) at meetings of the WMC will be borne by that party.

FINAL/RELEASE VERSION

MERIDIAN ENERGY LIMITED

GENESIS POWER LIMITED

**AGREEMENT RELATING TO PROVISION OF
TRANSITIONAL SERVICES**

RUSSELL McVEAGH

AGREEMENT dated

2011

PARTIES**MERIDIAN ENERGY LIMITED ("Meridian")****GENESIS POWER LIMITED ("Genesis")****INTRODUCTION**

- A. Under the Electricity Industry Act 2010, the shareholding Ministers of the parties have directed the boards of directors of each party to require their respective companies to enter into a number of agreements, including this agreement and an agreement for sale and purchase under which Meridian will sell to Genesis the Tekapo A Power Station and Tekapo B Power Station (and associated infrastructure and equipment, including the canal known as the Tekapo Canal) ("**Stations**").
- B. Meridian has agreed that Meridian will, for a period after settlement of the purchase of the Stations by Genesis, provide to Genesis certain services to facilitate the transfer and ongoing operation of the Stations.
- C. Meridian and Genesis have agreed to establish a project steering group in order to effect an orderly transition of ownership of the Stations, and to supervise, and liaise in respect of, the services referred to in paragraph B.

AGREEMENT**1. INTERPRETATION**

- 1.1 **Definitions:** In this agreement unless the context otherwise requires:

"Bill Rate" means in respect of any rate of interest to be calculated pursuant to this agreement the mid or "FRA" rate for 90 day bank accepted bills (expressed as a percentage) as quoted on Reuters page BKBM (or any successor page) at or about 10.45 am on the first Business Day of the period in respect of which such rate of interest is to be calculated, and thereafter at intervals of 90 days from that Business Day.

"Business Day" means any day other than a Saturday, Sunday or a statutory public holiday in Wellington.

"GCS Equipment" means the two station servers and associated software and control terminals that are located in each of the Stations and which form part of the "Generation Control System".

"General Services" means the services described in Schedule 1 as amended from time to time in accordance with clause 3.3.

"Good Industry Practice" means that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled, reasonable and experienced operator in the hydro-electricity generation industry in the same or similar circumstances, with reference to best international standards and practice.

"GST" means goods and services tax chargeable, or to which a person may be liable, under the Goods and Services Tax Act 1985, and any penalties, additional tax or interest payable in respect of goods and services tax.

"Member" means a member of the Project Steering Group.

"Meridian's Fibre Optic Cable" means Meridian's fibre optic cable between the Stations.

"Meridian's Fibre Optic Network" means Meridian's fibre optic network from Tekapo A to Twizel.

"Project Steering Group" means the project steering group established pursuant to clause 11.

"Sale and Purchase Agreement" means the agreement for sale and purchase of the Stations between Meridian and Genesis dated on or about the date of this agreement.

"Service Fee" means the fee payable by Genesis to Meridian for the General Services in accordance with clause 9.

"Settlement" means the date on which Settlement (as defined in the Sale and Purchase Agreement) occurs.

"Settlement Time" has the meaning given to that term in the Sale and Purchase Agreement.

"Specific Services" means the services to be provided under clauses 4 to 7 (inclusive).

"Stations" has the meaning set out in the Introduction.

"System Operator" means Transpower New Zealand Limited.

"Transition Period" has the meaning in clause 2.1.

"Zelko" means Zelko NZ Limited.

"Zelko Contract" means the Meridian Energy Non-Core Asset Agreement (No. ME05002) between Meridian and Zelko NZ Ltd dated 5 May 2005.

1.2 **References:** In this agreement unless the context otherwise requires:

- (a) headings are to be ignored in construing this agreement;
- (b) the singular includes the plural and vice versa;
- (c) one gender includes the other genders;
- (d) references to individuals include companies and other corporations and vice versa;
- (e) a reference to a statute or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them (whether before or after the date of this agreement);
- (f) reference to any document includes reference to that document (and, where applicable, any of its provisions) as amended, novated, supplemented, or replaced from time to time;
- (g) reference to a party, person or entity includes:

- (i) an individual, partnership, firm, company, body corporate, corporation, association, trust, estate, state, government or any agency thereof, municipal or local authority and any other entity, whether incorporated or not (in each case whether or not having a separate legal personality); and
- (ii) an employee, agent, successor, assign, executor, administrator and other representative of such party, person or entity;
- (h) "written" and "in writing" include any means of reproducing words, figures or symbols in a tangible and visible form;
- (i) references to money are to New Zealand dollars;
- (j) reference to a section, clause, sub-clause, schedule or a party is a reference to that section, clause, sub-clause, schedule or party in this agreement.

2. TRANSITION PERIOD

2.1 **Term:** This agreement shall commence at the Settlement Time and shall terminate on:

- (a) the earlier of:
 - (i) six (6) months after Settlement Time; and
 - (ii) the expiration of at least one month's written notice given by Genesis to Meridian; or
- (b) such other date as may be agreed between the parties in writing, including such other date as may be agreed between the parties following negotiations under clause 2.2,

("Transition Period").

2.2 **Extension of the term:** If an event occurs before the expiry of the Transition Period that is outside Genesis reasonable control and which renders Genesis unable, or reasonably unlikely to be able, to operate the Stations from midnight on the last day of the Transition Period without some or all of the General Services or the Specific Services, Genesis shall promptly notify Meridian and the parties shall negotiate in good faith with a view to agreeing a new date under clause 2.1(b).

2.3 **Termination of Memorandum of Understanding:** The parties agree that the Memorandum of Understanding between the parties dated 19 July 2010 shall terminate with effect from Settlement.

3. PROVISION OF SERVICES

3.1 **Provision:** Meridian shall throughout the Transition Period (or for such shorter period as may be specified in Schedule 1 in respect of a particular General Service) provide the General Services to Genesis.

3.2 **Co-operation:** Meridian and Genesis shall throughout the Transition Period co-operate with a view to causing the General Services and the Specific Services to be provided efficiently and at the lowest reasonable cost. In particular, Genesis shall:

- (a) allow Meridian access to the Stations, any other Genesis' premises and Genesis' personnel, in each case, as reasonably required by Meridian to enable Meridian to provide the General Services or the Specific Services (as the case may be) provided that Meridian shall:
 - (i) give Genesis reasonable prior notice of the date on which it will require access to the Stations; and
 - (ii) comply with all reasonable instructions and directions from Genesis and with applicable health and safety policies in place at the Stations; and
- (b) ensure that it is able to receive each General Service or Specific Service to be provided by Meridian under this agreement at the times set out in this agreement or Schedule 1 (or if no times are specified, at the time notified by Meridian to Genesis, having given Genesis reasonable prior notice).

3.3 **Variation of General Services:** The description and the other terms of the General Services set out in Schedule 1 may be amended at any time by a resolution of the Project Steering Group passed in accordance with Schedule 2. The parties shall procure that Schedule 1 is updated to reflect any such resolution.

4. DISPATCH SERVICES

4.1 **Phase I Dispatch Services:** For the period of three (3) calendar months from the Settlement Time (or such shorter period as may be notified by Genesis to Meridian) ("**Phase I**"), Meridian shall:

- (a) acknowledge and execute all dispatch instructions received from the System Operator in relation to the Stations unless Meridian considers, based on its prior knowledge of operating the Stations or its actual knowledge of any events affecting the operation of the Stations, that a material risk exists that an instruction is likely to:
 - (i) cause damage to the Stations; or
 - (ii) endanger the safety of any persons,

("Material Risk").

If Meridian considers that the Material Risk exists in respect of an instruction, Meridian shall not be required to execute the relevant instruction and shall notify Genesis' Tokaanu Control Centre as soon as possible of that fact (or, if Meridian is unable to notify Genesis's Tokaanu Control Centre, Meridian shall notify the System Operator);

- (b) notify Genesis' Tokaanu Control Centre as soon as possible of any forced outages relating to the Stations which Meridian becomes aware of; and
- (c) if a Genesis Tokaanu Control Centre Operator advises Meridian at any time of loss of alarms visibility at Tokaanu, then in addition to dispatching plant under clause 4.1(a), Meridian's Twizel Control Centre shall take full responsibility for monitoring and actioning all Tekapo alarms by directly communicating with Genesis' Tekapo site staff, until Genesis advises Meridian that it has been able to restore alarms visibility at Tokaanu,

("Phase I Dispatch Services").

- 4.2 **Phase II Dispatch Services:** From midnight on the final day of Phase I to midnight on the final day of the Transition Period (or such shorter period as may be notified by Genesis to Meridian) ("**Phase II**"), Meridian shall provide to Genesis the Phase I Dispatch Services only if Genesis notifies Meridian that a significant failure of Genesis' equipment has occurred which, in Genesis' reasonable opinion, has rendered or is likely to render Genesis unable to operate the Stations ("**Phase II Dispatch Services**").
- 4.3 **Agreed Control Centre Responsibility:** The Phase I Dispatch Services and Phase II Dispatch Services shall be provided by Meridian in accordance with the "Agreed Control Centre Responsibility" procedures attached as Schedule 3. This Schedule may be amended by the Project Steering Group from time to time pursuant to a resolution passed in accordance with Schedule 2.
- 4.4 **Payment for Dispatch Services:** In consideration for Meridian providing, and for the period that Meridian provides, the Phase I Dispatch Services and the Phase II Dispatch Services, Genesis shall pay to Meridian:
- (a) \$90,000 per month (plus GST) (or part thereof on a pro rata basis) for the provision of the Phase I Dispatch Services; and
 - (b) \$35,000 per month (plus GST) (or part thereof on a pro rata basis) for the provision of the Phase II Dispatch Services,

and clauses 9.2 to 9.5 shall apply in respect of such payments, provided always that if and to the extent that Meridian for any reason fails or does not provide any of the Phase I Dispatch Services or Phase II Dispatch Services, Genesis shall have no liability under this clause 4.4 to pay Meridian for such services which were not provided with the appropriate reduction in the fee to be calculated on a pro rata basis. If the parties are unable to agree the appropriate reduction in the amount payable within 10 days either party may refer the matter for determination by an expert pursuant to clause 12.

- 4.5 **Responsibility:** Meridian shall use all reasonable endeavours to ensure that any:
- (a) notifications provided under clause 4.1(a) to 4.1(c) are accurate and correct in all material respects; and
 - (b) dispatch instructions are acknowledged and executed in accordance with clause 4.1(a).

Meridian has no liability whatsoever (except in the event of a wilful breach by Meridian) for any such notifications or for the content of or failure to provide such notifications or for executing, or failing to execute, any dispatch instructions.

5. ZELKO CONTRACT

- 5.1 **Support:** Meridian shall use its reasonable endeavours to assist and support Genesis and provide Genesis with all information reasonably requested by Genesis (including requesting such information from Zelko or any other person) with a view to ensuring:
- (a) Genesis has a full understanding of the nature and scope of services provided by Zelko in connection with the Stations under the Zelko Contract;
 - (b) Genesis is able to seek tenders from third parties for the services which have been provided by Zelko in connection the Stations; and

- (c) Genesis is able to put in place appropriate contracting arrangements to replace the Zelko Contract with respect to the services provided in connection with the Stations.

6. FIBRE OPTIC CABLE

6.1 **Licence:** From Settlement, Meridian grants Genesis an exclusive, non-transferable, royalty free licence to use:

- (a) three dedicated private virtual channels on Meridian's Fibre Optic Network for the purpose of assisting Genesis to operate the Stations;
- (b) two spare dark fibres in Meridian's Fibre Optic Cable, provided that if Meridian requires either or both of the fibres:
 - (i) in the case of an emergency, Meridian may disconnect Genesis from using the fibres immediately for such period as determined by Meridian; or
 - (ii) for any other reason, Meridian may disconnect Genesis from using the fibres for such period as determined by Meridian on giving to Genesis three months' written notice; and
- (c) in the event that Meridian disconnects either or both of the dark fibres as described in 6.1(b)(i) and 6.1(b)(ii) above, an additional private virtual channel, as an alternative method of communication between Tekapo A and Tekapo B, until such time as the dark fibre is made available to Genesis again.

6.2 **Access:** From Settlement until the date determined by the Project Steering Group under clause 6.6, Genesis grants to Meridian all necessary easements or other controlled access rights to enable Meridian to install, use, repair, operate and maintain Meridian's Fibre Optic Cable and the associated terminating equipment.

6.3 **Plans:** If not completed and approved by the Project Steering Group prior to the commencement of this agreement, Genesis shall provide all plans and specifications for the new fibre optic cables to be constructed by Genesis under clause 6.4 for the Project Steering Group's approval as soon as practical following Settlement, provided always that the Project Steering Group may not withhold such approval if such plans are for fibre optic cables of a like-for-like capacity and quality as Meridian's fibre optic cables existing as at the date of this agreement between the Stations ("**Minimum Standard**"). If the Project Steering Group requires Genesis to make any amendments to the plans and specifications submitted by Genesis under this clause, which for the avoidance of doubt may only be required if and to the extent that the proposed new fibre optic cables do not meet the Minimum Standard, it shall advise Genesis of the amendments it requires within 10 Business Days and Genesis shall make the amendments required by the Project Steering Group within a further 10 Business Days (or such other period as agreed by the Project Steering Group).

6.4 **Construction:** If not completed prior to Settlement, Genesis shall, by the expiry of the Transition Period, construct and install, at its sole cost, two new fibre optic cables between Tekapo A and Tekapo B in accordance with the plans and specifications approved by the Project Steering Group under clause 6.3 ("**Genesis' Fibre Optic Cables**").

6.5 **Integration:** As soon as reasonably practicable after construction of Genesis' Fibre Optic Cables, the Project Steering Group shall co-ordinate the integration of Genesis'

Fibre Optic Cables with Meridian's Fibre Optic Network with the objective of minimising any disruption to the users of Meridian's Fibre Optic Network.

- 6.6 **Transfer:** On a date to be determined by the Project Steering Group, but in any case no later than four weeks after the completion of all integration activities under clause 6.5:
- (a) Meridian shall transfer to Genesis ownership of Meridian's Fibre Optic Cable and all associated terminating equipment;
 - (b) Genesis shall transfer to Meridian ownership of one of Genesis' Fibre Optic Cables that has been integrated with Meridian's existing network under clause 6.5;
 - (c) the licence in clause 6.1 and right of access in clause 6.2 shall terminate; and
 - (d) the parties shall sign all necessary documentation to grant Meridian appropriate access and maintenance rights with respect to the new fibre optic cable it acquires under clause 6.6(b) (and any other Meridian fibre located on Genesis land) and to remove all access rights no longer required by Meridian in respect of the assets transferred to Genesis under clause 6.6(a), each act to be at no cost to the other party.

7. GENERATION CONTROL SYSTEM

- 7.1 **Licence:** For the Transition Period, Meridian grants to Genesis an irrevocable, non-transferable licence to use the GCS Equipment for the purpose of operating the Stations. Genesis shall pay to Meridian each month all maintenance and support costs incurred by Meridian in relation to the GCS Equipment in that month and clauses 9.2 to 9.5 shall apply in respect of such payments.
- 7.2 **Access:** For the Transition Period, Genesis shall grant to Meridian all necessary controlled access rights to enable Meridian to repair, maintain and remove the GCS Equipment provided that Meridian shall:
- (a) give Genesis reasonable prior notice of the date on which it will require such access; and
 - (b) comply with all reasonable instructions and directions from Genesis and with Genesis' applicable health and safety policies.
- 7.3 **Replacement Equipment:** Genesis shall, at its cost, install equipment in each Station that performs the same functions as the GCS Equipment by the expiry of the Transition Period ("**Replacement Equipment**"). If Genesis fails to install the Replacement Equipment by this date, Genesis shall pay to Meridian a licence fee of \$500 per week for the use of the GCS Equipment.
- 7.4 **Removal:** As soon as reasonably practicable after Genesis has installed the Replacement Equipment, it shall give notice to Meridian to remove the GCS Equipment from the Stations. The Project Steering Group shall determine the date(s) on which Meridian shall remove the GCS Equipment from the Stations and Meridian shall comply with the Project Steering Group's determination. Meridian shall comply with any reasonable instructions and directions and with the operational, health and safety or other such requirements of Genesis when removing the GCS Equipment.

8. TEMPORARY COMMUNICATIONS EQUIPMENT

8.1 **Installation:** For the Transition Period, Meridian shall permit Genesis to install and operate temporary communications equipment in the telecommunications room at Meridian's Twizel office ("**Temporary Communications Equipment**").

8.2 **Meridian's approval:** Prior to installing the Temporary Communications Equipment, Genesis shall:

- (a) obtain Meridian's written approval to enter the Twizel office (which Meridian may give subject to any conditions Meridian reasonably requires); and
- (b) obtain Meridian's written approval of the relevant technical plans and drawings, such approvals not to be unreasonably withheld.

8.3 **Supervision:** When installing the Temporary Communications Equipment, Meridian may supervise Genesis and Genesis shall comply, and procure that its contractors, employees and agents also comply, with:

- (a) all reasonable directions or instructions given by Meridian; and
- (b) Meridian's health and safety policies in place at Meridian's Twizel office.

8.4 **Liability:** Subject to clauses 10.2 and 10.3, Genesis shall be liable for any damage or loss caused as a result of the installation and operation of the Temporary Communications Equipment.

8.5 **Removal:** Within two calendar months of the expiry of the Transition Period, Genesis shall, subject to any subsequent agreement to the contrary:

- (a) remove all of the Temporary Communications Equipment that it has installed in Meridian's Twizel office; and
- (b) reinstate the relevant part of Meridian's Twizel office to the condition it was in prior to Genesis installing the Temporary Communication Equipment,

("Reinstatement Obligations") provided that, prior to removing the Temporary Communications Equipment, Genesis shall give to Meridian reasonable prior notice of the date on which it will remove the Temporary Communications Equipment. Meridian shall grant Genesis such access rights as are reasonably required by Genesis to carry out the Reinstatement Obligations and Genesis shall comply with any reasonable directions and with the operational, health and safety requirements of Meridian when undertaking the Reinstatement Obligations.

If Genesis fails (for reasons not attributable to Meridian) to complete the Reinstatement Obligations within the above timeframe, Meridian may undertake the Reinstatement Obligations itself and Genesis shall pay Meridian the direct costs incurred by Meridian (as certified by Meridian's chief financial officer) in undertaking those activities and clause 9 shall apply as if these costs were a Service Fee. Meridian shall not be liable for any damage caused to Genesis' Temporary Telecommunications Equipment if it undertakes the Reinstatement Obligations. This clause 8.5 shall survive termination of this agreement.

9. PAYMENT

- 9.1 **Service Fee:** In consideration of the provision of the General Services, Genesis shall pay to Meridian the fee in respect of each General Service as specified in Schedule 1 ("**Service Fee**").
- 9.2 **Invoice:** By the 10th day of each month during the Transition Period (and in the month following the end of the Transition Period), Meridian shall provide to Genesis an invoice for the aggregate amount of all Service Fees incurred in the previous month and for GST payable under clause 9.4. Each invoice shall contain sufficient information to enable Genesis to establish the accuracy of the invoice, including (insofar as the invoice is based on time spent by employees) details of the employees involved, their hourly rates and the time spent by them and activities in which they were engaged.
- 9.3 **Payment:** Genesis shall pay each invoice provided by Meridian under clause 9.2 by the 20th day of the month following the date on which Genesis receives that invoice.
- 9.4 **GST:** Each Service Fee does not include any GST. In addition to the Service Fee, Genesis shall pay to Meridian the amount of all GST chargeable on any taxable supply by Meridian under this agreement.
- 9.5 **Disputing invoices:** If Genesis in good faith disputes the accuracy of any invoice, Genesis shall, within 10 Business Days after receipt of the invoice, give notice of that fact to the Project Steering Group. That notice shall state the basis of the dispute and give relevant supporting details. Genesis shall pay the undisputed portion of the invoice and may withhold payment of the portion disputed. If the Project Steering Group is unable to resolve the dispute within 20 Business Days of the date of the notice, the dispute shall be resolved in accordance with clause 12.

10. STANDARD OF SERVICE AND LIABILITY

- 10.1 **Standards:** Meridian shall, in providing the General Services:
- (a) act in accordance with Good Industry Practice and shall provide the General Services to at least the same level and quality as were provided before Settlement; and
 - (b) comply in all material respects with all relevant laws, and to the extent that General Services are provided at the premises of Genesis, with all reasonable directions of Genesis and with the health and safety policies and procedures of Genesis.
- 10.2 **Consequential loss:** Neither party shall be liable to the other for any loss of profits, loss of revenue or any consequential, indirect or special loss or damages suffered, arising directly or indirectly from any breach of this agreement or from any negligence or other act or omission.
- 10.3 **Monetary limit:** The liability of each party to the other in respect of claims arising directly or indirectly from any breach of this agreement or from any negligence or other act or omission, shall be limited to a maximum of:
- (a) \$25,000 in respect of any event or series of related events; and
 - (b) \$1,000,000 in aggregate.

11. PROJECT STEERING GROUP

- 11.1 **Establishment of Project Steering Group:** Meridian and Genesis shall, prior to, or as soon as possible after, Settlement establish the Project Steering Group.
- 11.2 **Appointment:** Each of Meridian and Genesis has the power to appoint and remove two Members.
- 11.3 **Functions:** The functions of the Project Steering Group shall be:
- (a) to do everything reasonably necessary to complete the efficient transfer of the management, control, operation and assets of the Stations from Meridian to Genesis in accordance with the Sale and Purchase Agreement and this agreement;
 - (b) to agree such amendments to the transition plan and timeline as the Project Steering Group may deem appropriate;
 - (c) to act as liaison between Meridian and Genesis in respect of the provision of the General Services, the Specific Services and the matters referred to in clause 11.3(a);
 - (d) to make determinations as to the manner in which the General Services or the Specific Services are to be provided and any variations to the General Services; and
 - (e) to perform such other functions as Meridian and Genesis may agree.
- 11.4 **Resolutions binding:** Resolutions of the Project Steering Group in respect of the matters specified in clause 11.3 shall bind Meridian and Genesis.
- 11.5 **Voting:** A resolution of the Project Steering Group is passed if it is supported by a majority of votes cast by Members. The Member or Members appointed by each party and present at a meeting of the Project Steering Group has or have one half of the votes which may be cast at that meeting, irrespective of the number of Members present.
- 11.6 **Alternates:** Any Member may at any time by notice to all other Members appoint a person who is not already a Member to act as an alternate for that Member. The following provisions shall apply to an alternate Member:
- (a) the appointment may at any time be revoked by notice to all other Members, and is automatically revoked when the Member in whose place the alternate Member acts vacates office; and
 - (b) unless otherwise provided by the terms of the appointment, the alternate Member:
 - (i) has the same rights, powers and privileges (including, without limitation the power to sign resolutions of Members); and
 - (ii) shall discharge all of the duties and obligations, of the Member in whose place he or she acts.
- 11.7 **Procedure:** Schedule 2 governs the proceedings of the Project Steering Group.

12. EXPERT DETERMINATION

12.1 **Good faith discussion:** If a dispute, difference or claim arising out of or in connection with this agreement, or the subject matter of this agreement, including any dispute as to its existence or validity and disputes arising from the Project Steering Group (including a failure by the Project Steering Group to agree on a matter arising out of or in connection with this agreement) ("**Dispute**") arises, either party may, by 5 Business Days' written notice to the other party, require Meridian's General Manager Markets and Production (or a person in an equivalent position) and Genesis' General Manager - Production (or a person in an equivalent position) to meet in good faith to attempt to resolve the Dispute.

12.2 **Further discussion:** If a Dispute remains unresolved 10 Business Days after the giving of notice in accordance with clause 12.1, either party may, by further notice to the other party, require the matter to be referred to the parties' respective Chief Executives, and those persons will use their best endeavours to resolve the dispute within 10 Business Days of receipt of the notice, or such longer period as the parties agree.

12.3 **Determination:** If:

- (a) the Dispute is unresolved within 20 Business Days after the process in clause 12.2 has commenced; or
- (b) neither party commences the process in clause 12.2 within 5 Business Days after expiry of the 10 Business Days referred to in clause 12.2,

either party may by written notice stating the subject matter and details of the Dispute to the other party require the Dispute to be determined by a single expert. The referral to expert determination will be commenced by a party giving notice to the other party stating the subject matter and details of the Dispute and requiring the Dispute to be referred to the determination of an expert to be appointed by the parties. Failing agreement within 10 Business Days after the date of giving the notice, the expert will be appointed at the request of a party by the president or the vice-president for the time being of the Institute of Professional Engineers New Zealand or the nominee of such president or vice-president. The guidelines which will govern the proceedings for determining the Dispute will be set by the parties. Failing agreement on the guidelines within 10 Business Days after the appointment of the expert, a party may request the expert to set the guidelines which will govern the proceedings for determining the Dispute.

12.4 **Decision:** The expert will determine the Dispute and deliver to each party a written decision. The decision must specify brief reasons for the decision. The decision will be final and binding on the parties.

12.5 **Confidentiality:** The parties and the expert will keep confidential and will not disclose to anyone not involved in the expert determination any information contained in the decision unless such disclosure is required by law, is necessary to comply with the listing rules of any recognised stock exchange, or is made in any subsequent proceedings to enforce the expert's decision.

12.6 **Arbitration statutes not to apply:** Referral of the Dispute to the expert will not be an arbitration agreement for the purposes of the Arbitration Act 1996 and the provisions of that Act will not apply to or govern such referral.

12.7 **Costs:** The parties will bear their own costs (including legal costs) and an equal share of the costs and expenses of the expert.

13. CONFIDENTIALITY

- 13.1 **Confidentiality:** Subject to clause 13.2, each party shall keep confidential, and make no disclosure of, information obtained from the other party under this agreement or in the course of negotiations in respect of this agreement ("**Information**").
- 13.2 **Permitted disclosure:** Information may be disclosed by a party if:
- (a) disclosure is required by law, or necessary to comply with the listing rules of any recognised stock exchange or with any requirement of the Ministers of the Crown who hold shares in a party; or
 - (b) disclosure is necessary to obtain the benefits of, and fulfil obligations under, this agreement; or
 - (c) that Information already is, or becomes, public knowledge other than as a result of a breach of clause 13.1 by that party; or
 - (d) disclosure is made to a bona fide financier or potential financier of that party, or to a bona fide purchaser or potential purchaser of all or part of the business of, or the shares in, that party, so long as:
 - (i) that party has notified the other party of the proposed disclosure; and
 - (ii) the person to whom disclosure is to be made has entered into a confidentiality agreement in a form reasonably acceptable to the other party; or
 - (e) disclosure is made to a lawyer or accountant for that party.
- 13.3 **Required disclosure:** If either party is required by clause 13.2(a) to make a disclosure or announcement (other than to a Minister of the Crown), it shall, before doing so:
- (a) give to the other party the maximum notice reasonably practicable in the circumstances, specifying the requirement under which it is required to disclose Information, and the precise Information which it is required to disclose;
 - (b) comply with all reasonable directions by the other party to contest or resist the requirement to disclose Information; and
 - (c) consult in good faith with the other party with a view to agreeing upon the form and timing of the disclosure or announcement.
- 13.4 **Clarification:** For clarity, this section 13 does not prevent a party from disclosing the existence of, or the contents of, this agreement.

14. LIMITS ON VARIATION OF AGREEMENT

- 14.1 **Limitation:** No extension, variation, novation, supplementation or further agreement or assurance under or in respect of this agreement ("**Extension**") may be made or acted upon to the extent that Extension or action will, or is likely to, materially extend the present or future benefit to a party of section 119(4) or section 130(1)(c) of the Electricity Industry Act 2010 compared to the benefit to that party of the relevant section in the absence of that Extension. Any such Extension is void to the extent it provides such benefit.

14.2 **Other agreements:** Clause 14.1 does not prevent the parties from making promises or agreements outside of this agreement, whether related to the subject matter of this agreement or otherwise, on the basis that the parties acknowledge that such promises or agreements are not part of this agreement and accordingly the provisions of sections 119(4) and 130(1)(c) of the Electricity Industry Act 2010 do not apply to those promises or agreements.

14.3 **Privity:** Clauses 14.1 and 14.2 are for the benefit of the Crown and are enforceable by it under the Contracts (Privity) Act 1982.

15. NOTICES

15.1 **Notice:** Every notice or other communication ("**Notice**") for the purposes of this agreement shall:

- (a) be in writing; and
- (b) be delivered in accordance with clause 15.2.

15.2 **Method of service:** A Notice may be given by:

- (a) delivery to the physical address of the relevant party; or
- (b) posting it by pre-paid post to the postal address of the relevant party; or
- (c) sending it by facsimile transmission to the facsimile number of the relevant party, so long as clause 15.4 is complied with; or
- (d) sending it by email to the email address of the relevant party, so long as clause 15.4 is complied with.

15.3 **Time of receipt:** A Notice given in the manner:

- (a) specified in clause 15.2(a) is deemed received at the time of delivery;
- (b) specified in clause 15.2(b) is deemed received three Business Days after (but exclusive of) the date of posting;
- (c) specified in clause 15.2(c) or clause 15.2(d) is deemed (subject to clause 16.4) received:
 - (i) if sent between the hours of 9am and 5pm (local time) on a local working day, at the time of transmission; or
 - (ii) if subclause (i) does not apply, at 9am (local time) on the local working day most immediately after the time of sending.

For this purpose "local time" is the time in the place of receipt of the Notice, and a "local working day" is a normal working day in that place.

15.4 **Facsimile and email notice:** A Notice given:

- (a) by facsimile, is not deemed received unless (if receipt is disputed) the party giving Notice produces a facsimile transmission report of the device from which the transmission was made which evidences full transmission, free of errors, to the facsimile number of the party given Notice;

- (b) by email, is not deemed received unless (if receipt is disputed) the party giving Notice produces a printed copy of the email which evidences that the email was sent to the email address of the party given Notice.

5.5 **Addresses:** For the purposes of this clause the address details of each party are:

- (a) the details set out below; or
- (b) such other details as any party may notify to the others by Notice given in accordance with this clause.

Meridian:

Physical address: Level 1, 33 Customhouse Quay, Wellington
Postal address: PO Box 10840
Wellington
Facsimile number: 04 381 1287
Email address: jason.stein@meridianenergy.co.nz
For the attention of: General Counsel

Genesis:

Physical address: The Ground Floor
The Genesis Energy Building
602 Great South Road
Greenlane
Auckland
Postal address: PO Box 17-188, Greenlane
Auckland 1546
Facsimile number: 09 580 4884
Email address: bob.weir@genesisenergy.co.nz
For the attention of: General Manager Production (Bob Weir)
cc General Counsel / Company Secretary

6. GENERAL

6.1 **Amendments:** Subject to clause 3.3, no:

- (a) amendment to this agreement;
- (b) agreement between the parties for the purpose of, or referred to in, this agreement;
- (c) consent or approval for the purposes of, or referred to in, this agreement;

is effective unless it is in writing and signed (if subclauses (a) or (b) apply) by both parties or (if subclause (c) applies) the party required to give the consent or approval.

6.2 **Costs:** Each party shall pay its own costs in respect of this agreement.

6.3 **Counterparts:** This agreement is deemed to be signed by a party if that party has signed or attached that party's signatures to any of the following formats of this agreement:

- (a) an original; or
- (b) a facsimile copy; or

- (c) a photocopy; or
- (d) a PDF or email image copy;

and if each party has signed or attached that party's signatures to any such format and delivered it in any such format to the other party, the executed formats shall together constitute a binding agreement between the parties.

- 16.4 **Entire agreement:** This agreement constitutes the entire agreement between the parties relating to the subject matter of this agreement and supersedes and cancels any previous agreement, understanding or arrangement whether written or oral.
- 16.5 **Further assurance:** Each party shall make all applications, execute all documents and do or procure all other acts and things necessary to implement and to carry out its obligations under, and the intention of, this agreement.
- 16.6 **Default interest:** If either party does not pay any amount payable under this agreement on the due date for payment ("**Due Date**") that party shall pay to the other party interest (both before and after judgment) on that amount. That interest:
- (a) shall be paid at the Bill Rate plus 3% per annum;
 - (b) shall be paid by instalments at intervals of ten Business Days from the Due Date; and
 - (c) shall be calculated on a daily basis from and including the Due Date until the unpaid amount is paid in full.
- The right of a party to require payment of interest under this clause does not limit any other right or remedy of that party.
- 16.7 **Assignment:** Neither party shall directly or indirectly assign, transfer or otherwise dispose of any of its rights or interests in, or any of its obligations or liabilities under or in connection with this agreement, except with the prior consent of the other party, which consent shall not be unreasonably or arbitrarily withheld or delayed.
- 16.8 **Subcontracting:** Meridian may subcontract the performance of any of its obligations under this agreement provided it gives Genesis prior written notice of the party who will perform such obligations. Meridian shall remain liable to Genesis for all obligations subcontracted to a third party under this clause.
- 16.9 **Survival:** The provisions of clauses 7.3, 8.5 and 11 shall survive the termination or expiration of this agreement.
- 16.10 **No partnership, joint venture:** Nothing in this agreement shall create or evidence any partnership, joint venture, agency, trust or employer/employee relationship between the parties, and a party may not make, or allow to be made, any representation that any such relationship exists between the parties. A party shall not have authority to act for, or to incur any obligation on behalf of, the other party, except as expressly provided for in this agreement.
- 16.11 **Severance:** If any provision of this agreement is, or becomes unenforceable, illegal or invalid for any reason it shall be deemed to be severed from this agreement without affecting the validity of the remainder of this agreement and shall not affect the enforceability, legality, validity or application of any other provision of this agreement.
- 16.12 **Waiver:** No failure or forbearance by a party to exercise, or delay in exercising, (in whole or in part) any right, power or remedy under, or in connection with, this agreement

shall operate as a waiver of that right, power or remedy. A waiver of any breach of any provision of this agreement shall not be effective unless that waiver is in writing and is signed by the party against whom that waiver is claimed. A waiver of any breach shall not be, or be deemed to be, a waiver of any other or subsequent breach.

- 16.13 **Governing law:** This agreement is governed by the laws of New Zealand and the parties submit to the non-exclusive jurisdiction of the courts of New Zealand in respect of any dispute or proceeding arising out of this agreement.

SIGNATURES

MERIDIAN ENERGY LIMITED by:

Signature of Authorised Signatory

Name of Authorised Signatory

GENESIS POWER LIMITED by:

Signature of authorised signatory

Name of authorised signatory

Signature of authorised signatory

Name of authorised signatory

SCHEDULE 1**SERVICES****(Clause 1.1)****Skill set rates:**

Skill set	Rate per hour
Managers	\$120
Engineers, GCs, Asset T/L, ICT Specialists, Analysts etc	\$100
Supervisors and Trades	\$60
Administrative Assistant	\$40

1. BACK-UP CALL OUT SERVICES

- 1.1 For the Transition Period, if Genesis requests Meridian's assistance to remedy a fault occurring at one of the Stations, Meridian shall use reasonable endeavours to promptly dispatch a suitably qualified person to the relevant location to assist Genesis in the identification and subsequent remedy of the fault ("**Back-Up Call Out Services**").
- 1.2 The Service Fee payable by Genesis for the Back-Up Call Out Services shall be calculated on a time and materials basis using the above skill set rates which are deemed to be increased to reflect any penal rates incurred by Meridian in respect of the relevant call out.

2. SPARE PARTS

- 2.1 For the Transition Period, Meridian shall, if requested by Genesis, provide Genesis with any spare parts held by Meridian that Genesis requires for the operation of the Stations unless Meridian reasonably determines that those part(s) are required by Meridian for use at any of its hydro-electric power stations. The Service Fee for the provision of spare parts under this clause shall be the aggregate of:
- (a) the cost to Meridian of the relevant spare part;
 - (b) the cost of transporting the relevant spare part from Meridian's storage facility to the location specified by Genesis; and
 - (c) the labour cost associated with providing the relevant spare part calculated using the skill set rates specified above.
- 2.2 Risk and title to any spare parts provided to Genesis under clause 3.1 shall pass to Genesis on delivery to the location specified by Genesis.

3. STORAGE OF DOCUMENTS

- 3.1 For a period of three months after Settlement, Meridian shall store all documents and drawings relating to the Stations which it possesses at Meridian's office in Twizel.

Meridian shall provide the storage services described in this clause at no cost to Genesis. After this period, Meridian shall deliver all documents and drawings to Genesis at Genesis office in Tekapo and Genesis shall reimburse Meridian for all transportation costs incurred by Meridian in doing so.

- 3.2 If, during the period referred to in clause 3.1, Genesis requires any of the documents stored by Meridian, Meridian shall:
- (a) provide Genesis with access to the Twizel office to obtain the relevant documents (such access to be provided at such times and on such conditions as Meridian may reasonably require); or
 - (b) Meridian shall extract the relevant document or drawing on Genesis' behalf and provide Genesis with that document or drawing.

4. INFORMATION AND OTHER ASSISTANCE

- 4.1 For the Transition Period, Meridian shall provide to Genesis such information, access to drawings and manuals, advice and guidance as may be reasonably required by Genesis to support its ongoing training programme, the physical integration of the infrastructure, its design and implementation of its own Generation Control System and other tasks as necessary to allow Genesis to take over full operational responsibility of the Stations as soon as practicably possible ("**Information Services**").
- 4.2 The Service Fee payable by Genesis for the Information Services shall be calculated on a time and materials basis using the above skill set rates.

SCHEDULE 2**PROCEEDINGS OF STEERING GROUP****(Clause 11.7)**

1. **Alternative forms of meeting:** A meeting of the Project Steering Group may be held either:
 - (a) by a number of the Members who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or
 - (b) by means of audio, or audio and visual, communication by which all Members participating and constituting a quorum can simultaneously hear each other throughout the meeting.
2. **Procedure:** Except as provided in this schedule, the Project Steering Group may regulate its own procedure.
3. **Notice of meeting:** The following provisions apply in relation to meetings of the Project Steering Group except where otherwise agreed by all Members in relation to any particular meeting:
 - (a) Not less than two Business Days' notice of a meeting of the Project Steering Group shall be given to each Member (other than a Member who has waived that right).
 - (b) Notice to a Member of a meeting may be:
 - (i) given to a Member in person by telephone or other oral communication;
 - (ii) delivered to the Member;
 - (iii) posted to the address given by the Member to all other Members for such purpose;
 - (iv) sent by facsimile transmission to the facsimile telephone number given by the Member to all other Members for such purpose; or
 - (v) sent by electronic means in accordance with any request made by the Member to all other Members from time to time for such purpose.
 - (c) It is not necessary to give notices of meetings to an alternate Member, unless the Member who appointed that alternate Member has given written notice to all other Members requiring that such notices be given.
 - (d) A notice of meeting shall specify the date, time and place of the meeting and, in the case of a meeting by means of audio, or audio and visual, communication, the manner in which each Member may participate in the proceedings of the meeting.
 - (e) A notice of meeting given to a Member pursuant to this clause is deemed to be given:
 - (i) in the case of oral communication, at the time of notification;

- (ii) in the case of delivery, by handing the notice to the Member or by delivery of the notice to the address of the Member;
 - (iii) in the case of posting, three Business Days after it is posted;
 - (iv) in the case of facsimile transmission, when the person sending the notice receives a transmission report by the sending machine which indicates that the facsimile was sent in its entirety to the facsimile telephone number given by the Member;
 - (v) in the case of electronic means, at the time of transmission.
- 4. **Member may convene meeting:** Any Member may convene a meeting of the Project Steering Group by giving notice in accordance with clause 3 of this schedule.
- 5. **Waiver of notice irregularity:** An irregularity in the giving of notice of a meeting is waived if each of the Members either attends the meeting without protest as to the irregularity or agrees (whether before, during or after the meeting) to the waiver.
- 6. **Quorum:** A quorum for a meeting of the Project Steering Group is at least one Member appointed by each of Meridian and Genesis.
- 7. **Lack of Quorum:** If within 30 minutes after the time appointed for a meeting of the Project Steering Group a quorum is not present the meeting is adjourned for five Business Days to the same time and place unless otherwise agreed by all Members. A notice of the adjourned meeting must be given to all Members, and the notice must include a statement that it is given pursuant to this clause. If at the adjourned meeting a quorum is not present within 30 minutes after the time appointed for the meeting the Member or Members present are a quorum.
- 8. **Chairperson:** The Members may elect one of their number as chairperson of the Project Steering Group and determine the period for which he or she is to hold office. A chairperson does not have a casting vote.
- 9. **Resolution in writing:** A resolution in writing signed or assented to by a majority of the Members, including at least one Member appointed by each of Meridian and Genesis, is as valid and effective as if passed at a meeting of the Project Steering Group. Any such resolution may consist of several documents (including facsimile or other similar means of communication) in similar form, each signed or assented to by one or more Members.
- 10. **Validity of actions:** The acts of a person as a Member are valid even though the person's appointment was defective or the person is not qualified for appointment.
- 11. **Minutes:** The Project Steering Group shall ensure that minutes are kept of all proceedings at meetings of the Project Steering Group. Minutes which have been signed correct by the chairperson of the meeting are prima facie evidence of the proceedings.

SCHEDULE 3**AGREED CONTROL CENTRE RESPONSIBILITY****Control Centre Responsibilities**

Due to the time the technical transition will take coupled with control functionality philosophies, not all operational functions will be able to be performed from the Genesis Energy Control Centre.

During the period when the Transitional Support Agreement (TSA) is in force, when individual components relating to operational control can be robustly carried out by GEL then those such components can be transferred from MEL to GEL's responsibility to the point when MEL assistance in controlling functions related to the Tekapo Chain are no longer required.

Without having experienced staff transferred along with the stations, this transition period will give both companies confidence that the operational control of the Tekapo Chain will be carried out by competent operators. The following table outlining the split in responsibilities allows a period when both MEL and GEL Control Centre staff will be having real time dialogue about the plant which is all important in the transfer of knowledge to the incoming operators.

The table below briefly outlines the training and TSA timeline for both Control Centres.

1 August 2010 to the date 3 months after the Settlement Time		6 month period from the Settlement Time (Transition Period)	Post- Transition Period
TKO site familiarisation	FAT Rig training	Responsibilities split as per	Genesis Energy total responsibility
Operator training MEL to offer training to GEL staff	Twizel Control Centre FAT Rig training at Twizel i.e. actual hands on experience	Transitional Support Agreement	All Meridian Energy connections permanently disconnected

Abbreviations:

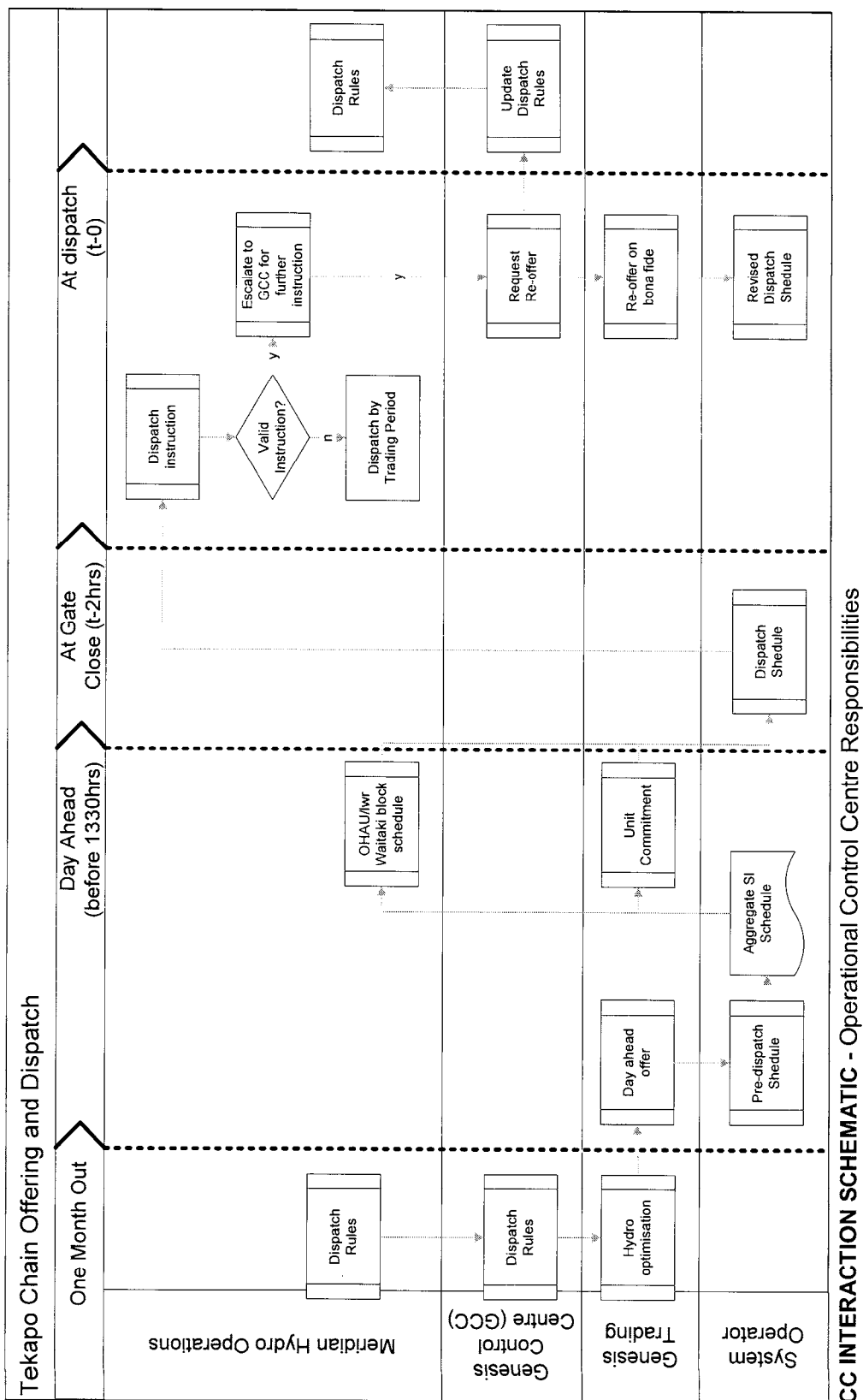
GEL	GenesisPower Ltd
MEL	Meridian Energy Ltd
MCC	Meridian Control Centre (located at Twizel)
GCC	Genesis Control Centre (located at Tokaanu Power Station)
SO	System Operator
TEK	Tekapo (as a scheme)
RTCC	Real Time Canal Control

CONTROL CENTRE RESPONSIBILITIES	
<i>GEL Tokaanu Control Centre</i>	<i>MEL Twizel Control Centre</i>
ACTIONING	
1. All required actions are to be carried out in a timely manner to protect personnel, the environment and plant/equipment while maintaining contractual requirements.	1. All required actions are to be carried out in a timely manner to protect personnel, the environment and plant/equipment while maintaining contractual requirements. a. Acknowledging that actions on Meridian plant of equal priority will likely be processed for Meridian plant first.
DISPATCH	
1. Liaise with GEL Trading to formulate unit loadings for dispatch. Includes both forward planning and during real time events e.g. unit trippings, need to meet resource consents, flood management etc. a. TEK not offered for SI frequency control. 2. Monitor all dispatches actioned by MEL ensuring Market compliance. 3. Actioning all dispatch queries received from MEL. 4. Ensure that all dispatches meet the requirements of the Resource Consents. 5. Ensure that all dispatches keep the Tekapo-Pukaki Canal within operational parameters. 6. Is the contact point for the SO regarding all dispatch queries. 7. Is the contact point for the SO regarding all grid emergencies. 8. Accept and be accountable within the Electricity Code that RTCC and manual canal control will shift the TKA set point and generation. 9. Accept and be accountable within the Electricity Code that emergency canal control will shift the TKA set point and generation.	1. Action all dispatch instructions received from the SO meeting all the requirements of the Market Rules. 2. If there is a total loss of communications with both GCC and the SO then Tekapo is to be operated with the last 'good instruction'. 3. Relaying all SO dispatch queries to GCC. 4. Relaying to GCC all actions taken to comply with grid emergencies. Prior notification to GCC is not required however notification is to be made at the earliest opportunity. 5. Take direct action as necessary to ensure the integrity of the 'Grid' as per SO requirements e.g. during system frequency excursions. Prior notification to GCC is not required however notification is to be made at the earliest opportunity. 6. Advising GCC of any dispatch instructions that will, or have the potential to cause breaches to any Market Rules or Resource Consents. 7. Advising GCC of any dispatch instruction that will, or has the potential to cause harm to any persons, plant, or the environment. a. Note that the lack of advance advice will make this problematic. Advice on anticipated dispatch instructions would be more likely to lead to accurate advice (eg likelihood of islanded running or large load changes). 8. Best practice monitor and manage canal volume within limits – adjusting setpoint as required.

OUTAGES	
1. All plant outages will be raised and processed by GEL.	
ALARM MONITORING	
1. Acknowledge, analyse and take appropriate action on all alarms. a. GEL TEK site staff to be called out for faults.	1. Provide advice to GCC when requested as to what actions MEL have taken for particular alarms. 2. In the event that the Genesis Tokaanu Control Centre Operator suffers from a loss of alarms visibility at Tokaanu then the MCC shall take full responsibility for monitoring and actioning all TEK alarms.
EMERGENCY RESPONSE	
1. When GCC becomes aware of the event they will: a. Inform appropriate GEL staff. b. Raise GEL Event Report. 2. Monitor the fire alarms and take actions as per MEL's current procedures. a. If situation requires site staff then first call is to GEL TEK site staff. 3. Take over continuous monitoring of the 7777 emergency phone when the Tekapo phone system is integrated into the Genesis phone network.	1. Monitor the 7777 emergency phone and take actions as per MEL's current procedures for a period up until GEL notifies MEL that the Tekapo phone system is integrated into the Genesis phone network. a. No requirement to contact GCC first. b. Call emergency support services as required c. If situation requires site staff then first call is to GEL TEK site staff. d. GCC to be notified at the earliest opportunity.
EARTHQUAKE RESPONSE	
1. GEC to instigate actions as per earthquake procedures (including either calling out GEL TEK staff or load changes) when notification of earthquake magnitudes are in excess of alarm levels.	
SECURITY MONITORING	
1. Contact either the duty Maintainer Operator or the on-call security firm upon receipt of any security breaches. 2. Inform Twizel Control Centre of actions being taken so that they are aware of these actions and can monitor where possible while the TEK CCTV system feeds back to the MCC.	1. Monitor CCTV when requested by GCC regarding security issues. 2. Advise GCC of any developments to security breaches.

HYDRAULIC STRUCTURES	
<ol style="list-style-type: none"> 1. GCC will give all instructions on the operation of all hydraulic structure gates. 	<ol style="list-style-type: none"> 1. Operate hydraulic gates as requested from GCC. 2. Advising GCC of any instructions that will, or have the potential to cause breaches to any Market Rules or Resource Consents. 3. Advising GCC of any instruction that will, or has the potential to cause harm to any persons, plant, or the environment. 4. Trim hydraulic gates to manage canal volume or close hydraulic gates to ensure canal safety without notice from GCC.
INABILITY OF GEL REMOTE CONTROLLING FROM TKU	
<ol style="list-style-type: none"> 1. GCC to advise MCC that the WAN connection (or any other such reason preventing robust control from TKU) between TKU and TEK is lost and that they are now to take immediate operational control. 2. GCC to advise MCC that they are to contact GEL Tekapo site staff directly for site specific response requirements. 3. GCC staff to advise GEL Trading. 4. GCC to make contact with GEL Tekapo site staff to instigate fault investigation. 5. GCC and GEL Tekapo site staff to maintain dialogue keeping each other up to date on progress of each incident. 6. Advise MCC when the WAN is operational and take back operational control. 7. All Telegyr control system issues/faults are to be raised with MCC Generation Controller. 	<ol style="list-style-type: none"> 1. MCC SCADA to be used as backup should the WAN connection (or any other such reason preventing robust control from TKU) between TKU and TEK fail i.e. MEL will immediately take over operational control of the plant including alarm actioning. 2. MCC to contact GEL Tekapo site staff directly for site specific response requirements. Intention is to use this as the default means for Genesis to monitor alarms. 3. MCC to provide incident updates to GCC when requested. 4. MCC to organise the response to all Telegyr issues/faults.

RESPONSIBILITIES	
<ol style="list-style-type: none"> 1. Offering plant into market <ul style="list-style-type: none"> - in compliance with approved operating modes ("Dispatch Rules"). - in compliance with Electricity Code. - not to include offering for SI frequency management. - should consider trading needs and dispatch requirements during islanded operation of TKA – resultant MW swings at TKB should be contemplated. 2. Maintain controlled documentation of Dispatch Rules. 	<ol style="list-style-type: none"> 1. Following all Valid Instructions, which are dispatch instructions: <ul style="list-style-type: none"> - that comply with the Dispatch Rules - that will not put at risk safety of persons, integrity of plant or resource consent compliance. 2. Meridian to advise GCC of any dispatch instructions received that are not Valid Instructions and to take further operating instruction from GCC. 3. MEL face no liability from following Valid Instructions or instructions directly from GCC. 4. Meridian Energy to apply good practice and follow prudent action to avoid risks to safety of persons, integrity of plant or resource consents compliance. 5. All operators are trained in the Dispatch Rules and appropriate actions resulting.
INSTRUCTIONS	
<ol style="list-style-type: none"> 1. Instruct Meridian Energy to initiate any non-generation flows, such as bypass and spill. 	<ol style="list-style-type: none"> 1. Action flow requests in a prompt and reasonable manner. 2. Monitor and advise Genesis Energy of any storage or flow risk emerging in real time arising from such a flow request.



FINAL/RELEASE VERSION

MERIDIAN ENERGY LIMITED

GENESIS POWER LIMITED

**AGREEMENT RELATING TO PROVISION OF
OPERATIONAL SERVICES**

RUSSELL McVEAGH

AGREEMENT dated

2011

PARTIES**MERIDIAN ENERGY LIMITED ("Meridian")****GENESIS POWER LIMITED ("Genesis")****INTRODUCTION**

- A. Under the Electricity Industry Act 2010, the shareholding Ministers of the parties have directed the boards of directors of each party to require their respective companies to enter into a number of agreements, including this agreement and an agreement for sale and purchase under which Meridian will sell to Genesis the Tekapo A Power Station and Tekapo B Power Station (and associated infrastructure and equipment) ("**Power Stations**").
- B. Under this agreement each party will, after settlement of the purchase of the Power Stations by Genesis, provide certain services to the other party on the terms and conditions set out in this agreement.

AGREEMENT**1. INTERPRETATION****1.1 Definitions:** In this agreement unless the context otherwise requires:

"**Assets**" has the meaning set out for that term in the Sale and Purchase Agreement.

"**Asset Records**" has the meaning set out for that term in the Sale and Purchase Agreement.

"**Ancillary Equipment Fee**" means an annual fee of \$2,000 (payable in monthly instalments) by Meridian for the supply of electricity to and storage of Meridian's Ancillary Equipment, as adjusted from time to time pursuant to clause 6.3.

"**Bill Rate**" means in respect of any rate of interest to be calculated pursuant to this agreement the mid or "FRA" rate for 90 day bank accepted bills (expressed as a percentage) as quoted on Reuters page BKBM (or any successor page) at or about 10.45 am on the first Business Day of the period in respect of which such rate of interest is to be calculated, and thereafter at intervals of 90 days from that Business Day.

"**Business Day**" means any day other than a Saturday, Sunday or a statutory public holiday in Wellington or Auckland.

"**Commencement Date**" has the meaning in clause 2.1.

"**Electricity**" means electrical energy measured in kilowatt-hours (kWh) supplied by Meridian to the Tekapo B Power Station under the terms and conditions of this agreement.

"**Electricity Fee**" means:

- (a) \$180,065.66 per annum payable in monthly instalments by Genesis for the Electricity; or

- (b) if electricity is metered by Meridian as contemplated in clause 3.3, a daily fixed charge of 338.81c/day and a charge of 16.8c/kWh for Electricity supplied during Winter and 13.547c/kWh for Electricity supplied during Summer with effect from a date specified by Meridian.

"GST" means goods and services tax chargeable, or to which a person may be liable, under the Goods and Services Tax Act 1985, and any penalties, additional tax or interest payable in respect of goods and services tax.

"Meridian's Standard Terms and Conditions" means Meridian's standard terms and conditions for the supply of electricity dated April 2008 available on Meridian's website at www.meridianenergy.co.nz

"Sale and Purchase Agreement" means the agreement for sale and purchase of the Power Stations between Meridian and Genesis dated on or about the date of this agreement.

"Subsidiary" means, in respect of any entity, a subsidiary of that entity within the meaning in section 5 of the Companies Act 1993.

"Summer" means the period between, and inclusive of, 1 October to 30 April.

"Tekapo A Power Station" means the power generating station located on certificate of title CFR 2621188, Lot 1 (Canterbury Land Registry).

"Tekapo B Power Station" means the power generating station located on certificate of title CFR 425212, Lot 1 (Canterbury Land Registry).

"Wind Data" means mean wind speed data and mean wind direction data as collected by NIWA (or its successor) at the Maryburn at Maryburn Fill weather station (NIWA site 400204).

"Wind Data Fee" means 30% of the monthly maintenance costs incurred by Meridian in respect of the Maryburn at Maryburn Fill weather station (NIWA site 400204).

"Winter" means the period between, and inclusive of, 1 May to 30 September.

1.2 **References:** In this agreement unless the context otherwise requires:

- (a) headings are to be ignored in construing this agreement;
- (b) the singular includes the plural and vice versa;
- (c) one gender includes the other genders;
- (d) references to individuals include companies and other corporations and vice versa;
- (e) a reference to a statute or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them (whether before or after the date of this agreement);
- (f) reference to any document includes reference to that document (and, where applicable, any of its provisions) as amended, novated, supplemented, or replaced from time to time;
- (g) reference to a party, person or entity includes:

- (i) an individual, partnership, firm, company, body corporate, corporation, association, trust, estate, state, government or any agency thereof, municipal or local authority and any other entity, whether incorporated or not (in each case whether or not having a separate legal personality); and
 - (ii) an employee, agent, successor, assign, executor, administrator and other representative of such party, person or entity;
- (h) "written" and "in writing" include any means of reproducing words, figures or symbols in a tangible and visible form;
- (i) references to money are to New Zealand dollars; and
- (j) reference to a section, clause, sub-clause, schedule or a party is a reference to that section, clause, sub-clause, schedule or party in this agreement.

2. TERM AND TERMINATION

- 2.1 **Commencement:** This agreement shall commence at the Settlement Time (as defined in the Sale and Purchase Agreement) ("**Commencement Date**").
- 2.2 **Enforcement:** This agreement is intended to be enforceable by the parties throughout its term despite any change in market circumstances.
- 2.3 **Termination:** Unless otherwise provided in relation to a particular service, this agreement or any service provided under it may only be terminated by written agreement between the parties.

3. SUPPLY OF ELECTRICITY

- 3.1 **Sale and purchase of Electricity:** Meridian shall sell, and Genesis shall purchase from Meridian, Electricity in such quantities as Genesis may from time to time require for the operation of the Tekapo B Power Station on the terms and conditions of Meridian's Standard Terms and Conditions, provided that:
 - (a) the amounts payable by Genesis for the Electricity shall be the Electricity Fee as adjusted from time to time pursuant to clause 3.2;
 - (b) Meridian shall invoice Genesis, and Genesis shall pay Meridian for the Electricity, in accordance with section 7 of this agreement;
 - (c) the sale and purchase of Electricity under this clause 3.1, and clauses 3.2 to 3.4 of this agreement may only be terminated by written agreement between the parties; and
 - (d) without limiting the foregoing, section 4, clauses 7.3 to 7.5 (inclusive), section 9, section 10, clauses 12.3 to 12.8 (inclusive), clauses 14.1 to 14.11 inclusive, and clauses 16.1 and 16.2 of Meridian's Standard Terms and Conditions shall not apply to the sale of Electricity by Meridian to Genesis under this agreement.
- 3.2 **Adjustment of the Electricity Fee:** The amount specified in paragraph (a) of the definition of Electricity Fee and the daily fixed charge, the charge for Electricity supplied during Winter and the charge for Electricity supplied during Summer described in paragraph (b) of the definition of Electricity Fee (each a "**Relevant Component of the**

Electricity Fee") payable in each calendar year will be reviewed on 1 December of the prior calendar year ("**Electricity Fee Review Date**") and if applicable increased (but in no circumstances decreased) to reflect changes in the Producer Price Index ("**PPI**") in accordance with the following formula:

Electricity Fee for relevant calendar year = $EF \times (A/B)$

where:

EF = the Relevant Component of the Electricity Fee being reviewed as at the Electricity Fee Review Date;

A = the PPI for the June Quarter ending most recently before (and in the calendar year of) the Electricity Fee Review Date;

B = the PPI for the March 2010 Quarter;

PPI = Producer Price Index (inputs All Industries (excluding administration, health and education) (PPIQ.SN8) published by Statistics New Zealand;

and:

- (i) if any published PPI is revised by Statistics New Zealand then the revised PPI shall only be applied to invoices issued after the date of such revision; and
- (ii) if the PPI ceases to be published (or the basis of its calculation is changed), the parties are to agree upon a substitute index (or an adjustment to the formula to take account of the change in the basis of the calculation) which approximates the purpose and composition of the PPI, and agree the date from which the substitute index will apply. Failing agreement, a substitute index (or adjusted formula) and the time from which it applies is to be determined by a single expert in accordance with clause 11.

3.3 Meter installation: If required by Meridian, Genesis shall:

- (a) subject to the prior written approval of Genesis as to the design and specifications of the proposed electricity meters (such approval not to be unreasonably withheld or delayed), allow Meridian to install electricity meters at the Pukaki sub-station, and Genesis shall reimburse Meridian for the cost of, and the costs incurred in installing, such meters; or
- (b) at Genesis' cost, install electricity meters at the Pukaki sub-station using such metering equipment and installing such equipment in the manner as reasonably directed by Meridian.

For the avoidance of doubt, any meters installed pursuant to this clause 3.2 shall be the property of Genesis.

3.4 Access to Pukaki Substation: Meridian shall at no charge to Genesis, allow Genesis reasonable access to the Pukaki sub-station for the purpose of monitoring, maintaining, operating or upgrading the disconnector and protection systems forming the demarcation and the outgoing 33kv line or any other related equipment owned by Genesis or installing like-for-like replacement equipment, provided that Genesis shall:

- (a) give Meridian reasonable prior notice of the date on which it will require access to the Pukaki sub-station; and

- (b) comply with all applicable health and safety policies in place at the Pukaki sub-station.

4. WIND DATA

- 4.1 **Provision of wind data:** For a period of three years from the Commencement Date ("**Data Initial Term**"), Meridian shall use all reasonable endeavours to provide to Genesis via radio telemetry the wind speed and direction data actually collected by Meridian from its weather station at Maryburn at Maryburn Fill (NIWA site 400204) ("**Wind Data**") and shall transmit that data to Genesis' receiving station at the Tekapo Canal.
- 4.2 **Renewal:** At any time prior to the expiry of the Data Initial Term, the parties may agree in writing to extend the provision by Meridian of the Wind Data for a further term of three years, commencing from the end of the Data Initial Term.
- 4.3 **Termination:** Clauses 4.1 and 4.2 may be terminated by Genesis at any time upon one month's written notice to Meridian.

5. SHARED INFORMATION

5.1 **Shared Information:** If:

- (a) there are any documents, records or information (whether in written or electronic form) in the possession or control of Meridian which relate to the Power Stations and/or the Assets but which also relate to other operations or assets of Meridian and/or its Subsidiaries (together "**Information**"); and
- (b) that Information does not form part of the Asset Records provided to Genesis on Settlement,

Meridian shall as soon as reasonably practicable after a request by Genesis from time to time:

- (c) disclose to Genesis the existence of all Information which falls within sub-clauses (a) and (b); and
- (d) if Genesis so requests, provide copies of that Information to Genesis,

but only to the extent that the Information relates to the Power Stations and/or the Assets.

- 5.2 **No charge:** Meridian shall provide any Information requested by Genesis under clause 5.1 free of charge.
- 5.3 **No responsibility:** Genesis acknowledges that Information provided to it under clause 5.1 has been extracted from Meridian's document management system and:
 - (a) such Information may be out-of-date or no longer accurate and correct in all respects; and
 - (b) Meridian has no responsibility in relation to the manner in which Genesis uses any such Information.

6. ANCILLARY FIBRE OPTIC CABLE EQUIPMENT

- 6.1 **Installation or Upgrade:** Subject to the prior written approval of Genesis as to the design, specifications and location of the proposed equipment (such approval not to be unreasonably withheld or delayed), if requested by Meridian, Genesis shall permit Meridian to install in the Power Stations (or in or on the land next to the Power Stations) ("**Sites**") such equipment as Meridian reasonably considers necessary for the operation of its fibre optic cable network, including, without limitation, repeater equipment ("**Ancillary Equipment**").
- 6.2 **Hosting and access:** Genesis shall:
- (a) subject to Meridian supplying Electricity to Genesis in accordance with clause 3.1 of this agreement and in consideration for the Ancillary Equipment Fee, supply sufficient quantities of electricity to the Ancillary Equipment to allow the Ancillary Equipment to operate and allow Meridian to store and operate the Ancillary Equipment at the Sites; and
 - (b) at no charge to Meridian, allow Meridian to access the Sites for the purpose of maintaining or upgrading the Ancillary Equipment or installing like-for-like replacement Ancillary Equipment, provided that Meridian shall:
 - (i) give Genesis reasonable prior notice of the date on which it will require access to the Sites; and
 - (ii) comply with all applicable health and safety policies in place at the Sites.
- 6.3 **PPI escalation:** The Ancillary Equipment Fee payable in each calendar year will be reviewed on 1 December of the prior calendar year ("**Ancillary Equipment Fee Review Date**") and if applicable increased (but in no circumstances decreased) to reflect changes in the PPI in accordance with the following formula:

$$\text{Ancillary Equipment Fee for relevant calendar year} = \text{AEF} \times (\text{A/B})$$

where

AEF = the Ancillary Equipment Fee as at the Ancillary Equipment Fee Review Date

A = the PPI for the June Quarter ending most recently before (and in the calendar year of) the Ancillary Equipment Fee Review Date

B = the PPI for the March 2010 Quarter,

PPI = Producer Price Index (inputs All Industries (excluding administration, health and education) (PPIQ.SN8) published by Statistics New Zealand;

and:

- (i) if any published PPI is revised by Statistics New Zealand then the revised PPI shall only be applied to invoices issued after the date of such revision; and
- (ii) if the PPI ceases to be published (or the basis of its calculation is changed), the parties are to agree upon a substitute index (or an adjustment to the formula to take account of the change in the basis of the calculation) which approximates the purpose and composition of the PPI, and agree the date from which the

substitute index will apply. Failing agreement, a substitute index (or adjusted formula) and the time from which it applies is to be determined by a single expert in accordance with clause 11.

7. PAYMENT

7.1 **Invoice:** By the 10th day of each month:

(a) Meridian shall provide to Genesis an invoice for the aggregate of:

- (i) the Electricity Fee; and
- (ii) the Wind Data Fee;

incurred in the previous month and for GST payable under clause 7.3:

(b) Genesis shall provide to Meridian an invoice for the Ancillary Equipment Fee incurred in the previous month and for GST payable under clause 7.3.

7.2 **Payment:** Each party shall pay each invoice provided by the other party under either clause 7.1(a) or 7.1(b) by the 20th day of the month following the date of receipt of that invoice.

7.3 **GST:** The Electricity Fee, Wind Data Fee and the Ancillary Equipment Fee do not include any GST. In addition to the Electricity Fee, the Wind Data Fee and the Ancillary Equipment Fee, each party shall pay to the other party the amount of all GST chargeable on any taxable supply by that party under this agreement.

7.4 **Disputing invoices:** If either party ("**Disputing Party**") in good faith disputes the accuracy of any invoice provided to it by the other party, the Disputing Party shall, within 10 Business Days after receipt of the invoice, give notice of that fact to the other party. That notice shall state the basis of the dispute and give relevant supporting details. The Disputing Party shall pay the undisputed portion of the invoice and may withhold payment of the portion disputed. If the parties do not resolve the dispute within 20 Business Days of the date of the notice, the dispute shall be referred to the Chief Executive Officers of each party for resolution. If the Chief Executive Officers do not resolve the dispute within 20 Business Days of the date on which it is referred to them, the dispute may be referred by either party to a single expert for determination pursuant to clause 11.

8. LIMITATION OF LIABILITY

8.1 **Monetary limit:** The liability of each party to the other party in respect of claims arising directly or indirectly from any breach of this agreement or from any negligence or other act or omission, shall be limited to in respect of sections 3, 4, 5 and 6, to a maximum of:

- (a) \$25,000 in respect of any event or series of related events; and
- (b) \$1,000,000 in aggregate.

9. LIMITS ON VARIATION OF AGREEMENT

9.1 **Limitation:** No extension, variation, novation, supplementation or further agreement or assurance under or in respect of this agreement ("**Extension**") may be made or acted

upon to the extent that Extension or action will, or is likely to, materially extend the present or future benefit to a party of section 119(4) or section 130(1)(c) of the Electricity Industry Act 2010 compared to the benefit to that party of the relevant section in the absence of that Extension. Any such Extension is void to the extent it provides such benefit.

- 9.2 **Other agreements:** Clause 9.1 does not prevent the parties from making promises or agreements outside of this agreement, whether related to the subject matter of this agreement or otherwise, on the basis that the parties acknowledge that such promises or agreements are not part of this agreement and accordingly the provisions of sections 119(4) and 130(1)(c) of the Electricity Industry Act 2010 do not apply to those promises or agreements.

- 9.3 **Privity:** Clauses 9.1 and 9.2 are for the benefit of the Crown and are enforceable by it under the Contracts (Privity) Act 1982.

10. NOTICES

- 10.1 **Notice:** Every notice or other communication ("**Notice**") for the purposes of this agreement shall:

- (a) be in writing; and
- (b) be delivered in accordance with clause 10.2.

- 10.2 **Method of service:** A Notice may be given by:

- (a) delivery to the physical address of the relevant party; or
- (b) posting it by pre-paid post to the postal address of the relevant party; or
- (c) sending it by facsimile transmission to the facsimile number of the relevant party, so long as clause 10.4 is complied with; or
- (d) sending it by email to the email address of the relevant party, so long as clause 10.4 is complied with.

- 10.3 **Time of receipt:** A Notice given in the manner:

- (a) specified in clause 10.2(a) is deemed received at the time of delivery;
- (b) specified in clause 10.2(b) is deemed received three Business Days after (but exclusive of) the date of posting;
- (c) specified in clause 10.2(c) or clause 10.2(d) is deemed (subject to clause 12.4) received:
 - (i) if sent between the hours of 9am and 5pm (local time) on a local working day, at the time of transmission; or
 - (ii) if subclause (i) does not apply, at 9am (local time) on the local working day most immediately after the time of sending.

For this purpose "local time" is the time in the place of receipt of the Notice, and a "local working day" is a normal working day in that place.

10.4 **Facsimile and email notice:** A Notice given:

- (a) by facsimile, is not deemed received unless (if receipt is disputed) the party giving Notice produces a facsimile transmission report of the device from which the transmission was made which evidences full transmission, free of errors, to the facsimile number of the party given Notice;
- (b) by email, is not deemed received unless (if receipt is disputed) the party giving Notice produces a printed copy of the email which evidences that the email was sent to the email address of the party given Notice.

10.5 **Addresses:** For the purposes of this clause the address details of each party are:

- (a) the details set out below; or
- (b) such other details as any party may notify to the others by Notice given in accordance with this clause.

Meridian:

Physical address: Level 1, 33 Customhouse Quay, Wellington
Postal address: PO Box 10840
Wellington
Facsimile number: 04 381 1287
Email address: jason.stein@meridianenergy.co.nz
For the attention of: General Counsel

Genesis:

Physical address: The Ground Floor
The Genesis Energy Building
602 Great South Road
Greenlane
Auckland
Postal address: PO Box 17-188, Greenlane
Auckland, 1546
Facsimile number: 09 580 4884
Email address: bob.weir@genesisenergy.co.nz
For the attention of: General Manager Production
cc General Counsel / Company Secretary

11. EXPERT DETERMINATION

11.1 **Good faith discussion:** If a dispute, difference or claim arising out of or in connection with this agreement, or the subject matter of this agreement ("**Dispute**") arises, either party may, by 5 Business Days' written notice to the other party, require Meridian's General Manager Markets and Production (or a person in an equivalent position) and Genesis' General Manager - Production (or a person in an equivalent position) to meet in good faith to attempt to resolve the dispute.

11.2 **Further discussion:** If a Dispute remains unresolved 10 Business Days after the giving of notice in accordance with clause 10.1, either party may, by further notice to the other party, require the matter to be referred to the parties' respective Chief Executives, and those persons will use their best endeavours to resolve the dispute within 10 Business Days of receipt of the notice, or such longer period as the parties agree.

11.3 Determination: If:

- (a) the Dispute is unresolved within 20 Business Days after the process in clause 10.2 has commenced; or
- (b) neither party commences the process in clause 10.2 within 5 Business Days after expiry of the 10 Business Days referred to in clause 10.2,

either party may by written notice stating the subject matter and details of the Dispute to the other party require the Dispute to be determined by a single expert. The referral to expert determination will be commenced by a party giving notice to the other party stating the subject matter and details of the Dispute and requiring the Dispute to be referred to the determination of an expert to be appointed by the parties. Failing agreement within 10 Business Days after the date of giving the notice, the expert will be appointed at the request of a party by the president or the vice-president for the time being of the Institute of Professional Engineers New Zealand or the nominee of such president or vice-president. The guidelines which will govern the proceedings for determining the Dispute will be set by the parties. Failing agreement on the guidelines within 10 Business Days after the appointment of the expert, a party may request the expert to set the guidelines which will govern the proceedings for determining the Dispute.

- 11.4 Decision:** The expert will determine the Dispute and deliver to each party a written decision. The decision must specify brief reasons for the decision. The decision will be final and binding on the parties.
- 11.5 Confidentiality:** The parties and the expert will keep confidential and will not disclose to anyone not involved in the expert determination any information contained in the decision unless such disclosure is required by law, is necessary to comply with the listing rules of any recognised stock exchange, or is made in any subsequent proceedings to enforce the expert's decision.
- 11.6 Arbitration statutes not to apply:** Referral of the Dispute to the expert will not be an arbitration agreement for the purposes of the Arbitration Act 1996 and the provisions of that Act will not apply to or govern such referral.
- 11.7 Costs:** The parties will bear their own costs (including legal costs) and an equal share of the costs and expenses of the expert.

12. GENERAL**12.1 Amendments:** No:

- (a) amendment to this agreement;
- (b) agreement between the parties for the purpose of, or referred to in, this agreement; or
- (c) consent or approval for the purposes of, or referred to in, this agreement;

is effective unless it is in writing and signed (if subclauses (a) or (b) apply) by both parties or (if subclause (c) applies) the party required to give the consent or approval.

- 12.2 Costs:** Each party shall pay its own costs in respect of this agreement.

12.3 **Counterparts:** This agreement is deemed to be signed by a party if that party has signed or attached that party's signatures to any of the following formats of this agreement:

- (a) an original; or
- (b) a facsimile copy; or
- (c) a photocopy; or
- (d) a PDF or email image copy;

and if each party has signed or attached that party's signatures to any such format and delivered it in any such format to the other party, the executed formats shall together constitute a binding agreement between the parties.

12.4 **Entire agreement:** This agreement constitutes the entire agreement between the parties relating to the subject matter of this agreement and supersedes and cancels any previous agreement, understanding or arrangement whether written or oral.

12.5 **Further assurance:** Each party shall make all applications, execute all documents and do or procure all other acts and things necessary to implement and to carry out its obligations under, and the intention of, this agreement.

12.6 **Default interest:** If either party does not pay any amount payable under this agreement on the due date for payment ("**Due Date**") that party shall pay to the other party interest (both before and after judgment) on that amount. That interest:

- (a) shall be paid at the Bill Rate plus 3% per annum;
- (b) shall be paid by instalments at intervals of ten Business Days from the Due Date; and
- (c) shall be calculated on a daily basis from and including the Due Date until the unpaid amount is paid in full.

The right of a party to require payment of interest under this clause does not limit any other right or remedy of that party.

12.7 **Assignment:** Neither party shall directly or indirectly assign, transfer or otherwise dispose of any of its rights or interests in, or any of its obligations or liabilities under or in connection with this agreement, except with the prior consent of the other party, which consent shall not be unreasonably or arbitrarily withheld or delayed.

12.8 **No partnership, joint venture:** Nothing in this agreement shall create or evidence any partnership, joint venture, agency, trust or employer/employee relationship between the parties, and a party may not make, or allow to be made, any representation that any such relationship exists between the parties. A party shall not have authority to act for, or to incur any obligation on behalf of, the other party, except as expressly provided for in this agreement.

12.9 **Severance:** If any provision of this agreement is, or becomes unenforceable, illegal or invalid for any reason it shall be deemed to be severed from this agreement without affecting the validity of the remainder of this agreement and shall not affect the enforceability, legality, validity or application of any other provision of this agreement.

12.10 **Waiver:** No failure or forbearance by a party to exercise, or delay in exercising, (in whole or in part) any right, power or remedy under, or in connection with, this agreement

shall operate as a waiver of that right, power or remedy. A waiver of any breach of any provision of this agreement shall not be effective unless that waiver is in writing and is signed by the party against whom that waiver is claimed. A waiver of any breach shall not be, or be deemed to be, a waiver of any other or subsequent breach.

- 12.11 **Governing law:** This agreement is governed by the laws of New Zealand and the parties submit to the non-exclusive jurisdiction of the courts of New Zealand in respect of any dispute or proceeding arising out of this agreement.

SIGNATURES

MERIDIAN ENERGY LIMITED by:

Signature of Authorised Signatory

Name of Authorised Signatory

GENESIS POWER LIMITED by:

Signature of authorised signatory

Name of authorised signatory

Signature of authorised signatory

Name of authorised signatory

RELEASE VERSION

TEKAPO SALE LONG TERM AND LEAD IN CONFIRMATION

TO:	Gary Pemberton, Wholesale Markets Manager Genesis Power Limited (" Party A ")
ADDRESS/FAX NUMBER:	The Genesis Energy Building 602 Great South Road Auckland +64 9 580 4884
FROM:	Wholesale Markets Manager Meridian Energy Limited (" Party B ")
DATE:	[Parties to complete] 2011
DESCRIPTION:	Long term (North Island) and lead in (South Island) transactions relating to the sale and purchase of the Tekapo Power Stations

1. Notwithstanding the terms of any other agreement between you and us, this Confirmation supplements, forms part of, and is subject to the ISDA Master Agreement dated 22 December 2010 between Party A and Party B ("**Master Agreement**").
2. All provisions contained in the Master Agreement govern this Confirmation except as expressly modified below. A reference to Party A in this Confirmation is a reference to Genesis Power Limited and a reference to Party B is to Meridian Energy Limited. This document is a Confirmation for the purposes of the Master Agreement between Party A and Party B.
3. The purpose of this document is to confirm the terms and conditions of each Transaction described in the annex hereto entered into between us on the Trade Date specified below (each a "**Transaction**").
4. The Effective Date of each Transaction will not occur unless Settlement (as defined in the Tekapo SPA) has occurred under the Tekapo SPA.
5. The Trade Date for each Transaction is [Parties to complete] 2011.
6. The Calculation Agent for each Transaction is the Floating Price Payer for the Transaction.
7. The Transaction will be settled in cash in accordance with the Master Agreement.
8. Account details for payments to be received by each party are as follows:

9. Section 4 of Part 5 of the Schedule to the Master Agreement applies to each Transaction in this Confirmation and terms defined in that section shall have the same meanings herein except where otherwise defined below. In this Confirmation:

"Effective Date" means, in relation to a Transaction, 00:00 hours on the date specified in the annex hereto as the Effective Date for the Transaction.

"North Island Transactions" means the Transactions described in Part 2 of the annex hereto.

"Notional Quantity" means, in relation to each Calculation Period during a Transaction, the Units specified in the annex hereto as the Notional Quantity applicable to the Calculation Period in respect of the Transaction.

"South Island Transactions" means the Transactions described in Part 1 of the annex hereto.

"Tekapo A Power Station" means the power generating station located on certificate of title CFR 262118, Lot 1 (Canterbury Land Registry).

"Tekapo B Power Station" means the power generating station located on certificate of title CFR 425212, Lot 1 (Canterbury Land Registry).

"Tekapo Power Stations" means the Tekapo A Power Station and the Tekapo B Station.

"Tekapo Canal" means the canal which flows from the outlet of the Tekapo A Power Station to the inlet of the Tekapo B Power Station.

"Tekapo SPA" means the agreement for the sale and purchase of the Tekapo Power Stations and the Tekapo Canal to be entered into between Party A as purchaser and Party B as vendor.

"Term" means, in relation to a Transaction, the period from (and including) 00:00 hours on the Effective Date of the Transaction to (and including) 24:00 hours on the Termination Date of the Transaction.

"Termination Date" means, in relation to a Transaction, 24:00 hours on the date specified in the annex hereto as the Termination Date for the Transaction.

10.

11. **Additional Termination Event:** The following will constitute an Additional Termination Event:

If title to the Tekapo Power Stations and the Tekapo Canal is transferred from Party A to Party B.

For the purposes of this Additional Termination Event each party shall be an Affected Party.

SIGNED

Signature

Signature

Name

Name

Position

Position

ANNEX - Part 1
Details of South Island Transactions

1. For each of the Transactions described in the table below:

Party A is the Floating Price Payer

Party B is the Fixed Price Payer

2. The Effective Date, the Termination Date and the Notional Quantity for each South Island Transaction are set out in the table below opposite the Transaction:

Transaction	Effective Date	Termination Date	Notional Quantity (Units)
1	01 June 11	31 Dec 11	55
2	01 Jan 12	31 Dec 12	45
3	01 Jan 13	31 Dec 13	25
4	01 Jan 14	31 Dec 14	15

ANNEX - Part 2
Details of North Island Transactions

For each of the Transactions described in the table below:

Party A is the Floating Price Payer

Party B is the Fixed Price Payer

The Effective Date, the Termination Date and the Notional Quantity for each North Island Transaction are set out in the table below opposite the Transaction:

Transaction	Effective Date	Termination Date	Notional Quantity (Units)
Tranche 1			
Block 1	01 Jan 13	31 Dec 15	25
Block 2	01 Jan 16	31 Dec 18	25
Block 3	01 Jan 19	31 Dec 21	25
Block 4	01 Jan 22	31 Dec 24	25
Block 5	01 Jan 25	31 Dec 25	25
Tranche 2			
Block 1	01 Jan 14	31 Dec 16	10
Block 2	01 Jan 17	31 Dec 19	10
Block 3	01 Jan 20	31 Dec 22	10
Block 4	01 Jan 23	31 Dec 25	10
Tranche 3			
Block 1	01 Jan 15	31 Dec 17	15
Block 2	01 Jan 18	31 Dec 20	15
Block 3	01 Jan 21	31 Dec 23	15
Block 4	01 Jan 24	31 Dec 25	15

Tekapo Deed

Meridian Energy Limited (Meridian)

RTA Power (NZ) Limited (RTAP)

New Zealand Aluminium Smelters
Limited (NZAS)

TEKAPO DEED

Date:

PARTIES

Meridian Energy Limited (*Meridian*)

RTA Power (NZ) Limited (*RTAP*)

New Zealand Aluminium Smelters Limited (*NZAS*)

BACKGROUND

- A Meridian is a generator and retailer of electricity in New Zealand.
- B RTAP purchases electricity in order to produce aluminium at the Smelter.
- C Meridian, RTAP and NZAS have entered into the Power Agreements under which Meridian supplies electricity to RTAP for use at the Smelter and NZAS guarantees the performance of RTAP's obligations. The Power Agreements are due to expire on 31 December 2012.
- D Meridian and NZAS have entered into the 2007 Agreement which replaces the Power Agreements from 1 January 2013. Under the 2007 Agreement, Meridian and NZAS agree to hedge the price of electricity that NZAS purchases from the wholesale electricity market.
- E Under section 117 of the Electricity Industry Act 2010, Meridian may be directed by its shareholding Ministers to transfer ownership of all assets and any rights and obligations relating to the Tekapo A and Tekapo B generating stations (as more particularly set out in an asset sale agreement between Meridian and Genesis (*Sale Agreement*)) (*Tekapo Assets*) to Genesis.
- F Meridian has agreed to give certain confirmations in respect of the Power Agreements and the 2007 Agreement to RTAP and NZAS, as set out in this deed, and, on that basis, RTAP and NZAS have agreed to consent to Meridian's sale of the Tekapo Assets to Genesis.

BY THIS DEED the parties agree as follows:

1 DEFINITIONS AND CONSTRUCTION**1.1 Defined terms**

In this deed, unless the context requires otherwise:

1963 Agreement means the agreement dated 15 August 1963 for the supply of up to 305.25 megawatts of electricity between (now) Meridian and RTAP, as amended and supplemented;

TEKAPO DEED

1981 Agreement means the agreement dated 30 April 1981 for the supply of up to 178.50 megawatts of electricity between (now) Meridian and RTAP, as amended and supplemented;

1993 Agreement means the agreement dated 20 August 1993 between (now) Meridian, RTAP and NZAS, as amended and supplemented;

2007 Agreement means the electricity agreement dated 1 October 2007 between Meridian and NZAS;

Genesis means Genesis Power Limited trading as Genesis Energy;

Power Agreements means the 1963 Agreement, the 1981 Agreement and the 1993 Agreement;

Settlement Date means the date on which Settlement takes place under the Sale Agreement (as the term Settlement is defined in that agreement); and

Water Management Agreement means the agreement of that name between Meridian and Genesis that is the subject of a direction under section 117 of the Electricity Industry Act 2010.

1.2 Construction

In the construction of this deed, unless the context requires otherwise:

Clauses: a reference to a clause is to a clause of this deed;

Defined Terms: words or phrases appearing in this deed with capitalised initial letters are defined terms and have the meanings given to them in this deed;

Documents: a reference to any document, including this deed, includes a reference to that document as amended or replaced from time to time;

Headings: headings appear as a matter of convenience and do not affect the construction of this deed;

Parties: a reference to a party to this deed or any other document includes that party's personal representatives/successors and permitted assigns;

Person: a reference to a person includes a corporation sole and also a body of persons, whether corporate or unincorporate;

Singular, Plural and Gender: the singular includes the plural and vice versa, and words importing one gender include the other genders;

Statutes and Regulations: a reference to an enactment or any regulations is a reference to that enactment or those regulations as amended, or to any enactment or regulations substituted for that enactment or those regulations;

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Time: a reference to time is to New Zealand time; and

Writing: a reference to "written" or "in writing" includes all modes of presenting or reproducing words, figures and symbols in a tangible and permanently visible form.

2 **TERM**

2.1 **Effective date and expiry date**

Subject to clause 2.2, this deed has effect from the Settlement Date until the expiry or termination of the 2007 Agreement.

2.2 **End date**

If the Settlement Date has not occurred on or before 1 November 2011 (or such later date as the parties may agree), this deed will be void and of no effect.

3 **POWER AGREEMENTS UNDERTAKING AND CONFIRMATION**

3.1 **Meridian confirmation**

Meridian confirms it honestly believes on reasonable grounds (after due enquiry) that Meridian has sufficient capability to fulfil its obligations as the Supplier under the Power Agreements.

4 **2007 AGREEMENT UNDERTAKINGS AND CONFIRMATION**

TEKAPO DEED

4.2 No worse position

Except as provided in clause 4.3, NZAS' rights under the 2007 Agreement remain unchanged.

5 MERIDIAN CONFIRMATIONS**5.1 Meridian to remain liable**

Meridian acknowledges and confirms that it shall remain liable:

- (a) to RTAP for the performance of its obligations under the Power Agreements;
and
- (b) to NZAS for the performance of its obligations under the 2007 Agreement.

6 MERIDIAN, RTAP AND NZAS ACKNOWLEDGEMENTS**6.1 Power Agreements**

Meridian, RTAP and NZAS confirm and acknowledge that all their respective rights and obligations under the Power Agreements remain in full force and effect.

6.2 2007 Agreement

Meridian and NZAS confirm and acknowledge that all their respective rights and obligations under the 2007 Agreement remain in full force and effect.

TEKAPO DEED

6.3 Deed supplemental

This deed is intended to clarify the meaning and intent of the Power Agreements and the 2007 Agreement in light of the sale of the Tekapo Assets and shall be supplemental to each of those agreements. Except as provided in clause 4.3, nothing in this deed shall alter, add to or reduce any of the rights and obligations of any of the parties under any of the Power Agreements and/or the 2007 Agreement nor create any new rights and obligations. Each of the Power Agreements and the 2007 Agreement shall be read together with this deed and in the conduct of their respective relationships, the parties to each of the Power Agreements and the 2007 Agreement shall act in accordance with this deed.

7 FURTHER ASSIGNMENT**7.1 No separation of the Tekapo Assets from the Water Management Agreement**

Meridian shall withhold any consent that it is entitled to withhold to:

- (a) any assignment of Genesis' obligations under the Water Management Agreement with Meridian to a person who does not also own or control the Tekapo Assets; or
- (b) any transfer of the Tekapo Assets to a person who is not also a party to or assignee of that water management agreement,

7.2 Further Meridian confirmation

If Meridian's consent is sought to an assignment or transfer described in clause 7.1(a) or (b), Meridian shall not consent to that assignment or transfer unless it provides:

- (a) to RTAP the confirmation provided in clause 3.1 of this deed (if the Power Agreements are in force at the date of Meridian's consent) but with regard to the circumstances as at the date of that consent; and
- (b) to NZAS the undertaking provided in clause 4.2 of this deed (if the 2007 Agreement is in force at the date of Meridian's consent).

7.3 Transfer of the Water Management Agreement

Meridian may not, without NZAS prior written consent (not to be unreasonably withheld), assign or transfer any of its rights or obligations under the Water Management Agreement to a third party other than a wholly-owned subsidiary (as that term is defined in the Companies Act 1993) of Meridian. In considering whether to give its consent under this clause, NZAS may take into account only any change in Meridian's financial capability.

8 RTAP AND NZAS CONSENTS

In consideration for the confirmations and undertakings set out in this deed, each of RTAP and NZAS consents to the transfer of the Tekapo Assets from Meridian to

TEKAPO DEED

Genesis on the terms of the Sale Agreement, for the purposes of the Power Agreements and the 2007 Agreement.

9 MISCELLANEOUS

9.1 Confidentiality

The parties shall treat all information made available by or on behalf of, or at the request of, any other party in connection with this deed as strictly private and confidential unless and until:

- (a) the information becomes public knowledge otherwise than by the disclosing party's own disclosure; or
- (b) the disclosing party is required by law to make the disclosure; or
- (c) all other parties have consented in writing to the disclosure, such consent not to be unreasonably withheld or delayed.

9.2 Amendment

No amendment to this deed will be effective unless it is in writing and executed by all the parties.

9.3 Counterparts

This deed may be executed in any number of counterparts. Once the parties have executed the counterparts, and each party has received a copy of each signed counterpart which that party did not execute, each counterpart will be deemed to be as valid and binding on the party executing it as if it had been executed by all the parties.

9.4 Severability

If any part of this deed is held by any court or administrative body of competent jurisdiction to be illegal, void or unenforceable, such determination will not impair the enforceability of the remaining parts of this deed.

9.5 Governing Law

This deed is governed by and construed in accordance with New Zealand law.

TEKAPO DEED

Meridian Energy Limited by:

And witnessed by:

Authorised person_____
Witness

Name:

Address:

Occupation:

RTA Power (NZ) Limited by:

And witnessed by:

Authorised person_____
Witness

Name:

Address:

Occupation:

**New Zealand Aluminium Smelters
Limited** by:

And witnessed by:

Authorised person_____
Witness

Name:

Address:

Occupation: