
AUSTRALIAN CASH SETTLED GAS TRADING ADDENDUM

EDITION: FEBRUARY 2018

1 Application

By incorporating this Addendum in their ISDA Master Agreement, the parties agree that every Gas Transaction between them entered into after that time is governed by the terms of this Addendum and the ISDA Master Agreement in which it is incorporated.

This applies whether or not the parties:

- a) refer to the ISDA Master Agreement or this Addendum; or
- b) state that a Gas Transaction is governed by the terms of any other master agreement, when entering into or confirming the Gas Transaction.

2 Confirmations

- a) The parties acknowledge that Gas Transactions governed by the terms of this Addendum and the ISDA Master Agreement in which it is incorporated may be confirmed by various methods including, without limitation, the following:
 - i) Letter
 - ii) Facsimile
 - iii) a PDF file sent by e-mail
- b) A confirmation produced by any method constitutes a Confirmation for the purpose of this Agreement. Each such Confirmation supplements, forms part of, and is subject to the ISDA Master Agreement in which this Addendum is incorporated.
- c) The parties acknowledge that some Confirmations may describe some items by a term other than the defined term in this Addendum, the Swap Definitions or the 2005 ISDA Commodity Definitions. For example:

"Settlement Date" may be referred to as "Maturity Date" or "Value Date"; and
"Floating Price" or "Floating Rate" may be referred to as "Reference Price".

In any case where the intention is clear that a term used in a Confirmation is intended to specify the particulars for a defined term in this Addendum, the Swap Definitions or the 2005 ISDA Commodity Definitions, then that term is to be deemed to be that defined term.

3 Definitions

- a) The definitions and provisions contained in the 2006 ISDA Definitions, the 2005 ISDA Commodity Definitions and in this Addendum are incorporated in each Confirmation. If there is an inconsistency between those definitions and provisions and any such Confirmation, the Confirmation will govern. In the event of any inconsistency between the definitions and provisions contained in the 2005 ISDA Commodity Definitions and the 2006 ISDA Definitions, the 2005 ISDA Commodity Definitions will govern. In the event of any inconsistency between the 2006 ISDA Definitions or the 2005 ISDA Commodity Definitions (on the one hand) and the provisions of this Addendum (on the other) this Addendum will govern.
- b) Each Gas Transaction governed by the terms of this Addendum is a "Transaction" for the purpose of the ISDA Master Agreement in which this Addendum is incorporated.
- c) In this Addendum references to the 2006 ISDA Definitions and the 2005 ISDA Commodity Definitions are references to those publications as published by the International Swaps and Derivatives Association, Inc.

4 Certain definitions and other provisions

The following definitions apply to this Addendum.

"AEMO" means Australian Energy Market Operator Limited (ACN 072 010327).

"Billing Period" has the meaning given to "billing period" in Part 19 of the National Gas Rules where the Transaction is a DWGM Transaction and has the meaning given to "billing period" in the STTM Rules where the Transaction is an STTM Transaction.

"Business Day" has the meaning set out in the 2005 ISDA Commodity Definitions, provided that if no place is specified in the Confirmation for the purpose of the definition of Business Day, the place specified for that purpose shall be taken to be the capital city of the State or Territory in Australia in which the the hub for an STTM transaction is located or Melbourne in the case of a DWGM Transaction.

"DWGM Transaction" means any Transaction which is or is described in its Confirmation as a fixed forward contract for cash settlement referable to market prices for the Declared Wholesale Gas Market in Victoria (where "market prices" has the meaning given in Part 19 of the National Gas Rules).

"Gas Day" has the meaning given to "gas day" in Part 19 of the National Gas Rules where the Transaction is a DWGM Transaction and where the Transaction is an STTM Transaction has the meaning given to "gas day" in the STTM Rules for the Hub for the Transaction.

"Gas Transaction" means a DWGM Transaction, or an STTM Transaction.

"Hub" means, for an STTM Transaction, the Adelaide hub, Brisbane hub or Sydney hub (where each of those terms has the meaning given in the STTM Rules) as specified in the Confirmation for the Transaction.

“Market Information Bulletin Board” has the meaning given to Market information bulletin board in Part 19 of the National Gas Rules.

“National Gas Rules” means the rules of that name made under the National Gas Law (being the National Gas Law set out in National Gas (South Australia) Act 2008 (SA) as amended from time to time).

“Non Work Day” means a Gas Day that is not a Work Day.

“STTM Procedures” means the procedures of that name made under the National Gas Law.

“STTM Rules” means Part 20 of the National Gas Rules.

“STTM Transaction” means any Transaction which is or is described in its Confirmation as a fixed forward contract for cash settlement referable to the ex ante market price (where “ex ante market price” has the meaning given in the STTM Rules).

“Work Day” means a Gas Day commencing on a day other than Saturday, Sunday or:

- i) (where the Gas Transaction is a DWGM Transaction) a day that has been proclaimed to be a public holiday in Victoria; or
- ii) (where paragraph i) does not apply) a day that has been proclaimed to be a public holiday in:
 - a) Adelaide, where the Hub for the Transaction in the Adelaide hub;
 - b) Brisbane, where the Hub for the Transaction is the Brisbane hub; or
 - c) Sydney (other than the August bank holiday) where the Hub for the Transaction is the Sydney hub.

5 Calculation of prices and related matters

- a) For the purposes of determining a Commodity Reference Price under section 7.2(c)(v)(B) of Article 7 of the 2005 ISDA Commodity Definitions for a DWGM Transaction or an STTM Transaction:

“STTM Ex Ante Market Price” means:

Commodity: Gas

Unit: GJ

Price Source: AEMO

Specified Price: The ex ante market price, determined in accordance with the STTM Rules, as published by AEMO for the Hub specified in the Confirmation and referred to as the “ex ante market price”.

“Victorian Gas Market Price” means:

Commodity: Gas

Unit: GJ

Price Source: AEMO

Specified Price: The market price, determined in accordance with Part 19 of the National Gas Rules, applicable at 6 am as published by AEMO in the Market Information Bulletin Board and referred to as the “6 am ex ante price”.

- b) When a Calculation Period for a Transaction is a period shorter than one day, the term “Pricing Date” for that Calculation Period means that Calculation Period.
- c) The Market Disruption Events which apply to a Transaction are:
 - i) Price Source Disruption;
 - ii) Tax Disruption;
 - iii) Material Change in Formula.
- d) The term “Material Change in Formula” does not apply to a change in the administered price cap, cumulative price threshold, MPC (market price cap), MMP (minimum market price), nor VoLL (price cap, being the maximum, on the market price) (as each term is defined in the National Gas Rules).
- e) The Disruption Fallbacks which apply to each Transaction for each Calculation Period are:
 - i) Negotiated Fallback;
 - ii) Calculation Agent Determination, on the basis that:
the Calculation Agent for these purposes is an expert having an office in Australia selected by the parties or failing agreement within two Business Days, selected by the chief executive officer for the time being of the Australian Financial Markets Association Ltd (or any successor body) at the request of one of the parties; and
 - iii) the Calculation Agent is to act as an expert (and not as an arbitrator); and
 - iv) No Fault Termination, as provided for in section 7.5(e) of the 2005 ISDA Commodity Definitions.
- f) For each Calculation Period that occurs in a Billing Period, the Settlement Date is the day upon which payment would be due under the National Gas Rules in respect of gas bought in that Calculation Period.

- g) For the purposes of any calculations referred to in the 2005 ISDA Commodity Definitions or in this Addendum (unless otherwise specified), all percentages and quantities used in or resulting from such calculations, other than the Australian Dollar (as defined in the Swap Definitions) denominated Fixed Amounts, Floating Amounts and Cash Settlement Amounts resulting from such calculations, will be rounded in the manner determined in good faith by the Calculation Agent having regard to the Calculation Agent's usual practices. All Australian Dollar (as defined in the Swap Definitions) denominated amounts resulting from such calculations (including, without limitation, Fixed Amounts and Cash Settled Amounts) will be rounded to the nearest cent.