

DBCT Management Pty Ltd (DBCTM) is required to submit an access undertaking to the Queensland Competition Authority (Authority) by 19 October 2015, setting out the terms on which it proposes to provide access to the Dalrymple Bay Coal Terminal.

This version of the Dalrymple Bay Coal Terminal Access Undertaking (Undertaking) submitted by DBCTM in response to the initial undertaking notice dated 23 June 2015 identifies the amendments made by DBCTM to the Access Undertaking currently in effect, which was approved by the Authority on 23 September 2010 (2010 Access Undertaking).

Explanatory comments in relation to each of the key substantive amendments are set out in the text of the document.

Explanatory comments have not been provided in relation to amendments which effect stylistic changes (such as the insertion of headings), improve drafting clarity or otherwise rectify typographical errors appearing in the 2010 Access Undertaking.

[Note: All provisions in this Undertaking relating to differential pricing are subject to (1) amendment of the PSA by agreement, as discussed in comments to Section 11.10 and (2) amendment of Existing User Agreements as discussed in comments to Section 11.11.]

Dalrymple Bay Coal Terminal Access Undertaking

[~~19 March 2010~~date] 2016

**Submitted by
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1 Introduction

1.1 Purpose of this document

(The Terminal) The Terminal is a common user coal port. The Terminal includes in-loading, stockpiling, reclaiming, out-loading, and associated facilities for the handling of coal. The Terminal is located at the Port of Hay Point, south of Mackay in Queensland.

(Declared service under QCA Act) In March of 2001 the State passed a regulation under which the handling of coal at the Terminal was made a “declared service” for the purposes of the QCA Act. Access providers of declared services have an obligation under the QCA Act to negotiate with, and in certain circumstances provide access to, third parties seeking access to that service. The regulator under the QCA Act is the QCA.

(Draft access undertaking under QCA Act) The QCA Act has provisions that allow the owner or operator of a declared service to voluntarily submit a draft access undertaking to the QCA which sets out the terms and conditions upon which access will be granted to Access Seekers. If the draft access undertaking meets certain criteria set out under the QCA Act and is approved by the QCA, it will regulate third party access to the service.

(Agreements with the State) On 14 September 2001 the DBCT Trustee as trustee of the DBCT Trust, and DBCT Management entered into a number of agreements with DBCT Holdings and PCQ (both wholly owned by the State) under which DBCT Trustee and DBCT Management were granted a 50 year lease (with an option for a further 49 years) of the Terminal.

(Port Services Agreement) One of the agreements referred to above, the Port Services Agreement, requires DBCT Trustee to prepare a draft access undertaking on behalf of DBCT Holdings (which as the owner of the Terminal was formally responsible for submitting the draft access undertaking) for submission to the QCA for approval under the QCA Act. The Port Services Agreement also specifies a number of issues the draft access undertaking must address above and beyond the requirements of the QCA Act.

~~**(Initial Previous access undertakings)**~~ **(2010 Access Undertaking)** The first access undertaking for the Terminal was originally approved by the QCA in June 2006. That undertaking was superseded by a further access undertaking for the Terminal that was approved by the QCA in September 2010 (2010 Access Undertaking). The 2010 Access Undertaking is due to expire on 31 December 2010. 30 June 2016.

~~**(Background to this Undertaking)** After consultation with Access Holders, Access Seekers and other Services Providers, DBCT Management determined that it was the unanimous view of all stakeholders that:~~

- ~~(a) the undertaking should be amended to provide for the allocation of Terminal Capacity by reference to System Capacity; and~~
- ~~(b) DBCT Management should seek the approval of the QCA for:
 - ~~(1) the commencement of this Undertaking upon the expiry of the previous undertaking; and~~~~

- (2) ~~this Undertaking to provide for the allocation of Capacity at the Terminal by reference to System Capacity. Accordingly~~ On 23 June 2015 the QCA issued an initial undertaking notice under the QCA Act. In response to that Notice, DBCT Management submitted this Undertaking to the QCA on [insert], to replace the ~~original undertaking~~ 2010 Access Undertaking and to establish a new term.

(Approval of this Undertaking) After a public consultation process, the QCA approved this Undertaking on [insert].

The introductory comments have been updated to reflect the circumstances surrounding preparation of the Undertaking.

(Purpose of this Undertaking) This Undertaking has been prepared to assist Access Seekers in reaching negotiated outcomes on the terms and conditions of access to the Services at the Terminal.

1.2 Scope of Undertaking

This Undertaking provides for the negotiation of Access ~~to the Services at the Terminal.~~

1.3 Duration of Undertaking

This Undertaking will apply on and from the Commencement Date ~~(notwithstanding that the Undertaking was approved by the QCA on [Insert]).~~ It will apply until the Terminating Date unless withdrawn as provided for in the QCA Act.

1.4 Reviews of Undertaking

- (a) **(General reviews)** ~~DBCT Management and the QCA will, after each consulting with Access Holders and prospective Access Seekers, meet on dates approximately one and three years respectively after the Commencement Date, to review the operation of this Undertaking. These reviews will identify any provisions of this Undertaking that are not operating to the satisfaction of either DBCT Management or the QCA. If:~~ If:

- (1) as a result of ~~this any~~ review, of this Undertaking by DBCT Management, the Access Holders and the QCA, DBCT Management, the Access Holders and the QCA agree that amendment of the Undertaking is desirable; or
- (2) the QCA considers it necessary that the Undertaking be amended so as to rectify a significant inequity or significant unfairness suffered by an Access Seeker, Access Holder or DBCT Management, which inequity or unfairness was not generally foreseen or intended at the Commencement Date,

then DBCT Management will submit to the QCA a draft amending access undertaking addressing the relevant issue or issues, for approval under the QCA Act.

- (b) ~~(Reviews arising out of System Capacity principles) The change which is incorporated in this Undertaking of allocating new Access to the Terminal by reference to System Capacity (rather than to Terminal~~

~~Capacity) is a material departure from past practices at the Terminal, and in the context of the Queensland coal industry is new and untested. It is therefore recognised that (without there being any obligation on DBCT Management to do so) after a period of implementing the procedures provided for in the Undertaking DBCT Management may~~

DBCTM is seeking a 5 year term for this Undertaking, which is broadly consistent with the approach taken for the previous two Undertakings. This length of term ensures stability and certainty for industry and DBCTM.

This is the third Undertaking submitted by DBCTM and builds on principles and procedures established in the previous two Undertakings. Although the previous Undertaking included provision for 1 and 3 year reviews, these reviews did not take place and DBCTM is of the view that it is unnecessary to again prescribe these reviews in this Undertaking. DBCTM understands that existing users are of the same view. DBCTM remains committed to maintaining an open dialogue with all Access Holders and Access Seekers throughout the regulatory term.

In the event that an inequity or unfairness in the Undertaking becomes apparent throughout the term, DBCTM agrees that it should be required to address the relevant issue by submission of a draft amending access undertaking. In addition, under the QCA Act the QCA has powers to require DBCTM to submit a draft amending ~~undertaking to the QCA to amend this Undertaking to address any issues caused by Access allocation not working effectively (because, for example, Access Holders and/or other Services Providers fail to provide sufficient or accurate information about their elements of the System) or if any stakeholder is materially prejudiced by the allocation of new Access by reference to System Capacity.~~

~~(e) **(Reviews arising out of LTS Outcomes)** If the LTS Process results in an LTS Outcome, DBCT Management will promptly submit to the QCA for approval a draft amending undertaking incorporating in appropriate detail all relevant amendments to this Undertaking which are reasonably necessary to implement such of the LTS Outcome as is relevant to the Services or otherwise to the Terminal or this Undertaking.~~
access undertaking (and potentially to implement amendments as required by the QCA) if necessary to ensure consistency with the QCA Act. These two features provide protection for existing users and Access Seekers against any unintended or unfair consequences of this Undertaking.

~~(d) **(Reviews relating to pricing principles)** If DBCT Management, acting reasonably, believes that the Access Charge framework set out in Sections 11.2 to 11.9 and Schedule C no longer satisfies the pricing objectives set out in Section 11.1, or could be structured to more effectively achieve them or is creating a manifest error, it will submit a draft amending access undertaking incorporating an amended Reference Tariff framework to the QCA for approval in accordance with the QCA Act. The QCA may approve such a draft amending access undertaking only if it considers it appropriate having regard to the pricing objectives in Section 11.1 and section 138 of the QCA Act.~~
The 2010 Undertaking's specific requirements for reviews with respect to the allocation of access by reference to System Capacity and with respect to the long term solution process have been removed as they are no longer relevant to this Undertaking. In the first case, this is because the allocation of access by reference to System Capacity was a new practice for the 2010 Undertaking, but is now well established and well understood by all stakeholders. In the second case, this is because the long term solution process has not resulted in the outcomes contemplated in the 2010 Undertaking and is not being further pursued. However, the requirement at Section 1.4(c) of the 2010 Undertaking for DBCTM to submit

a draft amending access undertaking to reflect any agreed mechanisms to improve coal chain efficiency has been retained and relocated to Section 14(b) of this Undertaking.

- (b) ~~(e)~~ **(Undertaking includes Standard Access Agreement)** For clarification, an ~~application for~~ amendment ~~of~~ this Undertaking may include an ~~application for~~ amendment ~~of~~ the Standard Access Agreement.

1.5 Access Agreements and effect on Existing User Agreements

This Undertaking applies to the negotiation of new Access Agreements or the negotiation of additional Access rights in addition to those already the subject of an Access Agreement or Existing User Agreement. Nothing in this Undertaking requires a party to an Existing User Agreement to vary a term or provision of that Existing User Agreement.

1.6 ~~Obligation to Renegotiate Operation & Maintenance Contract~~

~~DBCT Management will, in good faith, take all reasonable steps to negotiate relevant amendments to the Operation & Maintenance Contract to allow DBCT Management to comply with all its obligations under this Undertaking. In particular, DBCT Management will seek to negotiate relevant amendments to the Operation & Maintenance Contract to for the Terminal has been removed as that renegotiation has now occurred and an amendment and extension to the contract has now been implemented.~~

- (a) ~~specifically provide in that contract that DBCT Management and the Operator will both comply, in all respects, with the Terminal Regulations as in force from time to time; and~~
- (b) ~~require the provision at the Terminal of the Services as set out in Schedule E of this Undertaking.~~

1.6 ~~1.7~~ Amendment to Undertaking

Any amendment to this Undertaking will be prepared and submitted to the QCA by DBCT Management in accordance with the QCA Act.

2 Definitions and Interpretation

2.1 Definitions

Unless the subject or context is inconsistent, each of the capitalised terms used in the Undertaking has the meaning assigned to it in Schedule H.

2.2 Interpretation

The rules set out in Schedule H apply to and govern the interpretation of this Undertaking.

3 **Role of DBCT Management and the Operator**

3.1 **Role of DBCT Management**

- (a) ~~Under section 136(1) of the QCA Act, the~~ The owner or operator of a declared service may voluntarily submit a draft access undertaking to the QCA under section 136(1) of the QCA Act or be required to do so under section 133(1) or 134(2) of the QCA Act.
- (b) The owner of the Terminal (and consequently the declared service) is DBCT Holdings.
- (c) DBCT Trustee and DBCT Management, under the Leases, are the lessee and sublessee of the Terminal. Under the terms of the leases and the Port Services Agreement, DBCT Management is solely responsible for providing Access to Access Holders and Access Seekers during the Lease Term. Accordingly, DBCT Management is the operator (within the meaning of that term in the QCA Act) of the declared service.
- (d) DBCT Management will comply with and give effect to this Undertaking and any applicable laws relating to the provision of Access as the operator.

3.2 **Role of the Operator**

DBCT Management acknowledges and agrees that:

- (a) as at the date of this Undertaking, the Operator is Dalrymple Bay Coal Terminal Pty Limited ACN 010 268 167 (DBCT PL) and that DBCT PL is majority owned or wholly owned by Access Holders;
- (b) each Access Holder has a right under the constitution of DBCT PL to become a shareholder of DBCT PL;
- (c) if an Access Holder is not a shareholder of DBCT PL but wishes to become a shareholder of DBCT PL then that Access Holder may, in accordance with the constitution of DBCT PL, apply to become a shareholder of DBCT PL by making an application to DBCT PL at the following address:
- Dalrymple Bay Coal Terminal Pty Limited
M.S. F283
Mackay, Queensland, 4740
Attention: Chief Executive and General Manager;
- (d) the Operator carries out its obligations under the Operation & Maintenance Contract independently of DBCT Management; and
- (e) this Undertaking will terminate on the date that DBCT PL ceases to be the Operator, unless it terminates on an earlier date in accordance with this Undertaking.

Updates to Section 3 reflect the draft amending Access Undertaking recently submitted by DBCTM.

4 **Services to be provided**

DBCT Management must provide the Services at the Terminal.

5 Negotiation arrangements

5.1 Framework for negotiation

(Outline) This Part 5 of ~~the~~[this](#) Undertaking outlines the process which will be followed to enable Access Seekers to obtain Access. It deals with:

- (a) an Access Application by an Access Seeker [and a Renewal Application by an Access Applicant](#);
- (b) provision of an Indicative Access Proposal by DBCT Management;
- (c) negotiations to develop an Access Agreement;
- (d) principles for the entering into of Access Agreements when the capacity sought in Access Applications exceeds Available System Capacity; and
- (e) various other provisions relating to when and the basis on which Access Agreements may be entered into pursuant to Access Applications.

[The new concept of Renewal Applications is addressed at Section 5.3A](#)

~~**(Progressing Access Applications)** DBCT Management will take all reasonable steps to progress each Access Application and any negotiations to develop an Access Agreement with an Access Seeker in a timely manner and will complete each relevant step as soon as is practicable.~~

5.2 Application for Access and information to be provided

- (a) **(Form of Access Application)** Any application for Access must be in the form specified in Schedule A. ~~—~~ [and include](#):
 - (1) [a warranty in the form specified in Schedule A; and](#)
 - (2) [such other information that may be required, as specified in Schedule A.](#)

[The requirements for an Access Application at Schedule A have been updated to require the applicant to provide evidence of \(a\) coal reserves and resources to support the Application and \(b\) forward planning for development of the mine.](#)

[These requirements have been included to provide reasonable evidence of an access applicant's bona fides in relation to utilisation of the access sought. During the current regulatory term, it has become increasingly apparent to DBCTM that access applications are being made as a routine step by Access Seekers \(including existing users\) and not necessarily to support firm anticipated demand for access. This has resulted in an access queue which does not provide DBCTM with an accurate demand profile for use in planning capacity expansions or other works at the Terminal. This may also result in prejudice to Access Seekers or potential Access Seekers with a firm and definite claim for access.](#)

[The new requirements that have been included are consistent with those which are required by other comparable infrastructure owners when a new request for access is made. The first requirement \(coal reserves and resources\) has been crafted so that it can reasonably be satisfied by submission of a JORC report, together with a supporting explanation, which is a document which a new or expanding mine will need to produce for multiple purposes and not only to support a port access request. Similarly, the second requirement \(forward planning\) is aligned with the commercial planning which DBCTM](#)

understands that access applicants would undertake in advance of determining their rail and port requirements for a new or expanding mine.

It is also important to note that these requirements are specific to the coal which is proposed to be shipped using the access applied for. As such, they will only be able to be satisfied by an applicant who is the miner or who will arrange shipping of coal for a specific miner. This will help ensure the integrity of the access queue (for example, that speculative access applications are not made by an applicant without a firm requirement for the access).

- (b) **(Forecasts in Access Application)** DBCT Management acknowledges that, at the time an Access Application is made, some information provided in the Access Application may be a forecast only. The Access Seeker must, however, use its best endeavours to ensure that any such information contained in an Access Application is as accurate as possible.
- (c) **(Information sought by Access Seeker prior to Access Application)** Prior to submitting an Access Application, an Access Seeker may request from DBCT Management:
- (1) ~~(a)~~ reasonably available preliminary information relating to the Access Application (including copies of the then current Standard Access Agreement and Terminal Regulations) – which DBCT Management must provide within 10 Business Days of DBCT Management receiving the request;
 - (2) ~~(b)~~ where there is a Reference Tariff in respect of the Terminal or any part of it, the information set out in sections 101(2)(d) to (h) of the QCA Act - which DBCT Management must provide within 10 Business Days of DBCT Management receiving the request; For clarification, if one or more Expansion Components of the Terminal exist, DBCT Management is to provide this information in respect of the Base Terminal and each Expansion Component;
 - (3) ~~(c)~~ where there is no Reference Tariff in respect of the Terminal or any part of it, the information set out in sections 101(2)(a) to (h) of the QCA Act - which DBCT Management must provide within 10 Business Days of DBCT Management receiving the request; and
 - (4) ~~(d)~~ initial meetings to discuss the proposed Access Application and the requirements of the Access Application Form set out in Schedule A – which DBCT Management must facilitate within a reasonable time after being requested to do so.
- (d) **(Revisions to Access Application)**
- (1) At any time after an Access Seeker submits an Access Application to DBCT Management but prior to the commencement of the negotiation period referred to in Section 5.7 in respect of the Access Application, an Access Seeker may notify DBCT Management that it wishes to revise certain information specified in its Access Application.
 - (2) In considering whether to allow an Access Seeker to revise certain information specified in its Access Application, DBCT Management will have regard to the impact of the proposed revision, if allowed by DBCT Management, on other Access Seekers and Access Holders.

- (3) Without otherwise limiting DBCT Management’s discretion to allow an Access Seeker to revise information specified in its Access Application, DBCT Management will allow an Access Seeker to revise information specified in its Access Application in accordance with Section 5.4(d) or if DBCT Management is reasonably of the opinion that the proposed revision:
- (1) if allowed by DBCT Management, would not substantially alter the nature of the Access rights sought by the Access Seeker in its Access Application prior to the revision;
- (2) if allowed by DBCT Management, would not adversely impact on other Access Seekers or Access Holders; and
- (3) is not otherwise prohibited under Section 5.4(g)(3), 5.4(h)(7) or 5.10(g).
- (4) For the avoidance of doubt, any revision of information specified in an Access Application which would, if allowed by DBCT Management, increase the annual tonnage specified in the Access Application or extend the term specified in the Access Application will be taken to be a substantial alteration of the Access rights sought by the Access Seeker in its Access Application.

The revision process allows access applicants to make changes to their applications to better align with their mine requirements, for example as mine planning is refined which may result in changes to (among other things) required access dates or tonnage sought. This is balanced with the need for certainty regarding the access sought (on DBCTM's part) and the need for changes to be limited given that they may affect others in the access queue.

5.3 What happens after lodgement of Access Application

- (a) **(Acknowledgement by DBCT Management)** Upon receiving a purported Access Application under Section 5.2, DBCT Management must, within 10 Business Days of its receipt, acknowledge in writing to the Access Seeker receipt of the application and confirm whether the application is an Access Application complying with Section ~~5.2~~ 5.2.
- (b) **(Request by DBCT Management for further information)** DBCT Management may request from the Access Seeker additional information where DBCT Management can reasonably demonstrate the need for such information for the purpose of preparing an Indicative Access Proposal, or clarification of information provided, including (but not limited to) obtaining further information to establish the solvency and creditworthiness of the Access Seeker and, where DBCT Management requires, a Security provider. Upon receiving the required information or clarification from the Access Seeker, DBCT Management must provide written acknowledgment of the receipt of this further information as soon as practicable and, in any event, within 10 Business Days of receipt of the further information.
- (c) **(Provision of further information by Access Seeker)** The Access Seeker must provide any information reasonably requested by DBCT Management under this Section 5.3 within 20 Business Days of receipt of the request from DBCT Management (or such later date as DBCT Management agrees to, it being required to act reasonably in agreeing to extend the period if the Access Seeker demonstrates good grounds for a longer period

applying). If the Access Seeker does not provide the requested information within that period, its Access Application will be deemed to have ~~lapsed~~been rejected, but it may apply again for Access in accordance with Section 5.2. If an Access Seeker lodges a replacement Access Application, DBCT Management will endeavour in good faith to expedite the steps leading to acknowledgement under this Section 5.3 of the Access Application.

(d) (Rejection if Access Seeker fails to provide information) ~~If an Access Application fails to comply with Section 5.2 (including where it fails to include the warranty provided for in Schedule A), DBCT Management must reject the Access Application. Where DBCT Management rejects an Access Application in accordance with this Section 5.3 it will be deemed not to have been received, for the purposes of the Queue. or demonstrate application criteria) If:~~

- (1) an Access Application fails to comply with Section 5.2 (including where the Access Seeker fails to include the warranty provided for in Schedule A or such other information as may be required, as specified in Schedule A); or
- (2) DBCT Management, acting reasonably, is of the opinion that an Access Application:
 - (A) does not demonstrate that the Access Seeker is reasonably likely to commence delivery of coal to the Terminal on the date specified in item 5 of the Access Application (which must be no more than 5 years from the date of the Access Application); or
 - (B) does not demonstrate that the Access Seeker has:
 - (i) Marketable Coal Reserves that are consistent with the net tonnes specified in item 7 of the Access Application in respect of the first five Financial Years of Access applied for; and
 - (ii) Coal Resources that are, together with the Marketable Coal Reserves of the Access Seeker, consistent with the total net tonnes specified in item 7 of the Access Application,

then DBCT Management may reject the Access Application. Where DBCT Management rejects an Access Application in accordance with this Section 5.3 the Access Application will be deemed not to have been received, for the purposes of the Queue.

The changes to Section 5.3(d) from the 2010 Access Undertaking respond to existing users' desire for greater objectivity and certainty about when DBCTM may reject an access application. The circumstances in which DBCTM can reject an application mirror the requirements that have been introduced for new applications, which as discussed above are directed at establishing that an applicant has a genuine demand (in the form of coal resources which are being developed or are proposed to be developed) to support the request for access.

If an Access Seeker is of the view that DBCTM has unreasonably rejected its application (for example, if the Access Seeker believes that it has demonstrated the necessary resources) then it can refer the issue to dispute resolution under Part 17.

- (e) **(Disputed rejection of Access Application)** If DBCT Management rejects an Access Application submitted by an Access Seeker and the Access Seeker, acting reasonably, is of the opinion that its Access Application should have been accepted by DBCT Management in accordance with this Undertaking, then the Access Seeker may refer the matter for dispute resolution in accordance with Part 17 of this Undertaking.
- (f) **(Expiry of Access Application)** Subject to an Access Application or Renewal Application (as applicable) lapsing or otherwise being rejected by DBCT Management in accordance with this Undertaking before the relevant expiry date:
- (1) an Access Application submitted to DBCT Management before the Commencement Date will, unless the Access Application is renewed under Section 5.3A, expire on 31 August 2016;
 - (2) an Access Application submitted to DBCT Management on or after the Commencement Date will, unless the Access Application is renewed under Section 5.3A, expire on the next 31 August occurring after the Access Application was made; and
 - (3) an Access Application which has been renewed in accordance with Section 5.3A, will, unless the Access Application is further renewed under Section 5.3A, expire on the next 31 August occurring after the 31 August on which the Access Application was to expire immediately prior to the Renewal Application being accepted.
- (g) **(Notice of Expiry)** DBCT Management will give notice to all Access Seekers with a current Access Application (including those which remain current due to a previous Renewal Application being accepted):
- (1) for Access Applications for which the expiry date is set by Section 5.3(f)(1), on the Commencement Date;
 - (2) for Access Applications for which the expiry date is set by Section 5.3(f)(2) or 5.3(f)(3), at least 1 month and no more than 3 months prior to expiry date of the Access Application.

A mechanism for the expiry of access applications has been included for the reasons discussed at Section 5.2 in relation to the updated requirements for access applications – namely, to ensure that the access queue is a bona fide reflection of the demand for access at DBCTM. This does not result in detriment to access seekers, as a clear and reasonable process for renewal of access applications is included below at Section 5.3A. Additionally, Section 5.3(g) requires DBCTM to be proactive in providing notice to access seekers before their applications expire (therefore mitigating the risk of an access seeker unintentionally losing their place in the access queue).

In preparing this Undertaking, DBCTM considered alternative means to ensure that access applications would only be made to support a genuine requirement for access – for example, a requirement for access applications to be accompanied by a cash or similar deposit which would be applied against access charges if an access agreement was subsequently entered. This is not an unusual requirement of infrastructure owners. However, DBCTM recognises that additional financial impost is not desirable for industry generally and may present a barrier to entry for new Access Seekers. DBCTM has therefore proposed an application and renewal process in Sections 5.2 to 5.3A below which imposes no or minimal financial burden on industry, while addressing DBCTM's legitimate concerns.

5.3A **Renewal Applications**

- (a) **(Renewal Application)** An Access Applicant that wishes to renew its Access Application must submit to DBCT Management a renewal application in the form specified in Schedule A and include:
- (1) the warranty in the form specified in Schedule A; and
 - (2) such other information that may be required, as specified in Schedule A,
- not later than 15 Business Days before the date that its Access Application is due to expire.
- (b) **(Forecasts in Access Application)** DBCT Management acknowledges that, at the time a Renewal Application is made, some information provided in the Renewal Application may be a forecast only. The Access Applicant must, however, use its best endeavours to ensure that any such information contained in a Renewal Application is as accurate as reasonably possible.
- (c) **(Acknowledgement by DBCT Management)** Upon receiving a purported Renewal Application under this Section 5.3A, DBCT Management must, within 10 Business Days of its receipt, acknowledge in writing to the Access Applicant receipt of the renewal application and confirm whether the application is a Renewal Application complying with this Section 5.3A.
- (d) **(Rejection if Access Seeker fails to provide information or demonstrate renewal criteria)** If:
- (1) an Access Applicant fails to comply with Section 5.2 in respect of a Renewal Application (including where the Access Applicant fails to include the warranty provided for in Schedule A or such other information as may be required, as specified in Schedule A); or
 - (2) DBCT Management, acting reasonably, is of the opinion that a Renewal Application submitted by an Access Applicant:
 - (A) does not demonstrate that the Access Applicant is reasonably likely to commence delivery of coal to the Terminal on the date specified in item 5 of the Renewal Application (which must be no more than 5 years from the date of the Renewal Application); or
 - (B) does not demonstrate that the Access Applicant has:
 - (i) Marketable Coal Reserves that are consistent with the net tonnes specified in item 7 of the Renewal Application in respect of the first five Financial Years of Access applied for; and
 - (ii) Coal Resources that are, together with the Marketable Coal Reserves of the Access Applicant, consistent with the total net tonnes specified in item 7 of the Renewal Application,

These criteria are the same as for new access applications - see Section 5.3(d)

then DBCT Management may reject the Renewal Application. If DBCT Management rejects a Renewal Application or the Access Applicant fails to submit a Renewal Application to DBCT Management within the timeframe required in Section 5.3A, then the Access Applicant's current Access Application will expire on its expiry date (as determined in accordance with Section 5.3) and the Access Applicant will be removed from the Queue on the date the Access Application expires.

- (e) **(Disputed rejection of Renewal Application)** If DBCT Management rejects a Renewal Application submitted by an Access Applicant and the Access Applicant, acting reasonably, is of the opinion that its Renewal Application should have been accepted by DBCT Management in accordance with this Undertaking, then the Access Applicant may refer the matter for dispute resolution in accordance with Part 17 of this Undertaking.
- (f) **(New Access Application if renewal is substantially different)** If DBCT Management, acting reasonably, is of the view that a Renewal Application is substantially different to the Access Seeker's current Access Application, then subject to the following paragraph, DBCT Management will treat the Renewal Application as a new Access Application, and the process set out in this Part 5 will recommence from that point. If the difference is an increase in the annual tonnage required or a longer term, then only the additional annual tonnage or additional term (as applicable) will be taken to constitute the subject of a new Access Application.

With respect to the renewal of an Access Application referred to in paragraph (b) of the definition of 'Access Application', if the first Renewal Application after the Commencement Date is for an increase in the term from 5 or more years, then the extended term will not be taken to constitute the subject of a new Access Application and will instead be considered as part of the Renewal Application.

Section 5.3A(f) has been included as a safeguard against any misuse of the renewal application process in this Section 5.3A. In order for Section 5.3A to achieve its objective and operate equitably for all Access Seekers, it must facilitate a roll forward of existing applications, rather than allowing an Access Seeker to request substantially different access but to maintain their position in the queue. If an Access Seeker wishes to amend their application (whether at the time of renewing or otherwise), the relevant provisions of Section 5.2 would apply. This includes an assessment of any undue impacts on other Access Seekers in the queue.

One example of a renewal which would not be permitted under Section 5.3A is an application which is for a different mine with an increased requirement for annual tonnage. Under Section 5.3A(f), the increased tonnage that is over and above the existing application would need to be the subject of a new access application.

- (g) **(Renewed Access Application)** To the extent that a Renewal Application is confirmed by DBCT Management as a Renewal Application complying with Section 5.3A (or is determined as complying with Section 5.3A in a dispute referred by the Access Applicant in accordance with Section 5.3A):
- (1) the Access Applicant's current Access Application will be taken to have been renewed;
 - (2) the content of the Renewal Application will be taken to be the Access Applicant's Access Application for the purposes of this Undertaking; and

- (3) the priority of Access Applicant in the Queue will continue to be determined by the Access Application Date.

5.4 Priority of Access Applications and execution of Access Agreements

- (a) **(Formation of Queue)** If at any time there are two or more current Access Applications and there is or will be insufficient Available System Capacity at any relevant time to accommodate an increase in Handling of coal applied for in all of those Access Applications, a queue (the **Queue**) will be formed.
- (b) **(General rules for priority in Queue)** Subject to any other provision in Part 5, the priority of an Access Seeker in the Queue will be determined by their Access Application Date, with an earlier Access Application Date having priority in the Queue over any later Access Application Date. An Access Seeker ~~will lose their position in~~ may be removed from the Queue once their Access Application is no longer current in accordance with the terms of Sections 5.3, 5.4, 5.6, 5.7(~~ba~~)(2), 5.7(~~da~~)(4), ~~5.8~~5.8, 5.9 or ~~5.9~~5.10 of this Undertaking. An Access Seeker may lose priority in the Queue pursuant to Sections 5.4 or 5.10. The Queue will cease to exist if Available System Capacity at all relevant times subsequently exceeds the amount of capacity requested in all the then current Access Applications.
- (c) **(Notice of formation of or change in Queue)** Promptly after a Queue is first formed and promptly after each occasion that ~~the~~ the Annual Contract Tonnage applied for in the Queue is increased or decreased, DBCT Management must notify each Access Seeker in the Queue of:
- (1) the Annual Contract Tonnage applied for in priority to that Access Seeker in the Queue; ~~and~~
 - (2) the total Annual Contract Tonnage applied for in the Queue at that time; ~~and~~ and
 - (3) a breakdown of the Annual Contract Tonnage applied for in the Queue by the dates for commencement of Access and Annual Contract Tonnage applied for in each Access Application (without any identification of the Access Seeker which made each Access Application but with identification of the dates for commencement of Access).
- (d) (Entry into Access Agreement not conditional on Terminal Capacity Expansion by Access Seekers not first in the Queue but seeking Access at an earlier date) The following process will apply in relation to Access Seekers who are not first in the Queue but are ready to enter into an Access Agreement that is not conditional on a Terminal Capacity Expansion:
- (1) An Access Seeker who is not first in the Queue (the **Notifying Access Seeker**) but is seeking access from existing Available System Capacity at a date that is at least 6 months earlier than the date for commencement of Access applied for in the Access Application which is first in the Queue, may give notice in writing to DBCT Management in accordance with Section 5.4(d)(2).
 - (2) ~~(d) (Notice to prior members of Queue of Access Seeker's readiness to enter into Access Agreement) If an Access Seeker who is not first in the Queue (the **Notifying Access Seeker**) gives~~

~~notice to DBCT Management, in writing, that it~~The notice is to state that the Notifying Access Seeker is prepared to enter into an Access Agreement consistent (subject to the next sub-section) with its Access Application (except that it may be for a lower tonnage or shorter term than originally requested, if there is bona fide commercial reason for seeking such lower tonnage or shorter term) on the terms of the Standard Access Agreement or on any other terms agreed between DBCT Management and the Access Seeker,
~~then promptly after receiving such notice from the Notifying Access Seeker, DBCT Management must:~~

- (3) The notice may state that the Notifying Access Seeker wishes to enter into an Access Agreement for a lower tonnage, shorter term or earlier date for commencement of Access than requested in the Access Application.

If DBCT Management receives such notice from the Notifying Access Seeker, it must promptly:

- (4) ~~(1)~~ notify, in writing, all other Access Seekers that are ahead of the Notifying Access Seeker in the Queue (each a **Notified Access Seeker**) of this development (including the requested date for commencement of Access, but not the identity of the Notifying Access Seeker); and
- (5) ~~(2)~~ allow 20 Business Days 3 months from the date when such notice is given by DBCT Management for each Notified Access Seeker to:
- (i) deliver to DBCT Management two signed copies of an Access Agreement consistent with its Access Application (except that it may be for a lower tonnage ~~or~~, shorter term or earlier date for commencement of Access than ~~originally requested if there is a bona fide commercial reason for seeking such lower tonnage or shorter term~~requested in the Access Application) and on the terms of the Standard Access Agreement or on other terms agreed between DBCT Management and a Notified Access Seeker; and
 - (ii) deliver to DBCT Management any Security required by DBCT Management (acting consistently with this ~~Access~~ Undertaking).

The revisions to Section 5.4(d) reflect a common concern of DBCTM and existing users to ensure that spare capacity is utilised at the earliest possible time, rather than being reserved until the date for access requested by the first Access Seeker in the queue. The process allows Access Seeker who are later in the queue to bring forward their requested date for access, in which case the Access Seeker(s) who are earlier in the queue are given the opportunity to match or better that request for access. This procedure has been discussed and agreed in principle with existing users.

- (e) (1) **(Execution of Access Agreements in order of Access Seekers in Queue which commit)** If, during the above ~~20 Business Day~~ 3 month period, one or more of the Notified Access Seekers:

- (i) delivers to DBCT Management such signed copies of an Access Agreement for Access to commence on a date which is the same as or earlier than the date for commencement of Access referred to in Section 5.4(d)(3) (which, for clarification, may be a retrospective date); and
- (ii) also provides any Security reasonably required by DBCT Management (or does not provide such Security but the circumstances in Section 5.4(e)(2) apply),

then DBCT Management must:

- (iii) give priority to such of those Notified Access Seekers that ~~have the highest ranking in the Queue~~ are seeking Access on the earliest date for commencement of Access (provided that, if there are two or more Notified Access Seekers each seeking Access commencing on the same date, priority will be given to the Notified Access Seekers in order of their position in the Queue);
- (iv) (subject to there being sufficient Available System Capacity at the relevant time) execute those copies of the Access Agreement;
- (v) re-deliver one signed copy to such Notified Access Seeker; and
- (vi) repeat that process ~~down the Queue~~ in order of the date for commencement of the access that they are seeking with each successive Notified Access Seeker (if any) which has delivered during the ~~20 Business Day~~ 3 month period such a signed Access Agreement and any Security required by DBCT Management (acting consistently with this ~~Access~~ Undertaking).

Existing users provided DBCTM with the feedback that amendment of access rights to bring forward the requested date for access may require substantial internal approvals, which were unlikely to be obtained within the 20 Business Day period provided for in the 2010 Undertaking. DBCTM is willing to provide 3 months for Notified Access Seekers to decide whether to commit to bring forward their requested access date (and therefore take the tonnage rather than the Notifying Access Seeker doing so) provided that this does not delay the date on which the tonnage can be re-contracted. One implication of this is that a Notified Access Seeker could, during the 3 month period, obtain approval to enter into an access agreement for a date which has already occurred during that 3 month period. This is contemplated by the reference to 'retrospective date' in Section 5.4(e)(1)

- (2) **(Issues with provision of requested Security)** If a Notified Access Seeker is unable to provide any Security reasonably required by DBCT Management within the ~~20 Business Day~~ 3 month period referred to in Section 5.4(e)(1), (or if, by the ~~fifth Business Day~~ end of the first month of that ~~20 Business Day~~ 3 month period, it disputes DBCT Management's entitlement to the Security requested), the Access Agreement to be executed and delivered by the relevant Notified Access Seeker in that period will be modified so that it is a condition precedent to it becoming effective that such Security is provided to DBCT Management within 20 Business

Days after the Execution Date (or, if so disputed, Security which the QCA determines to be fair is provided within 20 Business Days after the QCA makes that determination), and the “Effective Date” will be adjusted accordingly.

- (f) **(Execution of Access Agreement with Notifying Access Seeker, if sufficient remaining Capacity)** If, after all Access Agreements with all Notified Access Seekers referred to in Section 5.4(~~ed~~)(5) who have duly delivered signed documents (and provided Security if relevant) have been executed (or negotiations have ceased pursuant to Section 5.8), there is still sufficient Available System Capacity, then DBCT Management will conclude an Access Agreement with the Notifying Access Seeker for that Available System Capacity (or that part of it which the Notifying Access Seeker requires).
- (g) **(Clarifications)** For clarity:
- (1) **(Position in Queue may be lost by not executing Access Agreement)** any Notified Access Seeker that does not within the above 3 month period deliver to DBCT Management a signed Access Agreement:
 - (A) may, subject to Section 5.4(g)(1)(B), be removed by DBCT Management from the Queue, in which case the Notified Access Seeker’s Access Application will be taken to have been rejected and the Access Application negotiation process for that Notified Access Seeker will be discontinued; or
 - (B) ~~(1) (Position in Queue not lost by not executing Access Agreement) any Notified Access Seeker that does not within the above 20 Business Day period deliver to DBCT Management a signed Access Agreement will not, if DBCT Management does not then remove the Notified Access Seeker from the Queue, lose its place in the Queue (although a Notifying Access Seeker which does execute an Access Agreement pursuant to this Section 5.4 will no longer be in the Queue in respect of the tonnage the subject of that Access Agreement) and the Access Application negotiation process for that Access Seeker will otherwise continue in accordance with Part 5 of this Undertaking;~~
 - (2) **(Considerations regarding removal from Queue)** in considering whether to remove an Access Seeker from the Queue under Section 5.4(g)(1), DBCT Management will have regard to:
 - (A) the date that the Access Seeker proposes to commence delivering coal to the Terminal in comparison with the date that the Notifying Access Seeker proposes to commence delivering coal to the Terminal; and
 - (B) the likelihood of future Access becoming available at the Terminal on or prior to the date for commencement of Access sought by the Access Seeker that DBCT Management is considering whether to remove from the Queue;

Section 5.4(g) has been amended to provide DBCTM with discretion to remove an Access Seeker from the queue where they fail to commit to an access agreement in circumstances where an Access Seeker lower in the queue is willing to do so. In considering whether to remove the Access Seeker, DBCTM must consider the matters at Section 5.4(g)(2). These recognise that the Access Seeker may have had legitimate reasons for not signing an Access Agreement. In the case of (A) the Access Seeker's production profile may not have justified an amendment to the access application. In the case of (B), there may be a reasonable likelihood that access will become available closer to the date on which it was originally applied for (for example, as a result of numerous applications for access commencing around the same date which are likely to justify an expansion).

- (3) **(Amendments to Access Application)** except as provided for in Section 5.4(e)(1)(i), an Access Seeker may not amend the date for commencement of delivery of coal to the Terminal specified in its Access Application during the 3 month period which commences on the date the Access Seeker receives a notice from DBCT Management under Section 5.4(d)(4);
- (4) ~~(2)~~ **(Offers of Access Agreement not to exceed Available System Capacity)** ~~[Unless~~ unless otherwise required by the Port Services Agreement or Part 12 of this Undertaking], DBCT Management must not offer to enter into an Access Agreement for tonnage which would exceed the Available System Capacity at a relevant time; ~~[DBCT Management intends seeking amendments to the Port Services Agreement so as to align the Port Services Agreement with this Undertaking. If the Port Services Agreement is so amended, the words highlighted in brackets will be deleted]~~ and
- (5) ~~(3)~~ **(Access Seeker may accept lesser tonnage if insufficient capacity for tonnage applied for)** where the process in Sections 5.4(c), 5.4(d) and 5.4(e) would have the effect of giving an Access Seeker a right to enter into an Access Agreement, except for the fact that there is insufficient Available System Capacity to meet that Access Seeker's Access Application in full, DBCT Management must inform that Access Seeker to that effect, and the Access Seeker may elect to require an Access Agreement for a lesser tonnage consistent with Available System Capacity from time to time during the period originally applied for (subject to the other terms of this Undertaking), with the balance of the Annual Contract Tonnage originally applied for remaining the subject of the Access Application.

(h) **(Entry into Access Agreement conditional on Terminal Capacity Expansion)** The following process will apply in relation to the entry into Access Agreements that are conditional on a Terminal Capacity Expansion:

- (1) ~~(h)~~ ~~(Access Agreements conditional on Terminal Capacity Expansion, etc)~~ DBCT Management may at any time, when there is a Queue with sufficient Annual Contract Tonnage being sought within the next 5 years which cannot be met from Available System Capacity to potentially justify a Terminal Capacity Expansion,

invite an offer from each Applicant in the Queue to enter into an Access Agreement ~~which is~~.

The reference to 'next 5 years' has been included to provide some parameters for the benefit of all stakeholders as to the circumstances in which the process in Section 5.4(h) may be instituted by DBCTM. The queue frequently includes applications for access commencing significantly more than 5 years in the future. In DBCTM's view, 5 years reflects a reasonable period to allow for expansion planning as well as the undertaking of an expansion.

- (2) The Access Agreement referred to in Section 5.4(h)(1) will be (wholly or part only) dependant on a Terminal Capacity Expansion occurring. ~~Such offer may~~ The date for commencement of Access under these Agreements will be the date on which the Terminal Capacity Expansion is Complete and operating, or as soon as practicable after that date.
- (3) In response to an invitation from DBCT Management given under Section 5.4(h)(1), any Access Seeker may make an offer (but need not be) ~~to~~ enter into an Access Agreement subject to a condition precedent which relates to:
- (A) ~~(1)~~ **(Conditional on Terminal Capacity Expansion)** the triggering of an obligation by DBCT Management to perform a specified Terminal Capacity Expansion with a specified estimated cost within a specified estimated timeframe; and/or
- (B) ~~(2)~~ **(Conditional on other System elements)** DBCT Management being reasonably satisfied that a Service Provider (other than DBCT Management), Access Holder, Access Seeker or other relevant entity has committed or will commit, subject only to conditions which are customary for that Service Provider and an expansion of that nature, to providing ~~or unconditionally committing to provide~~ an expansion of a relevant part of the System which is necessary to create sufficient Available System Capacity.

The amendments to (B) above address the concern expressed by existing users that Aurizon Network does not make unconditional commitments to expand relevant rail infrastructure in advance of a DBCT access agreement becoming unconditional. DBCTM is willing to recognise that below rail commitments which correspond to a Terminal expansion may be subject to various standard conditions, provided that these conditions are of the type that it usual for a below rail expansion or new infrastructure.

The following provisions relate to any such offer:

- (4) ~~(3)~~ **(Invitation to each Access Seeker)** DBCT Management must give the same notice at the same time to each Access Seeker in the Queue, inviting them to submit to DBCT Management (by way of offer to DBCT Management) two signed copies of such a conditional Access Agreement consistent with their Access Application (except that it may be for a lower tonnage or shorter term than originally requested provided there is a bona fide commercial reason for seeking such lower tonnage or shorter term) on the terms of the Standard Access Agreement or on any other

terms which DBCT Management has notified the Access Seeker would be acceptable to DBCT Management, and subject to the condition precedent referred to above.

- (5) **(Position in Queue may be lost by not offering Access Agreement)** Any Access Seeker that does not, within 20 Business Days after DBCT Management gives the Access Seeker a notice under Section 5.4(h)(4), deliver to DBCT Management a signed conditional Access Agreement in accordance with the invitation notice referred to in Section 5.4(h)(4):
- (A) may, subject to Section 5.4(h)(6), be removed by DBCT Management from the Queue, in which case the Access Seeker's Access Application will be taken to have been rejected and the Access Application negotiation process for that Access Seeker will be discontinued; or
- (B) will not, if DBCT Management does not remove the Access Seeker from the Queue, lose its place in the Queue (although if DBCT Management executes an Access Agreement offered by any other Access Seeker pursuant to this Section 5.4(h), that Access Seeker will, subject to Section 5.4(h)(11), no longer be in the Queue in respect of the tonnage the subject of that Access Agreement) and the Access Application negotiation process for the Access Seeker will otherwise continue in accordance with Part 5 of this Undertaking.
- (6) **(Considerations regarding removal from Queue)** In considering whether to remove an Access Seeker from the Queue under Section 5.4(h)(5)(A), DBCT Management will have regard to the extent to which the additional Annual Contract Tonnage that will be facilitated by the contemplated Terminal Capacity Expansion is reasonably required to provide the Access rights sought by the Access Seeker.
- (7) **(Amendments to Access Application)** An Access Seeker may not amend its Access Application during the 40 Business Day period which commences on the date the Access Seeker receives a notice from DBCT Management under Section 5.4(h)(4).

Subsections (4) – (7) above replicate the new provisions included at Section 5.4(g) for access applications that do not trigger an expansion.

- (8) ~~(4)~~ ~~(A)~~ **(Acceptance of offers in order of priority in Queue)**
If, during the 20 Business Day period following the giving of ~~that~~ notice referred to in Section 5.4(h)(4) one or more of the Access Seekers in the Queue:
- (A) ~~(i)~~ delivers to DBCT Management such signed copies of an Access Agreement; and
- (B) ~~(ii)~~ provides any Security required by DBCT Management (or the circumstances in Section 5.4(h)(~~4~~)(B9) apply),

DBCT Management will then give priority to the Access Seeker so doing which has the highest ranking in the Queue and (subject to there being sufficient Available System Capacity should the Terminal Capacity Expansion the subject of the condition precedent proceed) will execute their conditional Access Agreement. DBCT Management will then repeat the process down the Queue with each successive Access Seeker (if any) which has delivered such a signed conditional Access Agreement and any relevant Security during the 20 Business Day period.

- (9) ~~(B)~~ **(Issues with provision of Security requested)** If an Access Seeker is unable to provide ~~any~~the Security required by DBCT Management within the ~~abovementioned~~ 20 Business ~~Days~~Day ~~period referred to in Section 5.4(h)(8)~~ (or, by the fifth Business Day of the 20 Business Day period referred to ~~above~~in Section 5.4(h)(8), disputes DBCT Management's entitlement to the Security requested), the Access Agreement to be executed will be modified so that it is a further condition precedent to it becoming effective that such Security is provided to DBCT Management within 20 Business Days after the Execution Date (or, if so disputed, a Security which the QCA determines to be fair is provided within 20 Business Days after the QCA makes that determination), and the "Effective Date" will be adjusted accordingly.
- (10) ~~(5)~~ **(Termination if condition precedent not fulfilled)** Each ~~such~~ Access Agreement referred to in Section 5.4(h)(4) and 5.4(h)(8) (as applicable) must be on the basis that it will terminate if a relevant condition precedent referred to in Section 5.4(h)~~(13)~~(A) ~~and/or~~ 5.4(h)~~(23)~~(B) is not fulfilled within a reasonable period from the date of execution of the Access Agreement (which will not be less than 3 months). However, DBCT Management and an Access Seeker can agree to extend this period from time to time, as long as an extension for the same period has been offered by DBCT Management to all Access Seekers who have such condition precedent.
- (11) ~~(6)~~ **(Access Seeker rejoins Queue if Access Agreements terminate)** If ~~such~~the conditional Access Agreements referred to in Section 5.4(h)(8) terminate because a condition precedent referred to in Section 5.4(h)(3)(A) or 5.4(h)(3)(B) has not been fulfilled within the reasonable period nominated (or any extended period as agreed between DBCT Management and each Access Seeker in accordance with Section 5.4(h)(10)), the relevant Access Seekers will resume their respective positions in the Queue as if the Access Seekers had never signed the conditional Access ~~Agreement~~Agreements. For the avoidance of doubt, if any conditional Access Agreement terminates because a condition precedent that requires the Access Seeker to provide Security (as referred to in Section 5.4(h)(9)) is not fulfilled then the Access Seeker's Access Application is deemed rejected and the negotiation process for that Access Seeker will be discontinued.

- (12) ~~(7)~~ **(Reductions in contracted tonnage if estimated expansion of Terminal Capacity not achieved)** Each such Access Agreement will include a provision entitling DBCT Management to proportionately reduce the tonnage allocated under the Access Agreement to the Access Seeker if the actual Terminal Capacity following completion of the expansion referred to in Section 5.4(h) is less than the estimation of (expanded) Terminal Capacity made at the time of entry into the Access Agreement. That reduction will be made in the same proportion to which the additional Terminal Capacity resulting from the Expansion referred to in Section 5.4(h) estimated at the time of entry into the Access Agreement bears to the actual additional Terminal Capacity resulting from the expansion, after deduction of any capacity required to "make-up" any shortfall between aggregate Annual Contract Tonnages and Terminal Capacity which existed prior to the Terminal Capacity Expansion (see Section 5.4(i)(3)). If a Terminal Capacity Expansion results in an Expansion Component and is therefore Differentially Priced, this Section 5.4(h)(12) will be construed in respect of the Terminal Capacity created by the Expansion Component only.

The addition to Subsection (12) is reflective of the fact that only those Access Holders who are paying for the differentially priced expansion will obtain access to the expansion. This principle has also been included at Section 5.4(i)(4) below and is expanded on in comments there.

- (13) ~~(8)~~ **(Reduced tonnages revert to Queue)** If DBCT Management reduces the tonnage allocated under an Access Agreement in accordance with Section 5.4(h)~~(712)~~, then - in respect of those number of tonnes which are reduced - the Access Seeker will maintain its position in the Queue and the Access Seeker will be taken not to have signed the relevant Access Agreement in respect of them.
- (14) ~~(9)~~ **(Section 5.4(m) not affected)** Nothing in this Section 5.4(h) is to be construed as limiting or in any way being contrary to the principle of Handling of Annual Contract Tonnage only being able to be availed of to the extent of matching rail access entitlement, in Section 5.4(m).

- (i) **(Overriding principles)** Despite any other provision of this Section 5.4:

- (1) **(Existing Access Applications transitioned)** Any outstanding access application lodged by an Access Seeker under the access undertaking which applied prior to this Undertaking will (for the purpose only of determining priority of lodgement and therefore priority in the Queue) be deemed to have been an Access Application lodged under this Undertaking, as if this Undertaking had commenced on the date that the first such access application was lodged;
- (2) **(Application for extension of term has priority)** An Access Application to extend the term of an Access Agreement (to the extent that it does not increase the relevant Annual Contract

Tonnage) to accord with a bona fide re-estimation of the life of a mine will have precedence over an Access Application for new tonnage;

(3) **(Expansion allocated first to catch up shortfall in Capacity below already contracted tonnage)** If a Terminal Capacity Expansion is being undertaken to both:

- (A) expand Terminal Capacity to meet the shortfall by which Terminal Capacity is below the aggregate of existing Annual Contract Tonnages; and
- (B) provide additional Terminal Capacity in response to Access Applications for new Annual Contract Tonnages,

then the additional Terminal Capacity which results from that Terminal Capacity Expansion (determined in accordance with Section 12.1(k)) will be:

- (C) firstly utilised to meet Annual Contract Tonnages under existing Access Agreements; and
- (D) thereafter allocated to Annual Contract Tonnages under Access Agreements entered into pursuant to the relevant Access Applications (and, if there is insufficient additional capacity, proportionately in accordance with Section 5.4(h)(712)); and

(4) **(Allocation of Capacity that is Differentially Priced)** The Terminal Capacity which results from an Expansion Component will be utilised to meet Annual Contract Tonnages under Access Agreements entered by the Funding Access Seekers in respect of that Expansion Component. Consequently, Access Holders who are not Differentially Priced Access Holders in respect of that Expansion Component will have no entitlement to have that Terminal Capacity Utilised to meet Annual Contract Tonnages under their Access Agreements, including under any Existing User Agreements.

Section 5.4(i)(4) is a necessary implication of a differential pricing regime. Differential pricing requires that the costs of a relevant expansion are shared only by those users whom the expansion is being undertaken to provide access to. Therefore, the capacity generated by that expansion must be shared only by those users.

DBCTM intends to seek amendments to Existing User Agreements to clarify this point if a determination under section 5.10(k), or a later determination made in accordance with this Undertaking, is that an expansion should be differentially priced. These amendments are further explained in the Standard Access Agreement submitted as Schedule B to this Undertaking.

(5) **~~(4)~~ (Alternative arrangements in some cases if they achieve greater utilisation)** If, in a particular case, the strict application of the process set out in this Section 5.4 would result in a materially greater amount of Available System Capacity not being able to be utilised than could otherwise be the case if an alternative process is followed, then (in the interests of maximising coal exports from Queensland) DBCT Management may, with the approval of the

QCA, enter into one or more Access Agreements in accordance with that alternative process.

- (j) **(Options to extend term taken into account)** For the purpose of this Section 5.4, an Access Holder which has an option to extend the term of its Access Agreement or Existing User Agreement will initially be deemed to have exercised that option, when determining whether or not a Queue exists or needs to be formed in relation to a new Access Application. However, if DBCT Management has the right to do so, it ~~will~~may, on each occasion in which a Queue is formed or re-formed, endeavour to have the exercise of that option brought forward or waived (in the latter case with the intention that one or more waivers may result in the Queue no longer existing).
- (k) **(Other provisions of Undertaking not limited)** Nothing in this Section 5.4 will be taken to limit or be contrary to:
- (1) any right DBCT Management has pursuant to Section 5.8; or
 - (2) any rights or obligations of DBCT Management in Part 12 relating to the expansion of the Terminal (in particular the principle of new Access Agreements only being entered into consistently with anticipated System Capacity).
- (l) **(Disclosure of certain Access Application details)** DBCT Management may at any time and from time to time disclose to any person the aggregate tonnage which is the subject of Access Applications but, except as:
- (1) required by law;
 - (2) consented to by the relevant Access Seeker;
 - (3) reasonably necessary or desirable in relation to planning for operation of the Terminal; or
 - (4) reasonably required to be disclosed to a rail infrastructure provider to assist in development of the System Master Plan,
- DBCT Management will not disclose details of an Access Application (including details of the Access Seeker).
- (m) **(Entitlement to have Annual Contract Tonnage Handled must be matched by rail access)** Despite any other provision in this Undertaking, DBCT Management must not enter into an Access Agreement with an Access Seeker unless it contains ~~clause~~Clause 11.5 of the Standard Access Agreement (under which the Access Holder is not entitled to have its Annual Contract Tonnage Handled at the Terminal, to the extent and for such period as, the Access Holder has not demonstrated to the reasonable satisfaction of DBCT Management that that Annual Contract Tonnage is matched by an entitlement held by the Access Holder or a person on its behalf to railway track access relating to the coal the subject of the Access Agreement).

5.5 Indicative Access Proposal

- (a) **(Timing for Indicative Access Proposal)** As soon as practicable and in any event within 20 Business Days following receipt of an Access Application (or, if additional information has been requested by DBCT Management under Section 5.3, within 20 Business Days of receipt of all of the additional information requested), DBCT Management must use its reasonable endeavours to provide the relevant Access Seeker

with a response containing proposed terms and conditions of Access (**Indicative Access Proposal**).

- (b) **(Notice of additional time needed by DBCT Management)** If it is not reasonable to provide an Indicative Access Proposal within 20 Business Days of receipt of an Access Application (or, if applicable, the additional information requested under Section 5.3), DBCT Management must, as soon as practicable, but in any event, within 20 Business Days, advise the relevant Access Seeker of its estimate of the extra time required to deliver the Indicative Access Proposal.
- (c) **(Dispute by Access Seeker as to need for additional time)** If the Access Seeker is of the opinion that the estimate of extra time for preparation of the Indicative Access Proposal is excessive, then the Access Seeker may refer the matter for dispute resolution in accordance with Part 17 of this Undertaking. DBCT Management must use reasonable efforts to provide the Indicative Access Proposal within the estimated time period provided by DBCT Management or as otherwise determined by the QCA.
- (d) **(Content of Indicative Access Proposal)** The Indicative Access Proposal must set out:
- (1) ~~(a)~~ an indicative assessment as to whether there is sufficient Available System Capacity at all relevant times (having regard amongst other things to outstanding Access Applications in a Queue) to accommodate the Access Application;
 - (2) ~~(b)~~ advice in respect of the existence of (but not the identity of) other Access Seekers who have already submitted an Access Application and the aggregate tonnage profile(s) requested in those Access Applications;
 - (3) ~~(c)~~ the Standard Access Agreement or a draft access agreement where the Access Application contemplates Access on non-Reference Terms;
 - (4) ~~(d)~~ the expiry date of the Indicative Access Proposal, which will be 30 Business Days following the date the Access Seeker receives the Indicative Access Proposal (should there be no notification by the Access Seeker pursuant to Section 5.6 that the Indicative Access Proposal has not been prepared in accordance with the Undertaking);
 - (5) ~~(e)~~ if there is sufficient Available System Capacity to accommodate the Access Application, advice to that effect, and:
 - (A) ~~(1)~~ an initial estimate of the Access Charge, including an estimate of current and, where reasonable to provide such estimate, prospective Access Charges, for the requested services in the Access Application based on the pricing arrangements set out in Part 11 of this Undertaking;
 - (B) ~~(2)~~ the current Terminal Master Plan and System Master Plan;
 - (C) ~~(3)~~ details of any additional information required by DBCT Management to progress the Access Application and develop the terms and conditions for acceptance; and

- (D) ~~(4)~~ details of any security, guarantee, other support or other information required by DBCT Management to establish the solvency and creditworthiness of the Access Seeker and, where DBCT Management requires, its guarantor; and
- (6) ~~(4)~~ if there is not sufficient Available System Capacity (as determined by reference to the assessment of System Capacity undertaken prior to the time of giving the indicative assessment) to accommodate the Access Application, advice to that effect, and:
- (A) ~~(1)~~ reasonable particulars as to why this circumstance prevails;
- (B) ~~(2)~~ an estimate of what the Available System Capacity is at relevant times;
- (C) ~~(3)~~ whether a Queue has been formed in accordance with Section 5.4 of this Undertaking (including as a result of the relevant Access Application);
- (D) ~~(4)~~ where reasonable, an estimate of prospective Access Charges for the requested services in the Access Application based on the pricing arrangements set out in Part 11 of this Undertaking; ~~and including a preliminary and non-binding view of whether, should a Terminal Capacity Expansion proceed to accommodate the Access Application (and any other relevant Access Applications in the Queue), that Terminal Capacity Expansion would be an Expansion Component and would therefore be Differentially Priced;~~ and
- (E) ~~(5)~~ a copy of the System Master Plan and an indicative timetable for any expansion of System Capacity which may be undertaken (if any).
- (e) **(Indicative Access Proposal not binding on DBCT Management)** The Indicative Access Proposal will, unless it contains specific conditions to the contrary, contain indicative arrangements only and does not oblige DBCT Management to provide Access.
- (f) **(Access Seeker may dispute time-frame)** If, after 20 Business Days following DBCT Management's acknowledgment of the Access Application, the Access Seeker believes that DBCT Management is not making reasonable progress in the preparation of the Indicative Access Proposal, the Access Seeker may refer the matter for dispute resolution in accordance with Part 17 of this Undertaking.
- (g) **(Where Terminal Capacity Expansion is needed to satisfy an Access Application)** Where there is not sufficient Available System Capacity to accommodate the Access Application and the Access Seeker wishes to continue the negotiation process provided for in this Part 5, such negotiations may continue on the basis that a Terminal Capacity Expansion may be undertaken in accordance with Part 12 of this Undertaking which (whether with or without any relevant expansion of other components of the System) is estimated to provide sufficient Available System Capacity. In this case, if DBCT Management is unable to comply with the timeframes specified in Part 5 of this Undertaking, it will advise the Access Seeker of the estimated timeframes. If the Access Seeker does not believe the proposed timetable is reasonable or that DBCT Management

is not making reasonable progress, it may refer the matter to dispute resolution in accordance with Part 17 of this Undertaking.

5.6 Response to Indicative Access Proposal

- (a) **(Access Seeker's response)** If the Access Seeker intends to progress its Access Application on the basis of the arrangements set out in the Indicative Access Proposal, it must notify DBCT Management of its intention to do so within 30 Business Days of the date it receives the Indicative Access Proposal. If the Access Seeker does not notify DBCT Management of its intention before the expiry date of the Indicative Access Proposal, its Access Application will be deemed to have lapsed and it may apply again for Access in accordance with Section 5.2 (unless a longer period for notification is agreed between the parties).
- (b) **(DBCT Management to expedite any replacement Access Application)** If an Indicative Access Proposal lapses but the Access Seeker lodges a replacement Access Application, DBCT Management will endeavour in good faith to expedite the steps leading to the issue of a new Indicative Access Proposal.
- (c) **(Notice of non-complying Indicative Access Proposal)** If the Access Seeker considers that the Indicative Access Proposal has not been prepared in accordance with Section 5.5 of this Undertaking, it must notify DBCT Management in writing within 20 Business Days of receipt of the Indicative Access Proposal, notice to that effect, setting out the reasons why the Access Seeker believes that the Indicative Access Proposal is inconsistent with Section 5.5 of this Undertaking.
- (d) **(Response to notice of non-compliance)** DBCT Management must use all reasonable efforts to respond to this notice, including, where appropriate, the making of revisions to the Indicative Access Proposal, within 20 Business Days of the notification under this Section 5.6. If DBCT Management is unable to respond within this time period, it must notify the Access Seeker of the date on which it expects to be able to respond.
- (e) (Dispute relating to Indicative Access Proposal) If the Access Seeker is not satisfied with:
- (1) ~~(a)~~ the response to the notice given under this Section; or
 - (2) ~~(b)~~ DBCT Management's estimated date to respond to the notice,
- (f) the Access Seeker may seek to resolve the dispute in accordance with the dispute resolution procedure in Part 17.

5.7 Negotiation process

- (a) **(Parties to negotiate if Access Seeker wishes to)** If the Access Seeker indicates its willingness to progress its Access Application under Section 5.6 (or otherwise, in the case of an Access Application of the type referred to ~~in Paragraph~~ at paragraph (b) ~~of the~~ definition of that term), then both parties must commence negotiations as soon as reasonably possible to progress towards an Access Agreement. The period for negotiation will commence on the date notified by the Access Seeker under Section 5.6 (or the date 5 Business Days after the commencement of the Term in the case of an Access Application referred to in ~~Paragraph~~ paragraph (b) of the definition of that term, even if there have been discussions prior to that date) and end upon any of the following events:
- (1) ~~(a)~~ execution of an Access Agreement in respect of Access sought by the Access Seeker;

- (2) ~~(b)~~ written notification by the Access Seeker that it no longer wishes to proceed with its Access Application (at which time its Access Application will be deemed to have lapsed);
- (3) ~~(c)~~ DBCT Management issuing a Negotiation Cessation Notice to the Access Seeker in accordance with Section 5.8;
- (4) ~~(d)~~ the expiration of 6 months from the commencement of the negotiation period or, if both parties agree to an extension of the negotiation period, the expiration of the agreed extended term, provided that agreement to extend the negotiation period is not unreasonably withheld by either party; or
- (5) ~~(e)~~ a reduction in Available Capacity due to another Access Seeker finalising an Access Agreement in accordance with this Undertaking, where that reduction in Available System Capacity adversely affects DBCT Management's ability to offer Access to the Access Seeker under the terms of the Indicative Access Proposal.
- (b) **(Review of Indicative Access Proposal)** In the event that the negotiation period ceases for the reason set out in Section 5.7(~~ea~~)(5), DBCT Management must review the Indicative Access Proposal and prepare a revised Indicative Access Proposal in accordance with Section 5.5 and the negotiation process will recommence from the date this is provided to the Access Seeker.
- (c) **(Revisions to Access Application)** During the negotiation period, the Access Seeker may review and revise the information provided to DBCT Management in the Access Application, provided that such revision does not substantially alter the nature of the Access rights sought by the Access Seeker and is not otherwise prohibited under Section 5.4(g)(3), 5.4(h)(7) or 5.10(g). If DBCT Management is reasonably of the view that an Access Seeker's revision of information provided to DBCT Management in the Access Application has substantially altered the nature of the Access rights sought by the Access Seeker, then subject to the following paragraph, DBCT Management will treat the revised information as a new Access Application, and the process set out in this Part 5 will recommence from that point. If the revision is for an increase in the annual tonnage required or a longer term, then only the additional annual tonnage or additional term (as applicable) will be taken to constitute the subject of a new Access Application.
- (d) **(Certain extensions of term do not create new Access Application)** If, in the case of an Access Application referred to in ~~Paragraph~~paragraph (b) of the definition of that term, the revision is for an increase in the term from 5 or more years, then the extended term will be treated as part of the original Access Application.
- (e) **(Reduction in tonnage applied for does not create new Access Application)** A reduction in tonnage or term will not, of itself, constitute a new Access Application pursuant to this ~~Paragraph~~paragraph if there is a bona fide commercial reason for such reduction.
- (f) **(Dispute relating to negotiation)** If at any time during the negotiation period a dispute arises between the parties that, after reasonable negotiations, the parties are unable to resolve to their mutual satisfaction, then either party may seek to resolve the dispute in accordance with the dispute resolution process set out in Part 17.

- (g) **(Negotiations to continue despite dispute)** To remove any doubt, the negotiation process and the obligations of the parties in that regard are to continue notwithstanding the commencement of a dispute resolution process pursuant to Part 17 of this Undertaking.

5.8 Negotiation Cessation Notice

- (a) **(Negotiation Cessation Notice)** At any time during the negotiation process under Section 5.7, DBCT Management may give notice to an Access Seeker that it does not intend to enter into an Access Agreement with the Access Seeker (such notice being a **Negotiation Cessation Notice**), if:

- (1) ~~(a)~~ an Access Seeker does not comply with all of its material obligations contained in this Undertaking;
- (2) ~~(b)~~ DBCT Management is reasonably of the opinion that there is no reasonable likelihood that the Access Seeker will comply with the material terms and conditions of an Access Agreement;
- (3) ~~(c)~~ DBCT Management is reasonably of the opinion that the Access Seeker has no genuine intention of gaining Access, or has no reasonable likelihood of utilising Access, at the level of capacity sought;
- (4) ~~(d)~~ DBCT Management is reasonably of the opinion that the Access Seeker or its guarantor is not or is likely not to be reputable or of good financial standing;
- (5) ~~(e)~~ except where the expert is in manifest error, the Access Seeker does not materially comply with a decision of an expert pursuant to Section 17.3; or
- (6) ~~(f)~~ an Access Seeker does not materially comply with a decision of the QCA pursuant to Section 17.4.

- (b) **(Negotiation Cessation Notice to include reasons)** A Negotiation Cessation Notice must identify the reasons for DBCT Management's decision not to enter into an Access Agreement with the Access Seeker.

- (c) **(Examples of no reasonable likelihood of compliance)** Without limitation, it will be reasonable for DBCT Management to form the view that circumstances in Section 5.8(~~ba~~)(2) or 5.8(~~da~~)(4) apply if:

- (1) ~~(g)~~ the Access Seeker is Insolvent;
- (2) ~~(h)~~ the Access Seeker, or a Related Party of the Access Seeker, is currently or has in the previous two years been in material default of any Access Agreement (which has not been promptly rectified), Existing User Agreement or any other agreement where its performance under that agreement is relevant to the Access Seeker's likely performance under an Access Agreement; or
- (3) ~~(i)~~ the Access Seeker or a proposed provider of Security fail to establish their solvency and creditworthiness in accordance with Section 5.9.

- (d) **(Dispute as to Negotiation Cessation Notice)** If the Access Seeker reasonably considers that DBCT Management has improperly given it a Negotiation Cessation Notice, then (provided that Section 5.8(gc)(1), 5.8(hc)(2) or 5.8(ic)(3) do not apply) the Access Seeker may refer the matter to dispute resolution in accordance with Part 17. If the resolution of the dispute is in favour of the Access Seeker, DBCT Management must re-commence negotiations with that Access Seeker.
- (e) **(Recovery of costs of DBCT Management)** Subject to any dispute on the matter being otherwise determined, DBCT Management may recover its reasonable costs incurred in negotiations with the Access Seeker where it ceases negotiations in accordance with a Negotiation Cessation Notice validly issued under this Section 5.8. The Access Seeker may refer a Dispute about the recovery of these costs to dispute resolution in accordance with Part 17 of this Undertaking.

5.9 Creditworthiness of Access Seeker

- (a) (Access Seeker to be creditworthy) DBCT Management:
- (1) may remove from the Queue; and
 - (2) regardless of whether the relevant Access Seeker has been removed from the Queue by DBCT Management, will not be required to enter into an Access Agreement or proceed with an Access Application with,
- ~~(a) (Access Seeker to be creditworthy) DBCT Management will not be required to enter into an Access Agreement or proceed with an Access Application with an Access Seeker which is or has become Insolvent or which, after DBCT Management's reasonable request, fails within a reasonable period to establish or confirm its likely creditworthiness for the term of the Access Agreement required, or to provide adequate Security from another entity which establishes or confirms its likely creditworthiness for the term of the Access Agreement required.~~

If an Access Seeker is insolvent or has failed to demonstrate its creditworthiness to enter into an access agreement (or alternatively, to provide appropriate security) it would be inappropriate for that Access Seeker to remain in the queue in priority to other bona fide applicants. Additionally, an Access Seeker's continued presence in the queue in circumstances where it is unable to enter into an access agreement provides a false indication of demand for capacity and contributes to the issues discussed in annotations to Section 5.2.

- (b) **(Information as to solvency)** To confirm the solvency and creditworthiness of an Access Seeker and, where DBCT Management requires, the provider of a Security, the Access Seeker will provide such information as may be reasonably requested by DBCT Management to establish that solvency and creditworthiness.
- (c) **(Provision of Security)** If an Access Seeker or, where DBCT Management requires, its Security provider, is unable to establish their solvency and creditworthiness in their own right, creditworthiness may be established by the Access Seeker and Security provider by providing further Security (as reasonably required by DBCT Management), for example (but not limited to) any one or more of:
- (1) letters of credit;
 - (2) tripartite agreements with project financiers; and

- (3) guarantees or security from entities with a Standard and Poors or Moodys rating of not less than investment grade.
- (d) **(Access Agreement may permit Security to be required)** For clarification, nothing in this Section 5.9 limits the rights of DBCT Management under an Access Agreement to require Security (or additional Security) after the commencement of an Access Agreement in accordance with the terms of that Access Agreement.

5.10 Funding of feasibility studies

- (a) **(Request for Access Applicants to Fund FEL 1 and FEL 2)** If DBCT Management, acting reasonably, concludes that the aggregate Annual Contract Tonnages applied for in Access Applications lodged with it, together with all other relevant circumstances, justify the undertaking of a study to determine the feasibility of a relevant Terminal Capacity Expansion, then DBCT Management may ~~request, subject to Section 5.10(b), give~~ Access Applicants in the Queue ~~(starting with the first Access Applicant in the Queue and proceeding to each successive Access Applicant, as relevant to the contemplated increase in Annual Contract Tonnage which would be facilitated by the Terminal Capacity Expansion under consideration) to enter into an agreement with DBCT Management (on such terms as DBCT Management reasonably requires and providing such security to DBCT Management as it reasonably requires) to fund or underwrite the funding (as required by DBCT Management) (each referred to in this Section 5.10 as Fund or Funding) the reasonable and proper costs of a FEL 1 Feasibility Study and (after a satisfactory outcome from a FEL 1 Feasibility Study) a FEL 2 Feasibility Study, in respect of that proposed Terminal Capacity Expansion:~~ a notice:
- (1) requesting that they enter into a Funding Agreement or Underwriting Agreement with DBCT Management; and
 - (2) indicating on a preliminary and non-binding basis only, whether DBCT Management, acting reasonably, is of the view that should the Terminal Capacity Expansion proceed, that it should be treated as an Expansion Component of the Terminal or as an extension to an existing Expansion Component and therefore be Differentially Priced.
- (b) **(Notices may be given simultaneously)** DBCT Management may, in giving notices under Section 5.10(a), give such notices to all Access Applicants in the Queue, as relevant to the contemplated increase in Annual Contract Tonnage which would be facilitated by the Terminal Capacity Expansion under consideration, on or about the same date.
- (c) ~~(b)~~ **(Requests to be proportionate to tonnages applied for)** DBCT Management will request that any ~~Funding~~ funding or underwriting of the feasibility study or feasibility studies referred to in Section 5.10(a) pursuant to a Funding Agreement or Underwriting Agreement (as applicable) be proportionate amongst the relevant participating Access Applicants, according to the respective aggregate Annual Contract Tonnages requested in their Access Applications over the first ~~10~~ 15 years of Handling under the Access Agreement applied for by them.
- (d) ~~(e)~~ **(Loss of priority (Order of responses to notices))** DBCT Management must, in dealing with responses from Access Applicants to notices given by DBCT Management under Section 5.10(a), start with the response given by the Access Applicant that has the

highest ranking in the Queue and proceed to the response given by each successive Access Applicant in order of their respective ranking in the Queue.

(e) **(Position in Queue may be lost to subsequent Applicants)** If an Access Applicant is requested by DBCT Management to ~~provide any Funding (and security for that Funding) in accordance with Sections 5.10(a) and 5.10(b) but~~ enter into a Funding Agreement or Underwriting Agreement but the Access Applicant:

- (1) declines to do so;
- (2) fails to enter into a Funding Agreement or Underwriting Agreement (as applicable) with DBCT Management on such terms as DBCT Management reasonably requires within 20 days after being requested by DBCT Management to do so; or
- (3) ~~(2)~~ does not provide security ~~for the amount of Funding required under Section 5.10(a)~~ required by DBCT Management in connection with the Funding Agreement or Underwriting Agreement (as applicable) within 20 days after being requested by DBCT Management to do so,

(such an Access Applicant being a Non-Funding Access Applicant) then:

- (4) DBCT Management may, subject to Section 5.10(f), remove the Non-Funding Access Applicant from the Queue, in which case the Non-Funding Access Applicant's Access Application will be taken to have been rejected; or
- (5) if DBCT Management does not remove the Non-Funding Access Applicant from the Queue, then to the extent that any Access Applicant after the Non-Funding Access Applicant in the Queue within 20 days thereafter:
 - (A) enters into a Funding Agreement or Underwriting Agreement with DBCT Management; and
 - (B) ~~then to the extent that any one or more Access Applicants after that Access Applicant in the Queue within 20 days thereafter agree to provide Funding and provide security for Funding (provides security required by DBCT Management in relation to the Funding Agreement or Underwriting Agreement (as applicable) of at least the aggregate amount that is required by DBCT Management to fund or underwrite the study referred to in Section 5.10(a) in the proportion to which the tonnage applied for by an Access Seeker Applicant bears to the aggregate additional Annual Contract Tonnage that will be facilitated by the contemplated Terminal Capacity Expansion); those subsequent Access Applicants will, from the date on which they are legally committed to provide such feasibility Funding and provide relevant security, have priority in the Queue ahead of the Access Applicant which declined to provide feasibility Funding or failed to provide security as referred to above.~~

those subsequent Access Applicants will, from the date on which they are legally committed to provide or underwrite such feasibility funding and provide security under the Funding Agreement or Underwriting Agreement (as applicable), have priority in the Queue ahead of the Non-Funding Access Applicant.

- (f) **(Considerations regarding removal from Queue)** In considering whether to remove an Access Seeker from the Queue under Section 5.10(e)(4), DBCT Management will have regard to the extent to which the additional Annual Contract Tonnage that will be facilitated by the contemplated Terminal Capacity Expansion is reasonably required to provide the Access rights sought by the Access Seeker.
- (g) **(Amendments to Access Application)** An Access Seeker may not amend its Access Application during the 40 day period which commences on the date the Access Seeker receives a notice from DBCT Management under Section 5.10(a).

Section 5.10(a) - 5.10(g) reflects the changes made to the queueing procedures at Section 5.4. This approach is based on the principle that DBCTM should be permitted to remove from the queue an Access Seeker that is not prepared to provide funding for feasibility studies that are required in order to meet the demand they have expressed in their access application.

A number of drafting refinements have also been made to the above provisions when compared against the 2010 Undertaking (for example, to refer separately to Funding Agreements and Underwriting Agreements).

- (h) ~~(e)~~ **(Priorities restored if feasibility study does not proceed)** If an Access Applicant obtains a higher priority in the Queue as a result of Section 5.10(ed), and DBCT Management elects not to proceed with the relevant feasibility study, then the relevant Access Applicant will again have the same priority in the Queue as it had as if ~~Section 5.10(e) did not apply.~~ Section 5.10(d) did not apply. For clarity, an Access Applicant who is removed from the Queue in accordance with Section 5.10(e)(4) will not regain their position or priority in the Queue as a result of this Section 5.10(h).
- (i) ~~(e)~~ **(Clarifications)** Nothing in this Section 5.10:
- (1) requires DBCT Management to proceed with a FEL 1 Feasibility Study or FEL 2 Feasibility Study (as the case may be) unless it secures a Funding Agreement or Underwriting Agreement in respect of the full cost of that feasibility study from one or more Access Seekers;
 - (2) prohibits an Access Seeker from providing more than its required proportion in respect of any ~~Funding~~ funding or underwriting requested for Feasibility Studies (but providing a greater proportion does not in itself entitle that Access Seeker to any additional tonnage under an Access Agreement); or
 - (3) is to be taken as limiting the obligations of DBCT Management in Part 12.
- (j) ~~(f)~~ **(Disputes relating to requests for Feasibility Funding)** If any Access Applicant considers that the terms of the Funding Agreement, Underwriting Agreement or the amount or type of security ~~for~~ required in connection with the Funding Agreement or Underwriting Agreement requested by DBCT Management pursuant to Sections 5.10(a) and 5.10(bc) are not reasonable, it may within 5 days after being requested to enter into a

Funding ~~agreement~~Agreement or Underwriting Agreement and to provide security make application to the QCA to determine what is reasonable, and in such event:

- (1) the determination of the QCA as to what is reasonable will apply in respect of what DBCT Management can require from each Access Applicant; and
- (2) the period of 20 days in Section 5.10~~(ee)~~ will become a period ending 15 days after the QCA notifies its determination.

- (k) (Preliminary determination on Differential Pricing): Promptly following the conclusion of a FEL 2 Feasibility Study, DBCT Management will, acting reasonably, make a determination of whether the Terminal Capacity Expansion the subject of the FEL 2 Feasibility Study should (if it were to proceed) be treated as an Expansion Component or as an extension to an existing Expansion Component and therefore be Differentially Priced. DBCT Management will make this determination in accordance with Section 11.10(b). DBCT Management will notify Access Seekers of its determination within twenty (20) Business Days of the conclusion of the FEL 2 Feasibility Study.

The requirement in Section 5.10(k) for DBCTM to make a determination on whether an expansion would be differentially priced provides funding or underwriting Access Seekers with the significant benefit of knowing, in advance of committing to an access agreement, whether the expansion will be differentially priced. DBCTM's determination is binding on DBCTM unless a FEL 3 Feasibility Study shows that the expansion should in fact be socialised and not differentially priced (this is provided for in Section 12.5(a)(2)).

In DBCTM's view, this procedure for determining whether differential pricing should apply provides greater certainty to all stakeholders than the procedure proposed in the QCA's Final Decision on Differential Pricing (August 2015). Under that procedure, DBCTM is only required to make a non-binding assessment as to whether differential pricing should apply after completion of all Feasibility Studies.

- (l) ~~(g)~~ **(FEL 3 Feasibility Funding)** If DBCT Management having completed a FEL 1 Feasibility Study and FEL 2 Feasibility Study, acting reasonably and consistently with prudent business practice concludes that aggregate Annual Contract Tonnage applied for in one or more Access Applications lodged with it, together with all other relevant circumstances, justify it undertaking a FEL 3 Feasibility Study, DBCT Management may, at its own cost, undertake a FEL 3 Feasibility Study.
- (m) ~~(h)~~ **(Transitional arrangements for previous funding)** If at the Commencement Date DBCT Management is undertaking a FEL 1 Feasibility Study or FEL 2 Feasibility Study in respect of a relevant proposed Terminal Capacity Expansion, DBCT Management ~~will~~may (by giving not less than 14 days written notice) ~~request~~give Access Applicants in the Queue ~~(starting with the first Access Applicant in the Queue and proceeding to each successive Access Applicant as relevant to the additional Annual Contract Tonnage that will be facilitated by the contemplated Terminal Capacity Expansion) to enter into an agreement with DBCT Management (on such terms as DBCT Management reasonably requires and providing such security to DBCT Management as it reasonably requires) to Fund the reasonable and proper costs (including costs already incurred in respect of the relevant Feasibility Study) of a notice requesting that they enter into a Funding Agreement or Underwriting Agreement with DBCT Management in which case:~~
- ~~(1) where the Feasibility Study being undertaken at the Commencement Date is a FEL 1 Feasibility Study, that FEL 1 Feasibility Study; and~~

- (2) ~~where the Feasibility Study being undertaken at the Commencement Date is a FEL 2 Feasibility Study, that FEL 2 Feasibility Study and the FEL 1 Feasibility Study which preceded the FEL 2 Feasibility Study;~~
- (1) ~~in which case~~ Sections 5.10(b), 5.10(c), 5.10(d) ~~and~~, 5.10(f) and 5.10(j) apply (with such modifications as the circumstances require); ~~and~~
- (2) if the Feasibility Study being undertaken at the Commencement Date is a FEL 2 Feasibility Study, the Funding Agreement and Underwriting Agreement will apply to the FEL 2 Feasibility Study and the FEL 1 Feasibility Study which preceded the FEL 2 Feasibility Study.
- (n) ~~(i)~~ **(Credit for prior Funding, and refunds)** If an Access Seeker has provided ~~Funding~~ funding for a Feasibility Study referred to in Section 5.10(~~hm~~) prior to the Commencement Date, the amount ~~Funded~~ funded will be deemed to be a contribution to the ~~Funding~~ funding requested under Section 5.10(~~hm~~). To the extent that an Access Seeker has contributed funds (as opposed to underwriting the funding) prior to the Commencement Date in excess of the ~~Funds~~ funds required to be contributed under Section 5.10(~~hm~~) DBCT Management may elect to refund to that Access Seeker such excess funding or credit it towards any further contribution to a Feasibility Study required or agreed to be paid by that Access Seeker.
- (o) ~~(j)~~ **(Contributions to Funding of Feasibility Studies by DBCT Management)** ~~Subject to Section 5.10(i),~~ DBCT Management may at its discretion elect to itself bear, or be required under law or by the Port Services Agreement to itself fund, all or part of the costs of a FEL 1 Feasibility Study or FEL 2 Feasibility Study which one or more Access Applicants ~~fail to Fund~~ do not fund or underwrite in accordance with a Funding Agreement or Underwriting Agreement (as applicable). Nothing in this Section 5.10(~~jo~~) affects:
- (1) DBCT Management's rights to apply to have such sum included in the relevant Regulated Asset Base if the relevant proposed Terminal Capacity Expansion Proceeds;
- (2) ~~(1) DBCT Management's rights to apply to have such sum included in the regulated asset base if the relevant proposed Terminal Capacity Expansion Proceeds or to apply to have such sum (but not exceeding 20% of the prudent cost of the~~ where DBCT Management is required under law or the Port Services Agreement to fund all or part of the costs of a FEL 1 Feasibility Study or FEL 2 Feasibility Study (as relevant), DBCT Management's right to apply to have such sum included in the regulated asset base ~~relevant~~ Regulated Asset Base on a Review Event if the proposed Terminal Capacity Expansion does not proceed;
- (3) DBCT Management's rights to apply to have such sum included in the relevant Regulated Asset Base if DBCT Management is required by the Port Services Agreement or Part 12 of this Undertaking to investigate or undertake a Terminal Capacity Expansion; or

(4) ~~(2)~~ DBCT Management's obligation to fund a FEL 3 Feasibility Study; ~~or~~.

DBCTM may be required to fund studies in accordance with the Port Services Agreement, or alternatively may elect to fund studies if sufficient Access Seekers do not enter into funding or underwriting agreements. If the relevant Expansion does not proceed, it will be for the QCA to determine whether the costs should be included in the RAB, regardless of whether DBCTM was required to fund the studies or elected to do so. Access Holders are protected from the possibility of DBCTM undertaking unjustified or excessive studies by the fact that the QCA is the arbiter of all costs proposed for inclusion in the RAB.

Section 5.10(j)(1) of the 2010 Undertaking includes a reference to amounts to be included in the RAB which do not exceed 20% of the prudent costs of a FEL1 or FEL2 feasibility study (as relevant) if the relevant Expansion does not proceed and DBCTM has elected to fund those feasibility studies. That Section is stated to be without prejudice to DBCTM's right, under Section 5.10(l) of the 2010 Undertaking, to apply to include in the RAB the costs of feasibility studies that it is required to undertake by the Undertaking or the Port Services Agreement.

~~(3) Section 5.10(l).~~ As explained in the annotations to these sections of the 2010 Undertaking, the intent of these provisions was to cap the portion of study costs which DBCTM could elect to fund at 20% of the total costs of the study/s. That is, DBCTM could elect to itself fund up to 20% of the costs, but not more, in circumstances where DBCTM was not required by the Undertaking or the Port Services Agreement to undertake the studies. The practical effect of the reference to 20% of the costs of the studies being removed in the 2016 Undertaking is that DBCTM is permitted to itself fund more than 20% of the total cost of the study/s in the event of funding shortfall. This does not automatically mean that DBCTM will be permitted to include all such costs in the RAB. That is an assessment to be made by the QCA. DBCTM therefore has a significant incentive to ensure that any decision to fund a shortfall of more than 20% of the total cost of the study/s is reasonable and justified by the circumstances at the time.

(p) ~~(k)~~ **(Refund of FEL1 and FEL 2 contributions if Terminal Capacity Expansion**

proceeds) In the event that the Terminal Capacity Expansion the subject of a FEL 1 Feasibility Study and FEL 2 Feasibility Study proceeds and substantial site works commence, DBCT Management will promptly following the commencement of substantial site works:

- (1) refund to each Access Seeker who contributed funds (as opposed to underwriting the funding) under Section 5.10(a) for that Terminal Capacity Expansion the funds provided by that Access Seeker; and
- (2) release any underwriting commitment made by that Access Seeker in respect of that Terminal Capacity Expansion.
- (1)

(q) **(Relevant Regulated Asset Base)** The relevant Regulated Asset Base is:

- (1) ~~(l) (Feasibility costs necessitated by Port Services Agreement) [Notwithstanding Section 5.10(j), if DBCT Management is required by the Port Services Agreement or Part 12 of this Undertaking to undertake a Terminal Capacity Expansion then to the extent that Access Seekers do not fund the Feasibility Study required for that Terminal Capacity Expansion in accordance with Section 5.10(a), DBCT Management may fund such Feasibility Study (without prejudice to its rights to seek to have such funds included in the regulated asset base).] [DBCT Management intends seeking~~

~~amendments to the Port Services Agreement so as to align the Port Services Agreement with this Undertaking. If the Port Services Agreement is so amended, Section 5.10(l) will be deleted~~ for a Terminal Capacity Expansion that proceeds and is determined in accordance with this Undertaking to be an Expansion Component or an extension to an existing Expansion Component and therefore Differentially Priced, the Regulated Asset Base for that Expansion Component; and

- (2) for each other Terminal Capacity Expansion, the Regulated Asset Base for the Base Terminal.

Section 5.10(q) is based on the principle, reflected throughout this draft Undertaking, that costs which relate solely to an expansion that is differentially priced are to be allocated to the RAB for that expansion and therefore paid for by the users of that expansion only. If an expansion is not differentially priced or if a proposed expansion does not proceed, the costs must be allocated to the RAB for the 'Base Terminal' (that is, the Terminal as it currently exists plus any expansions which are not differentially priced).

DBCTM acknowledges that it is possible that study costs would be incurred in respect of an expansion which was expected to be a differentially priced expansion (the costs of which would be borne only by the users for that expansion) but which did not proceed. As these studies would have been undertaken to meet demand for capacity in the form of access applications (like any feasibility studies), it is reasonable that DBCTM is able to apply for inclusion of these costs in the RAB in the same way that it is able to for feasibility studies for an expansion for which socialised pricing will apply.

5.11 Existing User Agreement Process

If an Access Agreement or an Existing User Agreement provides a mechanism for applications for additional capacity to be made by the relevant Access Holder under that agreement, those provisions may be utilised by that Access Holder in respect of additional capacity sought under that agreement, but such application will be treated as an Access Application for the purposes of Section 5.4, and any other Section in Part 5 which is not inconsistent with the terms of that agreement will apply.

6 Terminal Regulations

- (a) **(Compliance by DBCT Management and Operator)** DBCT Management must comply with, and will use its best endeavours to ensure that the Operator complies with, the Terminal Regulations in force from time to time. ~~The obligation imposed on DBCT Management to comply with and ensure that the Operator complies with the Terminal Regulations is subject to the Operation & Maintenance Contract allowing DBCT Management to enforce this obligation against the Operator[†].~~
- (b) **(Compliance by Access Holders is condition of access)** Each Access Holder must observe the Terminal Regulations, as they exist from time to time, as a condition of access to and the right to have its coal Handled at the Terminal.
- (c) **(Process for amending Terminal Regulations)** The Operator may, from time to time, by written notice to DBCT Management, propose amendments to the Terminal Regulations.

[†]~~See also the obligation imposed in Section 1.6 of this Undertaking.~~

If the Operator submits to DBCT Management a proposed amendment to the Terminal Regulations DBCT Management must:

- (1) conduct reasonable consultation with Access Holders, Access Seekers that have entered into a Funding Agreement or Underwriting Agreement with DBCT Management (**Funding Access Seekers**) and Rail Operators in relation to the proposed amendment; and
 - (2) if, following the completion of such reasonable consultation, DBCT Management consents to the proposed amendment to the Terminal Regulations:
 - (A) notify the Access Holders, Funding Access Seekers and Rail Operators that it has given its consent to the proposed amendment; and
 - (B) submit the proposed amendment to the QCA for approval.
- (d) **(Implementation of amended Terminal Regulations)** DBCT Management must not implement ~~or consent to~~ a proposed amendment to the Terminal Regulations ~~without~~ unless:
- (1) DBCT Management has conducted reasonable consultation with Access Holders ~~and~~, Funding Access Seekers ~~and~~ Rail Operators in accordance with Section 6(c)(1);
 - (2) DBCT Management has consented to the proposed amendment to the Terminal Regulations; and
 - (3) the QCA has approved the proposed amendment to the Terminal Regulations.
- (e) **(Consent of DBCT Management)** DBCT Management will only give its consent to ~~ana~~ proposed amendment ~~o~~to the Terminal Regulations ~~if~~under Section 6(d)(2) if it has conducted reasonable consultation with Access Holders, Funding Access Seekers and Rail Operators in accordance with Section 6(c)(1) and it reasonably considers that the amended Terminal Regulations, as a whole, will operate equitably amongst Access Holders and Funding Access Seekers (should they become Access Holders) ~~and, where applicable, amongst Rail Operators.~~
- (f) ~~(d)~~**(Notice of amendments to Terminal Regulations)** DBCT Management must notify the Access Holders, Funding Access Seekers and the ~~QCA~~Rail Operators of any amendments to the Terminal Regulations that have been approved by the QCA and will provide a copy of the amended Terminal Regulations to these parties (which may be by way of reference to the website on which the amended Terminal Regulations are available in accordance with Section 6(i)).
- (g) **(Objection to amendment of Terminal Regulations)**
- (1) If:
 - (A) DBCT Management has given its consent to a proposed amendment to the Terminal Regulations; and

(B) an Access Holder, a Funding Access Seeker or a Rail Operator objects to the proposed amendment on the basis that it reasonably considers that the proposed amendment means the Terminal Regulations, as a whole, will not operate equitably among Access Holders and Funding Access Seekers (should they become Access Holders) and among Rail Operators (where applicable),

then the Access Holder, Funding Access Seeker or Rail Operator may, at any time before the QCA has approved the proposed amendment, notify DBCT Management and the QCA of its objection to the proposed amendment.

(2) ~~(e) (Objection to amendment of Terminal Regulations) If, in response to an Access Holder or an Access Seeker reasonably considers that a proposed amendment to the Terminal Regulations, as a whole, does not operate equitably among Access Holders and Access Seekers (should they become Access Holders), then the Access Holder or Access Seeker may request DBCT Management not to consent to it. If that request has been made and DBCT Management nevertheless consents to the amendment, then the Access Holder or the Access Seeker may, within 30 days after being notified of DBCT Management's consent, refer the matter to the QCA for its consideration. If the Access Holder or Access Seeker has duly exercised its right to refer the matter to the QCA, DBCT Management will be taken to have implemented the amendments to the Terminal Regulations on an interim basis until the objection is resolved. If pursuant to an objection by the objection notified to the QCA by an Access Holder or the, Funding Access Seeker or Rail Operator (whether under Section 6(g)(1) of this Undertaking, or any corresponding provision of an Access Agreement or an Existing User Agreement), the QCA determines that any part of the amended Terminal Regulations does do not, as far as is practicable a whole, operate equitably amongst Access Holders and Funding Access Seekers (should they become Access Holders) or amongst Rail Operators (where applicable), then: the amendment will lapse. The Operator may implement any transitional arrangements which may be needed as a consequence of that lapsing.~~

(A) the proposed amendment and DBCT Management's consent to the proposed amendment will be taken to have been withdrawn; and

(B) the QCA will not approve the proposed amendment.

(h) ~~(f) (Protection of DBCT Management) DBCT Management will not be liable to the QCA, Rail Operators or Access Seekers (and the Standard Access Agreement will provide that DBCT Management will have no liability (on any basis whatsoever) to an Access Holder which executes it) as a result of DBCT Management consenting to an amendment to the Terminal Regulations (on an interim basis) or the due implementation and observance of an amendment to the Terminal Regulations (whether on an interim or final basis), as long as DBCT Management had in all respects acted reasonably and in~~

good faith and (acting reasonably and in good faith) had formed the opinion ~~that the relevant amendment to the Terminal Regulations, as a whole and as far as is practicable, would operate equitably amongst Access Holders and Access Seekers (should they become Access Holders required by Section 6(e)).~~ For clarification, this does not affect DBCT Management's obligation to do anything required on its part to cause the termination or consequential amendment of a Terminal Regulation after any determination that ~~the Terminal Regulation~~ breaches this Undertaking or a relevant Access Agreement.

- (i) **(DBCT Management to make copies available)** DBCT Management must make a copy of the Terminal Regulations available to each Access Holder, Access Seeker, Rail Operator and the QCA (which may be by displaying it on DBCT Management's website).

Updates to Section 6 reflect the draft amending Access Undertaking recently submitted by DBCTM.

7 Information provision

The QCA has the right, by written notice, to request that DBCT Management provide to the QCA any information or documents that the QCA reasonably requires for the purpose of performing its obligations and functions in accordance with either this Undertaking or an Access Agreement developed pursuant to this Undertaking. The notice must include a description of the information or document required, the purpose for which it is required, and the date it is required (with such date to allow DBCT Management reasonable time to comply with the notice).

DBCT Management will comply with any such request by the date stated in the notice, unless there is a reasonable reason for non-compliance.

8 Confidentiality requirements

(Confidential Information to be kept confidential) Subject to Section 5.4(c) each relevant Access Seeker and DBCT Management will, at all times, keep confidential and not disclose to any other person, any Confidential Information exchanged under the negotiation arrangements in Part 5 of this Undertaking or any other part of this Undertaking, except:

- (a) where ~~any~~ disclosure is required by law any law or legally binding order of any court, government, semi-government authority, administrative or judicial body, or requirement of a stock exchange or regulator;
- (b) with the prior written consent of the relevant Access Seeker or DBCT Management, as applicable (not to be unreasonably withheld);
- (c) ~~(b)~~ where disclosure is to the recipient's advisors ~~who~~ or financiers provided that such advisors or financiers (as applicable) are under a duty of confidentiality; and/or
- (d) to the extent disclosure is necessary for notifications to brokers, insurers or claims assessors provided that the person to whom the disclosure is made is under a legal obligation to keep the information confidential;

- (e) ~~(e)~~ where disclosure is made to any person or body established to provide coordination in the Goonyella Coal Chain;
- (f) where disclosure is to an expert or the QCA to the extent necessary for resolving a Dispute provided that DBCT Management does not disclose the Confidential Information of one Access Seeker to another Access Seeker without the first Access Seeker's consent;
or
- (g) to the extent disclosure is required to protect the safety or security of persons or property or in connection with an accident or emergency.

(Confidentiality deed) If required by either party, the parties will enter into a confidentiality deed substantially in the form set out in Schedule D of this Undertaking.

(Use of Confidential Information) ~~Both~~ Without limiting the circumstances specified in this Section 8 in which Confidential Information may be disclosed, both the Access Seeker and DBCT Management must otherwise only use Confidential Information provided by the other party for the purposes for which it was provided.

(Reporting of aggregated information) For the avoidance of doubt, nothing in this Section 8 prevents DBCT Management from:

- (a) complying with its obligations under Sections 10.2 and 10.3; or
- (b) disclosing, in the ordinary course of business, financial reporting information which has been aggregated with other information of a similar nature such that it cannot reasonably be, and is not reasonably capable of being, identified with, attributed to or used to identify, any Access Seeker or Access Holder.

Updates to Section 8 reflect the draft amending Access Undertaking recently submitted by DBCTM.

9 ~~Ring-fencing arrangements~~ Ring-fencing arrangements

~~DBCT Management and its direct shareholders do not presently have any interests in markets upstream or downstream from the Services. However, if such interests arise in the future then DBCT Management will, on its behalf and on the behalf of its shareholders, inform the QCA and if required by the QCA prepare a draft amending access undertaking in accordance with the QCA Act setting out its obligations in relation to ring fencing.~~

9.1 Overview

- (a) DBCT Management is part of the Brookfield Group.
- (b) Being a part of the Brookfield Group, DBCT Management's financial performance, capital expenditure program and business plan are, consistent with good corporate governance, subject to oversight by the board, and senior management, of other entities within the Brookfield Group.
- (c) As set out in this Undertaking, the handling of coal at the Terminal is a 'declared service' for the purposes of the QCA Act.

- (d) The Brookfield Group includes Supply Chain Businesses.
- (e) Within the Brookfield Group, there are functional groups that provide shared support services and core corporate functions to different functional areas and parts of the Brookfield Group that include both Supply Chain Businesses and DBCT Management.
- (f) The purpose of this Section 9 is to aid DBCT Management's compliance with its obligations under the QCA Act and to ensure, subject to the terms of this Section 9, that Access is managed and provided by DBCT Management independently from other members of the Brookfield Group who compete in the upstream and downstream markets that depend on Access.

9.2 Non-discrimination

- (a) DBCT Management will not:
 - (1) engage in conduct for the purpose of preventing or hindering an Access Holder's or Access Seeker's Access;
 - (2) unfairly differentiate between Access Seekers or Access Holders in a way that has a material adverse effect on:
 - (A) the ability of one or more of the Access Seekers or Access Holders to compete with other Access Seekers or Access Holders; or
 - (B) a competitor of a Supply Chain Business to compete with that Supply Chain Business; or
 - (3) provide Access directly to:
 - (A) a Supply Chain Business; or
 - (B) a customer, or a person who is negotiating to become a customer, of a Supply Chain Business in relation to the provision of a service by the Supply Chain Business which relates to Access (SCB Customer),
on more favourable terms than the terms on which DBCT Management provides Access directly to:
 - (C) competitors of the Supply Chain Business referred to in Section 9.2(a)(3)(A); or
 - (D) persons who are, or who are negotiating to become, customers of any such competitor.
- (b) For clarification, nothing in Section 9.2(a) limits or prevents the application of this Undertaking, the QCA Act or an Access Agreement where the relevant conduct would not contravene Section 9.2(a).
- (c) DBCT Management will:
 - (1) subject to Section 9.1(e), carry out its obligations and functions under this Undertaking independently of other members of the Brookfield Group, provided that DBCT Management may engage the assistance of bona fide third party contractors and consultants as

- required (regardless of whether those contractors or consultants are also providing services to other members of the Brookfield Group);
- (2) maintain accounts and financial records and prepare financial reports for each Regulated Asset Base which are separate to those maintained for the Brookfield Group (or any part of it, including any Supply Chain Business) and do not include amounts relating to any member of the Brookfield Group other than DBCT Management, unless expressly permitted by this Undertaking;
 - (3) except in relation to transactions between DBCT Management and DBCT Trustee (including where third parties are involved in those transactions), ensure that all transactions between DBCT Management and any Supply Chain Businesses in relation to Access are conducted on an arm's length basis; and
 - (4) ensure that all Access Seekers irrespective of whether they are a Supply Chain Business or an SCB Customer are provided with a consistent level of service with respect to Access in accordance with this Undertaking.
- (d) DBCT Management will not engage in:
- (1) anti-competitive cost shifting;
 - (2) anti-competitive cross-subsidies; or
 - (3) anti-competitive price or margin squeezing.

9.3 Management and employees of DBCT Management

- (a) DBCT Management will be managed by a team comprising:
- (1) DBCT Management's Chief Executive Officer and his or her direct reports; and
 - (2) any other person nominated by DBCT Management's Chief Executive Officer,
- (DBCT Management Executive Team).**
- (b) DBCT Management will ensure that Supply Chain Businesses do not participate in the process for the appointment of DBCT Management's Chief Executive Officer or in the appointment of any other person to the DBCT Management Executive Team.
- (c) DBCT Management's Chief Executive Officer or any other person appointed to the DBCT Management Executive Team:
- (1) must not have direct management responsibility for a Supply Chain Business;
 - (2) may have direct management responsibility for a Brookfield Group business unit that is not a Supply Chain Business; and
 - (3) must have an independent management reporting line that does not include any person with direct management responsibility for a Supply Chain Business.

- (d) Subject to Sections 9.3(e) and 9.4(f), DBCT Management’s employees must not undertake work for a Supply Chain Business other than in their capacity as an employee of DBCT Management.
- (e) Section 9.3(d) does not apply to any employee of DBCT Management:
- (1) in the audit, information technology, financial, legal or tax divisions within the Brookfield Group; or
 - (2) that provides executive support, or clerical or administrative assistance, to the individuals, boards, divisions or business units identified in Sections 9.4(b)(1) to 9.4(b)(3).
- (f) DBCT Management will ensure that the DBCT Management Executive Team and all of its employees are appropriately trained in respect of DBCT Management’s obligations under this Section 9.
- (g) The requirements of this Section 9.3 do not apply to a Trading SCB, subject to DBCT Management’s compliance with Section 9.8(a)(3) in respect of the Trading SCB.

9.4 Confidential Information

- (a) DBCT Management will not provide Confidential Information:
- (1) disclosed to it by an Access Holder or Access Seeker under this Undertaking, an Access Agreement or an Existing User Agreement; or
 - (2) collected or received by DBCT Management in the provision of Access to an Access Holder,
- (Protected Information)**, to a Supply Chain Business, except:
- (3) with the prior written consent of the relevant Access Holder or Access Seeker (not to be unreasonably withheld); or
 - (4) as may otherwise be allowed in accordance with Section 8.
- (b) Neither Section 8 nor Section 9.4(a) prevents DBCT Management from disclosing Protected Information to any of the following individuals, boards, divisions and business units or prevents the following individuals, boards, divisions and business units from otherwise having access to Protected Information:
- (1) the board of directors and senior executive leadership team of:
 - (A) Brookfield Infrastructure Partners L.P.;
 - (B) Brookfield Asset Management Inc.; or
 - (C) any entity in the Brookfield Group that is Controlled by Brookfield Infrastructure Partners L.P. or Brookfield Asset Management Inc. (each, a **Relevant Entity**), other than a Supply Chain Business (provided that a director or member of the senior executive leadership team of the Supply Chain Business who also holds such a position in a Relevant Entity will not be prevented from accessing Protected Information, and DBCT Management will not be prevented from disclosing Protected Information to the relevant

- person, by virtue solely of that person's position in, or with respect to, the Supply Chain Business);
- (2) the board of directors of DBCT Management;
 - (3) the audit, information technology, financial, legal and tax divisions within the Brookfield Group; and
 - (4) any person providing executive support, or clerical or administrative assistance, to the individuals, boards, divisions or business units identified by Sections 9.4(b)(1) to 9.4(b)(3),
provided that these individuals, boards, divisions or business units have a bona fide need to have access to the Protected Information for the performance of their usual functions and do not use or seek to use the Protected Information contrary to the requirements of Section 9.2.
- (c) Subject to Section 9.4(d), DBCT Management will ensure that its office premises have in place adequate security measures to ensure that employees of a Supply Chain Business are unable to access the office premises of DBCT Management, unless:
- (1) access to the office premises of DBCT Management is authorised by a DBCT Management employee; and
 - (2) the employee of the Supply Chain Business is accompanied by a DBCT Management employee, to the extent reasonably practicable, while in the office premises of DBCT Management.
- (d) As at the Commencement Date, Brookfield Port Capacity Pty Ltd ACN 134 741 567 is a Trading SCB and is managed, staffed and operated by employees of DBCT Management. Accordingly, Section 9.4(c) does not prevent any officer or employee of DBCT Management who:
- (1) operates or otherwise undertakes work for the benefit of; or
 - (2) has management responsibility for,
a Trading SCB from accessing the office premises of DBCT Management provided that DBCT Management complies with Section 9.8(a)(3) in respect of the Trading SCB.
- (e) Section 9.4(c) does not require that any offices of DBCT Management be located in a different building to the building in which the offices of a Supply Chain Business are located.
- (f) Subject to Section 9.4(g), this Section 9 does not prevent transfers or secondments of:
- (1) an employee of a Supply Chain Business to DBCT Management; or
 - (2) an employee of DBCT Management to a Supply Chain Business,
subject to DBCT Management's compliance with Section 9.6(g) in any such situation.
- (g) This Section 9 does not prevent transfers or secondments of any employee:
- (1) in the audit, information technology, financial, legal or tax divisions within the Brookfield Group; or

- (2) that provides executive support, or clerical or administrative assistance, to the individuals, boards, divisions or business units identified in Sections 9.4(b)(1) to 9.4(b)(3).
- (h) In the event of a transfer or secondment of an individual as referred to in Section 9.4(f), DBCT Management will:
- (1) in respect of a transfer or secondment from a Supply Chain Business, not seek to obtain Confidential Information from the individual that is or was previously an employee of a Supply Chain Business that was disclosed to the Supply Chain Business by an Access Holder or Access Seeker;
- (2) in respect of a transfer or secondment to a Supply Chain Business, use its reasonable endeavours to procure that the individual that is transferred or seconded to a Supply Chain Business complies with DBCT Management's obligations under this Section 9.4; and
- (3) otherwise use its reasonable endeavours to procure that the individual does not engage in any conduct that would be contrary to this Section 9.

9.5 Compliance

- (a) DBCT Management will implement and maintain systems and procedures to ensure that it complies with this Section 9.
- (b) If requested to do so by the QCA, DBCT Management will provide the QCA with evidence of the systems and procedures referred to in Section 9.5(a), provided that any Confidential Information contained in such evidence will be provided on a confidential basis.
- (c) If the QCA is of the view that DBCT Management's systems and procedures do not comply with this Section 9, the QCA may require DBCT Management to:
- (1) conduct an audit of the relevant systems or procedures; or
- (2) provide a rectification plan to address the issue and implement the rectification plan within a reasonable period of time.
- (d) Without limiting this Section 9.5, DBCT Management will take reasonable steps to monitor and identify any breaches of this Section 9. If DBCT Management becomes aware of a breach of this Section 9, it will promptly notify the QCA and any Access Seeker or Access Holder affected by the breach of the details of that breach, identifying any Confidential Information in its notification.

9.6 Complaint handling

- (a) If an Access Holder or Access Seeker considers that DBCT Management has breached one or more of its obligations under this Section 9 they may lodge a written complaint with DBCT Management.
- (b) Unless otherwise notified in writing by the Access Holder or Access Seeker, the written complaint referred to in Section 9.6(a) and any accompanying information (whether documentary or otherwise) will be Confidential Information until it ceases to be Confidential Information in accordance with this Undertaking.

- (c) DBCT Management will provide to the QCA, as soon as practicable, a copy of any complaint it receives pursuant to Section 9.6(a) and identify the complaint as Confidential Information.
- (d) DBCT Management will:
- (1) investigate complaints received pursuant to Section 9.6(a); and
 - (2) advise the complainant and the QCA in writing of the outcome of that investigation and DBCT Management's proposed response, if any, and use reasonable endeavours to do so within 20 Business Days after receiving such a complaint.
- (e) Without limiting a complainant's right to commence a dispute resolution process in accordance with Section 17, where the complainant referred to in Section 9.6(a) is not satisfied with the outcome of DBCT Management's investigation, the complainant can apply to the QCA seeking an audit of the relevant subject of the complaint. The QCA will consider such a request and determine whether to require DBCT Management to conduct an audit.
- (f) If the QCA requires DBCT Management to conduct an audit in accordance with Section 9.5(c)(1) or 9.6(e), DBCT Management must promptly engage the Auditor to carry out the audit and provide the QCA with a report on the outcomes of that audit within a reasonable period of time, identifying any information contained in that report which is Confidential Information.
- (g) If the QCA is of the view that the outcomes of the audit required under Section 9.6(e) show that DBCT Management has not complied with this Section 9, it may require DBCT Management to provide a rectification plan to address the issue and implement the rectification plan within a reasonable period of time.
- (h) The QCA may advise the complainant referred to in Section 9.6(a) of:
- (1) whether any audit referred to in Section 9.6(f) has demonstrated that DBCT Management has or has not complied with Section 9 of this Undertaking; and
 - (2) whether DBCT Management has been required to provide a rectification plan to address the relevant issue in accordance with Section 9.6(g),
- provided that the QCA must not disclose any Confidential Information.
- (i) The QCA will accept that the costs of an audit conducted by DBCT Management in accordance with Section 9.5(c)(1) or 9.6(e) are prudent and will include them into the Regulated Asset Base.

9.7 Audit

- (a) In respect of each year ending 30 June, an audit of DBCT Management's compliance during that year with its obligation in respect of this Section 9 will be conducted in accordance with Section 9.7(c).
- (b) The Auditor will compile an audit report identifying:
- (1) to the extent feasible, whether DBCT Management has complied in all material respects with its obligations referred to in this Section 9, and, if not, details as to the relevant non-compliance;

- (2) the process adopted for the conduct of the audit;
 - (3) any complaints made by an Access Seeker or an Access Holder to DBCT Management about DBCT Management's compliance with its obligations under this Section 9, and the outcome of any such complaint;
 - (4) any recommendations by the Auditor to improve DBCT Management's processes or reporting systems in relation to compliance with its obligations under this Section 9; and
 - (5) the implementation and outcome of any prior recommendations by the Auditor.
- (c) An audit required under Section 9.7(a) must be conducted in accordance with the following process:
- (1) DBCT Management will annually appoint the auditor subject to the QCA's prior approval of the auditor. Where the QCA does not approve the appointment of a particular auditor, DBCT Management must nominate an alternative auditor or replacement auditor as soon as practicable after the QCA notifies DBCT Management of such non-approval;
 - (2) the auditor must be:
 - (A) independent of DBCT Management; and
 - (B) appropriately qualified and experienced;
 - (3) the QCA's approval of an auditor (or replacement auditor) in accordance with Section 9.7(c)(1) continues unless and until it is withdrawn in accordance with Section 9.7(c)(4);
 - (4) if the QCA is of the reasonable belief that an audit conducted by an Auditor under this Section 9 has not been conducted to a satisfactory standard, the QCA may, within 3 months after completion of the audit, notify DBCT Management in writing that its approval of the Auditor in relation to the next audit of those matters is withdrawn;
 - (5) the Auditor will have a duty of care to the QCA in the provision of the audit and, in the event of a conflict between the Auditor's obligations to DBCT Management and its duty of care to the QCA, the Auditor's duty of care to the QCA will take precedence;
 - (6) prior to commencing the audit the Auditor must agree an audit plan with DBCT Management, document that audit plan, and obtain the QCA's approval of the audit plan;
 - (7) the audit plan will:
 - (A) consist of a proposed work program for the execution of the audit, including audit costs (which are payable by DBCT Management);
 - (B) provide that the audit must be completed by 30 September immediately following the year ending 30 June in respect of

- which the audit is being undertaken or such later date as may be agreed between the Auditor and DBCT Management; and
- (C) provide for the establishment of an audit liaison group, comprising the Auditor, DBCT Management and the QCA, during the course of the audit, to provide a forum for the resolution of any audit issues that arise;
- (8) DBCT Management will:
- (A) provide any relevant information the Auditor reasonably requires for the purpose of conducting the audit, within a nominated timeframe that is determined by the Auditor to be reasonable after consultation with DBCT Management;
- (B) in relation to the audit of DBCT Management's obligations under Section 9.2(c)(2), provide access to DBCT Management's financial records and information systems necessary for the purpose of conducting the audit; and
- (C) not interfere with, or otherwise hinder, the Auditor's ability to carry out his or her functions under this Section 9.7;
- (9) the Auditor will be required to enter into a confidentiality agreement in relation to any information provided by DBCT Management, to the effect that it must keep the information confidential and only use that information for the purpose of conducting the audit and completing the audit report;
- (10) the Auditor will provide to DBCT Management and the QCA a copy of:
- (A) the audit report (which the QCA may publish provided that the QCA must ensure that any Confidential Information specified in the published version of the audit report is redacted); and
- (B) any letter or report from the Auditor accompanying the audit report which explains the audit findings in greater detail;
- (11) DBCT Management must use reasonable endeavours to implement any recommendations made by the Auditor in the audit report or any other letters or reports provided in accordance with Section 9.7(c)(10) (except to the extent the non-implementation is approved by the QCA) as soon as reasonably practicable after the documents are provided by the Auditor; and
- (12) DBCT Management must use reasonable endeavours to comply with any direction of the QCA in relation to matters arising from the audit report as soon as reasonably practicable.
- (d) The QCA will accept that the costs of an audit conducted by DBCT Management in accordance with this Section 9.7 are prudent and will include them into the Regulated Asset Base.

9.8 Compliance of the Brookfield Group

(a) DBCT Management will:

- (1) take all reasonable steps to procure that each relevant entity within the Brookfield Group (including, for the avoidance of doubt, each Supply Chain Business) complies with the obligations imposed on the relevant entity under this Section 9 and conducts itself in a manner reasonably likely to allow DBCT Management to comply with this Section 9;
- (2) procure, by way of a deed between DBCT Management and the relevant holding company of any relevant Supply Chain Business, an undertaking from the relevant holding company that it will ensure that the Supply Chain Business complies with the obligations imposed on the Supply Chain Business under this Section 9; and
- (3) procure an undertaking in the form specified in Schedule I from each Trading SCB.

For clarification, each entity within the Brookfield Group (including, for the avoidance of doubt, each Supply Chain Business) is not required to comply with the obligations imposed on DBCT Management under this Section 9 as though they were imposed on that entity.

(b) Without limitation, DBCT Management's obligations under Section 9.8(a)(1) will include a requirement that DBCT Management takes all reasonable steps to procure that the Brookfield Group implements and maintains systems and procedures to ensure that it complies with this Section 9. The provisions of Section 9.5 will apply to these systems and procedures.

(c) DBCT Management:

- (1) acknowledges that Trading SCBs may only acquire Access from Users and must not acquire, or seek to acquire, from DBCT Management any Access which DBCT Management has not previously granted to a User; and
- (2) will not grant, or seek to grant, to a Trading SCB any Access which DBCT Management has not previously granted to a User.

(d) A complaint in respect of a breach of the requirements of this Section 9 by an entity within the Brookfield Group will be dealt with in accordance with Section 9.6.

9.9 Waiver by the QCA

(a) DBCT Management may apply in writing to the QCA for a waiver of some or all of its obligations under this Section 9 on either a temporary or permanent basis.

(b) If DBCT Management makes an application under Section 9.9(a) and the QCA considers that the waiver, if granted, will affect one or more Access Holders or Funding Access Seekers then the QCA will:

- (1) notify all affected Access Holders and Funding Access Seekers of the waiver being sought by DBCT Management and invite them to make a submission to the QCA regarding the effect of that waiver.

if granted, on it within a reasonable period specified by the QCA; and

- (2) take all submissions received from Access Holders and Funding Access Seekers within the period specified and any submissions received from DBCT Management into account in determining whether to grant the waiver applied for by DBCT Management.

Updates to Section 9 reflect the draft amending Access Undertaking recently submitted by DBCTM.

10 Reporting by DBCT Management

10.1 Regulatory accounts

DBCT Management will report to the QCA on an annual and confidential basis, (with a copy to each Access Holder), within ~~four (4)~~ months of the close of the relevant Financial Year, information relating to for each Regulated Asset Base:

- (a) **(Asset base details)** the opening ~~regulated-asset base~~ Regulated Asset Base value for the relevant Financial Year — by asset class/type consistent with the asset class/types used to determine the initial capital base;
- (b) **(Indexation of asset base)** the amount of indexation of the ~~regulated-asset base~~ Regulated Asset Base calculated for the relevant Financial Year — by asset class/type;
- (c) **(Depreciation)** the amount of depreciation calculated for the relevant Financial Year — by asset class/type;
- (d) **(Corporate overheads)** DBCT Management’s corporate overheads for the relevant Financial Year;
- (e) **(New assets)** the value of any new assets (capital expenditure) acquired during the relevant Financial Year — by asset class/type. Capital expenditure is to be identified as either replacement or expansionary capital expenditure, and is to include information relating to the estimated life of each new asset;
- (f) **(Disposals)** asset disposals for the relevant Financial Year — by asset class/type;
- (g) **(Operating and maintenance costs)** the actual operating and maintenance costs incurred for the relevant Financial Year including minor capital expenditure not exceeding \$3 million for the Financial Year – at a level of detail to be determined by the QCA. This should separately identify any minor capital expenditure recovered through the Operation & Maintenance Charge; and
- (h) **(Variances)** an explanation for any significant variance in actual capital expenditure and/or operating and maintenance costs, and forecast capital expenditure and/or operating and maintenance costs for the relevant Financial Year.

10.2 Indicators relating to compliance with this Undertaking

DBCT Management will ~~publicly report~~ Publicly Report on an annual basis the following information:

- (a) **(Indicative Access Proposals)** the number and percentage of total Indicative Access Proposals provided within the applicable timeframe;
- (b) **(Access Applications)** the number and percentage of Access Applications received for which an extension of time for provision of an Indicative Access Proposal was sought by DBCT Management;
- (c) **(Response times)** the average delay (in days) taken to provide an Indicative Access Proposal not provided within the applicable timeframe;
- (d) **(Disputes)** the number of instances where a Dispute has been referred to dispute resolution in accordance with Part 17;
- (e) **(Negotiation periods for successful outcomes)** the average length of the negotiation period (in days), where the negotiation period has commenced and has ceased as the result of the execution of an Access Agreement in respect of the Access sought by the Access Seeker;
- (f) **(Negotiation periods where no Access Agreement signed)** the average length of the negotiation period (in days), where the negotiation period has commenced and has ceased as the result of any reason other than the execution of an Access Agreement in respect of the Access sought by the Access Seeker;
- (g) **(Access Agreements concluded)** the number of instances where a negotiation period that had commenced, ceased as the result of the execution of an Access Agreement in respect of the Access sought by the Access Seeker;
- (h) **(Components): whether any Expansion Components exist, and how they differ from the Base Terminal;** and
- (i) **(H)(Other) any other performance measure requested by the QCA, provided that DBCT Management is not required to Publicly Report any Confidential Information.**

10.3 Indicators relating to service quality

DBCT Management is required to ~~publicly report~~ Publicly Report on the following service quality key performance indicators for the Terminal on a quarterly basis:

- (a) (System delivery):
 - (1) number of trains requested by the Operator and scheduled by the rail providers to arrive at the Terminal;
 - (2) actual number of trains completing unloading at the Terminal;
 - (3) number of tonnes of coal scheduled to be delivered to the Terminal; and
 - (4) number of tonnes of coal actually delivered to the Terminal, for each month of the quarter.
- (b) (Inloading performance):
 - (1) average train unloading time at the Terminal (on a Terminal job-open to job-close basis); and
 - (2) average train unload time (from permission to unload the train until unloading of the last wagon is complete), for each month of the quarter.

- (c) (Stockyard performance):
- (1) average stock-build time per parcel;
 - (2) average stock-residence time per parcel,
- for each month of the quarter.
- (d) (Out-loading performance):
- in respect of each outloading conveyor:
- (1) average gross load rate per vessel class – first coal to last coal; and
 - (2) average utilisation of out-load conveyors,
- for each month of the quarter.
- (e) (Vessel performance):
- (1) number of vessels (by class);
 - (2) average number of parcels per vessel (by class);
 - (3) total tonnes per vessel (by class);
 - (4) total tonnes shipped,
- for each month of the quarter.
- (f) (**Vessel queuing**) (vessels which have arrived and are awaiting berthing to load):
- (1) average daily total vessels in queue;
 - (2) average daily number of vessels in queue where relevant coal is not yet available to be railed to the Terminal (“dead ships”)
 - (3) average waiting time to berth at anchor,
- for each month of the quarter.
- (g) (**Operating efficiency**) inloading and outloading.
- (h) (Environmental performance):
- (1) number of times during each month of the quarter that the “management objective” (as provided for in the Terminal’s environmental licence and approvals) in dust deposition was exceeded;
 - (2) number of times during each month of the quarter that the “acoustic quality objective” (as provided for in the Terminal’s environmental licence and approvals) was exceeded; ~~and~~
- (i) (**Other**) any additional or alternative service quality key performance indicators that the Authority, DBCT Management and Access Holders agree from time to time.

11 Pricing arrangements

11.1 Pricing objectives

In developing Access Charges, DBCT Management’s objectives are to:

- (a) **(Achieve ARR)** achieve the ARR in each Financial Year in accordance with this Undertaking; by way of the Revenue Cap plus any applicable Additional Tonnage Amount;
- (b) **(Efficient utilisation)** provide incentives for efficient utilisation of Terminal Capacity by Access Holders;
- (c) **(Equity)** ensure equitable treatment of Access Holders and Access Seekers;
- (d) **(Efficient investment)** encourage efficient future investment in the Terminal;
- (e) **(Recovery of Operating Costs)** ensure full recovery (but not over-recovery) from Access Holders of Terminal Operating Costs; and
- (f) **(Efficient Operating Costs)** ensure efficient Terminal Operating Costs.

11.2 Access Charges

Access Charges will comprise two components:

- (a) a Capital Charge, being:
 - (1) in respect of Reference Tonnage, the Reference Tariff;
 - (2) in respect of any Excess Tonnage, the Excess Charge;
 - (3) where applicable, the Year End Adjustment and the Provisional Increment Repayment; or
 - (4) in respect of Non-Reference Tonnage, such tariff as is agreed between DBCT Management and an Access Holder (subject to Section 11.10); and
- (b) an Operation & Maintenance Charge.

11.3 Reference Tariff

- (a) **(Applies to Reference Tonnage)** ~~The~~^A Reference Tariff will apply to all Reference Tonnage. The Reference Tariff for Reference Tonnage at the Base Terminal will be determined in accordance with Part A of Schedule C. The Reference Tariff for Reference Tonnage in respect of an Expansion Component will be determined in accordance with Part A of Schedule C provided that only the Expansion Component and its Annual Revenue Requirement be included in the calculation.
- (b) **(Revenue Cap)** ~~The~~^{Each} Reference Tariff will be set such that, in each Financial Year, ~~the Revenue Cap will be recovered by DBCT Management over the Aggregate Reference Tonnage.~~
 - (1) in respect of the Reference Tariff for the Base Terminal, the Revenue Cap for the Base Terminal will be recovered by DBCT Management over the Aggregate Reference Tonnage for the Base Terminal only; and
 - (2) in respect of each Reference Tariff for each Expansion Component, the Revenue Cap for that Expansion Component will be recovered by DBCT Management over the Aggregate Reference Tonnage for that Expansion Component only.

- (c) **(TIC)** ~~The~~Each Reference Tariff will comprise a single component Terminal Infrastructure Charge (**TIC**), being an amount per tonne payable by ~~an~~ a relevant Access Holder at a relevant time, calculated (and adjusted as required) in accordance with Schedule C, Part A.
- (d) **(Reviews of Reference Tariff, etc)** On each occasion referred to in Schedule C, Part A, Sections 4(c) and 4(g), DBCT Management will (and, on each occasion mentioned in Section 12.5(~~op~~), DBCT Management may, but is not obliged to) submit to the QCA a request for the QCA to approve an appropriate amendment of the ARR, Revenue Cap and Reference Tariff, to the extent that they are affected by the occasion referred to in Schedule C, Part A, Sections 4(c) and 4(g) or Section 12.5(p) (as the case may be), in accordance with Schedule C, Part A. They will be amended (effective from the relevant date in Schedule C, Part A, Section 4) when that approval is given by the QCA.
- (e) **(ARR notified to Access Seekers)** Where a Reference Tariff has been calculated from the ARR, that Reference Tariff will be an acceptable means by which DBCT Management provides Access Seekers with information about the matters listed in Sections 101(2)(a) to (c) of the QCA Act (as provided for in accordance with Section 101(4) of the QCA Act).

Section 11.3 has been updated to incorporate differential pricing. The principles underpinning the existing pricing structure have been retained.

11.4 Excess Charge

- (a) The Excess Charge will apply to all Excess Tonnage.
- (b) The Excess Charge will be calculated in accordance with Schedule C, Part B, Section 3.

11.5 Year End Adjustment

- (a) The Year End Adjustment (if any) will apply where any Excess Tonnage is Handled in a Financial Year.
- (b) The Year End Adjustment will be calculated in accordance with Schedule C, Part B, Section 1.

11.6 Increment

DBCT Management is entitled to add an Increment to the Revenue Cap otherwise applying, in the circumstances outlined in Schedule C, Part B, Section 4. It may retain a Provisional Increment pending the outcome of an application for the Increment. The Provisional Increment will be calculated in accordance with Schedule C, Part B, Sub-Section 4(b).

11.7 Provisional Increment Repayment

The Provisional Increment Repayment (if any) will apply where DBCT Management has retained an amount in accordance with Schedule C, Part B, Sub-Section 4(a) (the **Provisional Increment**) but that amount must subsequently be repaid to Access Holders pursuant to Schedule C, Part B, Sub-Section 4(e) ~~(the Provisional Increment Repayment)~~.

11.8 Payment and adjustment of Capital Charges

- (a) **(Interim payments)** Each Access Holder will pay to DBCT Management in respect of its Reference Tonnage a payment in each Month of each Financial Year during the term of its Access Agreement (the **Monthly Payment**) calculated (and adjusted as required) in accordance with Schedule C, Part A.
- (b) **(Financial Year end adjustments)** After the end of each Financial Year:
- (1) each Access Holder will pay any Excess Charge applicable to it in respect of the Financial Year (or the balance of the Excess Charge if any prepayment has been made);
 - (2) DBCT Management will pay any Year End Adjustment in respect of the Financial Year, due to each Access Holder; and
 - (3) DBCT Management will pay any Provisional Increment Repayment in respect of the Financial Year, due to each Access Holder.

11.9 Operation & Maintenance Charge

- (a) **(Terminal Operating Costs recovery)** Terminal Operating Costs will be recovered from each Access Holder through the Operation & Maintenance Charge. The Operation & Maintenance Charge for each Access Holder will be calculated on the basis outlined in the Standard Access Agreement, and in accordance with the following procedure:
- (1) the quantum of Terminal Operating Costs, and the proposed allocation between the Base Terminal and any Expansion Components, will be advised to DBCT Management by the Operator. The Operator will determine the allocation by virtue of the extent to which those Terminal Operating Costs have been incurred to provide Services utilising the Base Terminal and each Expansion Component respectively, such that Terminal Operating Costs incurred solely in respect of an Expansion Component will not be allocated to other parts of the Terminal (and vice versa); and
 - (2) DBCT Management will review the quantum and allocation proposed by the Operator and, if it is satisfied that it is reasonable, recover the Operation & Maintenance Charge from Access Holders on this basis.

It has always been the case that operating costs are advised to DBCTM by the Operator and then passed through to Access Holders in the form of the Operation and Maintenance Charge. The Operator is also best placed to determine the extent to which operating costs relate to a differentially priced Expansion Component as opposed to the Base Terminal. DBCTM's role is limited to a reasonableness review of the proposed allocation. This is a safeguard to ensure that an inequitable allocation is not proposed by the Operator (for example, in circumstances where the differentially priced Access Holders for the Expansion Component are not shareholders of the Operator).

- (b) **(Notifications, payments and adjustments)** DBCT Management will:
- (1) notify Access Holders of estimated Terminal Operating Costs annually in advance;
 - (2) recover such estimated costs monthly;

- ~~(3) [notify Access Holders of any applicable adjustment at the end of each quarter of a Financial Year – to (on a provisional basis) recover any shortfall or to reimburse Access Holders in the event of over-recovery by DBCT Management where the shortfall or over-recovered amount is greater than two million dollars (\$2,000,000);] [Note: Words included in square brackets are only to be included if all Existing User Agreements are amended in the way indicated in clause 4.8 of the Standard Access Agreement]~~
- (3) ~~(4)~~ notify Access Holders of any applicable adjustment at the end of each Financial Year – to recover any shortfall or to reimburse Access Holders in the event of over-recovery by DBCT Management; and
- (4) ~~(5)~~ recover or reimburse at the end of each quarter and at the end of a Financial Year (as the case may be), such amount (if any) as referred to in ~~Sections~~Section 11.9(b)(3) ~~and 11.9(b)(4)~~.

11.10 Differential Pricing

- (a) **(What is Differential Pricing)** An ARR, Revenue Cap and Reference Tariff will apply in respect of a Terminal Capacity Expansion which is determined to be an Expansion Component which is different to the ARR, Revenue Cap and Reference Tariff applicable for the Base Terminal and for any other existing Expansion Component. This arrangement, and the resulting differences in Access Charges that are payable under Differentially Priced Access Agreements and other Access Agreements, is referred to as **Differential Pricing**.
- (b) **(When does Differential Pricing apply)** A Terminal Capacity Expansion will be determined (by DBCT Management or the QCA, as applicable under this Undertaking) to be an Expansion Component if any of the following applies:
- (1) the Terminal Capacity Expansion will not be substantially physically integrated with the Base Terminal or with another Expansion Component; or
 - (2) the Terminal Capacity Expansion will be operated separately from the Base Terminal and any other Expansion Component, and will not be available to provide Services to Access Holders who are not Differentially Priced Access Holders in respect of the Expansion Component that will be provided by the Terminal Capacity Expansion; or
 - (3) the Services to be provided by the Terminal Capacity Expansion will not be materially the same as those provided to other Access Holders at the Terminal.

DBCTM's consistent position in relation to differential pricing has been that it is appropriate that expansions of the Terminal which will be separable from the remainder of the Terminal are differentially priced. For all other expansions, the highly integrated nature of DBCTM makes it impractical for expansions to be undertaken other than on the basis that they will be socialised with – and available for use by – all Access Holders. There are also significant commercial and legal reasons supporting this position, as is set out in more detail at DBCTM's submissions accompanying this Undertaking.

Section 11.10 provides the test for when an expansion would be differentially priced. There are two important threshold points to note about this test. Firstly, the default position under this Undertaking – as under the current 2010 Undertaking – is that the costs of any expansion are socialised among all Access Holders, who are all granted access to the expansion to the extent necessary to meet their contracted tonnages. This is broadly consistent with the principle included in the PSA of socialised pricing for common services. Secondly, the test is mandatory. This means that if any one of the three components of the test is met, the expansion must be differentially priced. This provides clear and unequivocal guidance to all stakeholders as to when differential pricing will apply. This is in contrast to the test proposed in the QCA’s Final Decision on Differential Pricing (August 2015) which requires first an assessment of the cost per tonne impact of the proposed expansion, and then a discretionary determination taking into account 5 diverse matters. In DBCTM’s view, the test proposed in Section 11.10 is significantly simpler and easier to administer, in addition to being more appropriate.

The test allows an expansion component to be differentially priced in any of the following situations:

- the expansion is physically separate or not substantially integrated with the rest of the Terminal (for example, the expansion may be a complete new terminal);
- the services to be provided by the expansion will be separate to those provided by the rest of the Terminal (for example, the expansion may involve a new stockyard which will only be used by the Access Seekers whose demand has triggered the expansion);
or
- the services will not be materially the same as those provided to Access Holders for the remainder of the Terminal (for example, the expansion is to provide services to an Access Seeker or Access Holder that has very wet coal which requires significantly longer stockpile time than the other users of the Terminal).

As set out in DBCTM’s submissions accompanying this Undertaking, DBCTM is continuing to engage with DBCT Holdings as to the amendments to the PSA that are required in order to facilitate differential pricing as set out in this Undertaking.

(c) (When multiple components may be Differentially Priced together) If:

- (1) a Terminal Capacity Expansion will be substantially physically integrated with another Expansion Component; or
- (2) a Terminal Capacity Expansion will be operated together with any other Expansion Component, and will be available to provide Services to Access Holders who are Differentially Priced Access Holders in respect of that other Expansion Component; or
- (3) the Services to be provided by a Terminal Capacity Expansion will be materially the same as those provided to Differentially Priced Access Holders in respect of another Expansion Component, but not to Access Holders in respect of the Base Terminal only.

then the Terminal Capacity Expansion will be an extension of the relevant existing Expansion Component and a single ARR, Revenue Cap and Reference Tariff will apply for these components of the Terminal, which will therefore be Differentially Priced when compared to the Base Terminal. If DBCT Management determines in its preliminary determination under Section 5.10(k) or its Terminal Capacity Expansion application under Section 12.5(a)(2) that this Section 11.10(c) applies, then DBCT Management may submit to the QCA a draft amending access undertaking addressing this issue (including any consequential amendments to this Undertaking), for approval under the QCA Act.

It is possible for multiple expansions to be undertaken during the Term of this Undertaking. There are 4 possible relationships between the expansions (assuming for these purposes that two expansions are undertaken):

1. Both expansions are integrated extensions of the existing Terminal which do not meet the test in Section 11.10(b) and therefore are both socialised with the existing Terminal.

2. The first expansion meets the test in Section 11.10(b) and is therefore differentially priced. The second expansion is in effect an extension of that first expansion, so meets one or more of the tests in Section 11.10(c). The first and second expansions are socialised together among differentially priced Access Holders for the two expansions, but not amongst Access Holders for the Base Terminal.

3. The first expansion meets the test in Section 11.10(b) and is therefore differentially priced. The second expansion is also an essentially separable element of the Terminal, so also meets the test in Section 11.10(b), but will not be integrated with the first expansion (and therefore does not meet the test in Section 11.10(c)). This second expansion is therefore differentially priced and provides capacity only for the Access Holders in respect of it.

4. The first expansion is an integrated extension of the existing Terminal which does not meet the test in Section 11.10(b) and is therefore socialised with the existing Terminal. The second expansion is an essentially separable element of the Terminal, so meets the test in Section 11.10(b) and is therefore differentially priced.

- (d) (Consequence if an Expansion Component is not Differentially Priced) Subject to Section 11.10(c), a Terminal Capacity Expansion which is not determined to be an Expansion Component will, once completed, be a part of the Base Terminal to which the ARR, Revenue Cap and Reference Tariff for the Base Terminal will apply.
- (e) (Utilisation of Differentially Priced Capacity) The Terminal Capacity provided by an Expansion Component or an extension to an Expansion Component will be utilised to meet Annual Contract Tonnages under the Access Agreements entered by the Funding Access Seekers in respect of the Expansion Component, who will become Differentially Priced Access Holders. This Terminal Capacity will therefore be the Reference Tonnage in respect of the Expansion Component.

11.11 ~~11.10~~ Limits on price differentiation

- (a) Subject to Section 11.10, DBCT Management will not differentiate Access Charges between Access Seekers or between Access Seekers and Access Holders, other than to reflect differences in costs (direct or indirect) or risks to DBCT Management of providing Access. Where DBCT Management is proposing a Capital Charge to apply to an Access Seeker that varies from the Capital Charge applied in respect of Reference Tonnage, it must demonstrate to the Access Seeker that the divergence is justified. In doing so, DBCT Management must provide sufficient information to adequately explain the reasons for the divergence.
- (b) Nothing in this Section 11.11 limits or prevents the application of Differential Pricing subject to and in accordance with this Undertaking.

As set out above in comments to Section 11.10(b), the inclusion of differential pricing in this Undertaking is subject to amendment of the PSA by agreement between DBCTM and DBCT Holdings.

The terms of the Existing User Agreements also do not appropriately accommodate a differential pricing regime. In particular, from DBCTM's perspective it is important that these agreements clearly establish both that those users will not bear costs in relation to the differentially priced expansion and will not be serviced by the differentially priced

expansion. The inclusion of differential pricing in this Undertaking is therefore also subject to those Existing User Agreements being amended accordingly prior to any implementation of differential pricing for an expansion. The annotations to the Standard Access Agreement submitted with this Undertaking provide further detail.

12 Terminal Capacity Expansion

12.1 Procedure for determining Terminal Capacity and System Capacity

(a) DBCT Management will, at each time required in Section 12.1(k), either:

- (1) **(Estimate Capacities based on ~~LTS Outcome~~ estimate ~~(or consensus)~~)** accept an estimation that has been accepted by the expert as provided for in Section 12.1(m)(3) of the maximum reasonably achievable capacity (measured in tonnes of coal per Financial Year) of ~~the Terminal (on a "stand-alone" basis) (Terminal Capacity) and of the System (System Capacity) in accordance with the relevant terms of an LTS Outcome which deals with determination of Terminal Capacity and/or System Capacity;~~ ~~or~~:
- (A) the Terminal (on a "stand-alone" basis) (Terminal Capacity);
 - (B) any Expansion Component (on a "stand-alone" basis) (Expansion Component Capacity); and
 - (C) of the System (System Capacity); or

The process for determining capacity in this Section 12.1 is largely unchanged from the 2010 Undertaking, except to allow separate determinations of the capacity of a differentially priced Expansion Component. This is necessary as that capacity will be solely allocated to differentially priced access holders and will not form part of the capacity of the (socialised) Base Terminal.

- (2) **(Determine Capacities after advice and consultation)** (to the extent that there is no ~~relevant LTS Outcome~~ estimation as provided for in Section 12.1(m)(3) in that regard at the time) acting reasonably and after:
- (A) taking advice from an independent expert appointed by DBCT Management; and
 - (B) consultation by DBCT Management and that expert with the Operator, Access Holders, any Funding Access Seekers, and other Service Providers or their respective nominees,
- determine Terminal Capacity, Expansion Component Capacity and System Capacity (as applicable) having regard to:
- (C) **(Terminal operating assumptions)** in respect of Terminal Capacity – the following Terminal operating assumptions:
- (i) DBCT Management's obligations and Access Holders' entitlements under Existing User Agreements and Access Agreements (including

taking into account historical and reasonably estimated rates of utilisation of the Terminal's capacity, but also having regard to reasonably foreseeable future changes in capacity utilisation rates);

- (ii) DBCT Management's requirement to comply with Good Operating and Maintenance Practice;
- (iii) the Terminal Regulations;
- (iv) an objective of maximum reasonably achievable capacity for the Terminal without unduly increasing vessel waiting times as a result of the operation of the Terminal;
- (v) rail and vessel interfaces with the Terminal;
- (vi) the estimated additional capacity which it is anticipated will become available in a relevant Financial Year as a result of any proposed Terminal Capacity Expansion; and
- (vii) any other matter DBCT Management reasonably considers appropriate; ~~and~~

(D) **(Terminal operating assumptions – Expansion Components)** in respect of Expansion Component Capacity – the Terminal operating assumptions set out at Section 12.1(a)(2)(C), to the extent applicable solely to the Expansion Component; and

(E) ~~(D)~~ **(System operating assumptions)** in respect of System Capacity - the following System operating assumptions (to the extent that such information is available to DBCT Management):

- (i) operating modes of the System;
- (ii) rail infrastructure characteristics (e.g. single track, double track, passing loops and speed restraints);
- (iii) the tonnes to be loaded by or on behalf of an Access Holder at each relevant train load out facility;
- (iv) Terminal Capacity as assessed in accordance with Section 12.1(a)(2)(C) and the capacity and performance implications arising out of Terminal interfaces with rail unloading and vessel loading;
- (v) quantity, configuration and performance characteristics of locomotives and rolling stock;
- (vi) capacity and performance of mine loading facilities;
- (vii) the System Master Plan; and
- (viii) any other matter DBCT Management reasonably considers appropriate.

- (b) **(Additional assumptions)** For clarification, ~~(except to the extent that an LTS Outcome provides otherwise)~~, Terminal Capacity, Expansion Component Capacity and System Capacity are to be:
- (1) estimated making a projected allowance (as applicable to either Terminal Capacity and/or Expansion Component Capacity alone or to System Capacity) for interruptions or loss of capacity from maintenance, repairs, inclement weather, breakdowns, derailments, cancellations, loading and unloading issues (including sticky coal), vessel-types (based on a historical analysis);
 - (2) estimated as at the date of estimation and for the Financial Year in which that date falls and for each of the following two Financial Years; and
 - (3) assumed to continue at no lesser rate indefinitely after the periods referred to in Section 12.1(b)(2) , except to the extent that (at the time of making the estimation) DBCT Management or the independent expert are actually aware of a reasonably certain future material decrease in capacity (for example, where DBCT Management is aware of a decrease in capacity caused by a planned shutdown in another part of the System).
- (c) **(Disclosure of process and advice)** Subject to any confidentiality restrictions applying to DBCT Management, DBCT Management must disclose to :
- (1) the QCA, Access Holders, Funding Access Seekers, the Operator and other Service Providers its decision making process in relation to its estimations of Terminal Capacity and System Capacity~~;~~ and
 - (2) the QCA, Differentially Priced Access Holders and Funding Access Seekers in respect of an Expansion Component, the Operator and other Service Providers its decision making process in relation to its estimations of Terminal Capacity and System Capacity,
- and provide them with a copy of any independent expert report that DBCT Management receives in relation to estimating those Capacities. DBCT Management will not enter into any confidentiality restrictions which would prevent disclosure for the purposes of this Section 12.1(c) except as may be commercially reasonable and customary to avoid disclosure of commercially sensitive information.
- (d) **(Independent expert)** Any independent expert to be appointed by DBCT Management under this Section 12.1 will be:
- (1) where a group of Access Holders whose combined Annual Contract Tonnage for the then current Financial Year is greater than 50% of the Aggregate Annual Contract Tonnage for that Financial Year object (in accordance with Section 12.1(g)) to the independent expert nominated by DBCT Management, an independent expert appointed by the QCA in accordance with Section 12.1(g); or
 - (2) where Section 12.1(d)(1) does not apply - an independent expert nominated by DBCT Management~~;~~ ,

- (e) **(Notice of proposed independent expert)** DBCT Management will advise all Access Holders as to the identity of any independent expert it proposes appointing pursuant to Section 12.1(a)(2) and request that any objection to that independent expert be given in writing to DBCT Management in writing within 14 days after receipt of DBCT Management's notice.
- (f) **(Appointment if no objection)** If no Access Holder objects in writing to the independent expert nominated by DBCT Management within the 14 day period referred to in Section 12.1(e), DBCT Management will promptly appoint the independent expert nominated by it.
- (g) **(Procedure if objection to proposed independent expert)** If a group of Access Holders whose combined Annual Contract Tonnage for the then current Financial Year is greater than 50% of the Aggregate Annual Contract Tonnage for that Financial Year objects within the 14 day period provided for in Section 12.1(e):
- (1) DBCT Management will promptly request the QCA to nominate an independent expert, and it will engage the independent expert nominated by the QCA; and
 - (2) the ~~six~~ (6) month period referred to in Section 12.1(k)(1) will not commence until the independent expert has been nominated by the QCA.
- (h) **(Independent expert to consult)** DBCT Management must require its independent expert to consult (as far as is practicable, and to the extent that consultation has not already occurred in respect of a relevant estimation of [Terminal Capacity or System Capacity \(as applicable\)](#)) with the Operator, Access Holders, any Access Seekers and other Service Providers, or their respective nominees with respect to the factors referred to in Sections 12.1(a)(2)(C) and 12.1(a)(2)(D).
- (i) **(Objection to estimation by independent expert)** Despite Part 17, DBCT Management's estimation of Terminal Capacity and System Capacity under Section 12.1(a) may not be disputed or challenged or otherwise subject to review by or on behalf of Access Holders or Access Seekers:
- (1) except on the basis that it has been determined in bad faith, in breach of the Undertaking or an Access Agreement, or on the basis of a manifest error; or
 - (2) unless Access Holders whose combined Annual Contract Tonnage for the then current Financial Year is greater than 50% of the Aggregated Annual Contract Tonnage for that Financial Year each object on the same or similar grounds.
- (j) **(Determination of Capacity conclusive)** The capacity of the Terminal and the System as estimated under Section 12.1(a) (or, if applicable, Part 17) will constitute Terminal Capacity or System Capacity (as relevant) for the purposes of this Undertaking until it is next reassessed.
- (k) **(Times for re-determination of Capacity)** Terminal Capacity and System Capacity will be assessed by DBCT Management in accordance with Section 12.1(a) at or about the Commencement Date, and reassessed:
- (1) (subject to Section 12.1(g)(2)) not later than ~~six~~ (6) months after each of the following:

- (A) the Completion of each Terminal Capacity Expansion; and
 - (B) the time at which DBCT Management becomes aware of the completion of each material and discrete expansion (such materiality to be determined by DBCT Management acting reasonably) of any other component of the System; or
- (2) if a Terminal Capacity Expansion has not occurred, at DBCT Management's discretion,

but in any event at least once per Financial Year. Expansion Component Capacity for any Expansion Component will be assessed:

- (3) (subject to Section 12.1(g)(2)) not later than 6 months after Completion of the Terminal Capacity Expansion which provides or which extends the Expansion Component; and
 - (4) otherwise, at DBCT Management's discretion,
- but in any event at least once per Financial Year commencing from such time as the Expansion Component exists.

(l) **(Notification of assessments of Capacity)** DBCT Management must promptly notify the QCA, DBCT Holdings, each Access Holder and Access Seeker of each assessment under this Section 12.1.

(m) **(Requirements for expert report process)** The following will apply to an expert report for the purposes of Section 12.1(a):

- (1) ~~Subject~~ subject to confidentiality restrictions applying to DBCT Management, DBCT Management must provide to the expert all relevant information which DBCT Management has or to which it has access, to assist the expert to reach their estimation. DBCT Management will not enter into any confidentiality restrictions which would prevent disclosure for the purposes of this Section 12.1(m) except as may be commercially reasonable and customary to avoid disclosure of commercially sensitive information;
- (2) DBCT Management must, as far as practicable, use reasonable endeavours to work cooperatively with each other Service Provider (for example by regularly providing information relevant to System Capacity) and, as far as practicable, using reasonable endeavours to agree on the joint engagement of experts for the purposes of both this Undertaking and in respect of similar obligations by other Service Providers; and
- (3)
- (4) ~~If~~ if the expert reasonably considers that there is either agreement or broad consensus amongst stakeholders in the Goonyella Coal Chain as to Terminal Capacity, Expansion Component Capacity or System Capacity (such agreement or consensus having been reached having regard to expert reports ~~but not necessarily resulting in an LTS Outcome~~), the expert must accept that agreement or broad consensus as evidence of Terminal Capacity, Expansion Component Capacity or System Capacity (as the case

may be) except to the extent that the expert reasonably forms the opinion that there is compelling evidence to the contrary.

- (n) **(Tonnages under Access Agreements must not exceed System Capacity)** DBCT Management must not enter into any Access Agreement if the Aggregate Annual Contract Tonnage would (after including the tonnage under the new Access Agreement) exceed the System Capacity (as determined for a relevant time), ~~unless otherwise required to do so by the Access Undertaking (including pursuant to Section 12.3), statute, or an agreement relating to its tenure of the Terminal including the Framework Agreement or the Port Services Agreement.~~ ~~[DBCT Management intends seeking amendments to the Port Services Agreement so as to align the Port Services Agreement with this Undertaking. If the Port Services Agreement is so amended, the words in brackets will be deleted or amended]~~ ~~For clarification:~~ For clarification:
- (1) **(Access Agreements can be conditional on Capacity)** this does not prohibit DBCT Management from entering into an Access Agreement conditional on a Terminal Capacity Expansion being undertaken, as long as the terms of all such Access Agreements are such that the increase in Aggregate Annual Contract Tonnage consequent on such Terminal Capacity Expansion occurring will nevertheless not cause Aggregate Annual Contract Tonnage to exceed System Capacity (based on the estimated System Capacity at the completion of the relevant expansion); and
 - (2) **(Undertaking not breached if System Capacity exceeded after good faith reasonable efforts)** DBCT Management will not be in breach of this Undertaking if it has complied with this Undertaking (or made good faith and reasonable attempts to comply) but an assessment of System Capacity (after the assessment required by Section 12.1(k) following the completion of a relevant Terminal Capacity Expansion) reveals that System Capacity is less than the Aggregate Annual Contract Tonnage at that time.
- (o) **(Protection of DBCT Management)** Notwithstanding any other provision of this Undertaking, if DBCT Management complies (or makes a good faith and reasonable attempt to comply) with the provisions of this Section 12.1, DBCT Management will not have any liability (whether for loss, damage, cost, expense or other remedy) to the QCA or any Access Seeker (and the Standard Access Agreement will provide that DBCT Management will not be liable to an Access Holder which executes it) for any:
- (1) breach of this Section 12.1;
 - (2) delay which arises as a result of the Aggregate Annual Contract Tonnage (which was expected not to exceed Terminal Capacity or System Capacity) subsequently exceeding Terminal Capacity or System Capacity for any reason;
 - (3) one or more factors related to utilisation of capacity of the Terminal or any other part of the System subsequently changes (for example, changes in service levels required pursuant to a right of Access Holders under a Standard Access Agreement, the nature of coal Handled, an Access Holder's use of the Terminal, vessel mix, railway infrastructure, rolling stock or locomotives, rail loading facilities of mines or any other relevant factor (provided that such

factor is not a breach by DBCT Management of any other part of this Undertaking or an Access Agreement); or

- (4) any defect, error or omission on the part of the independent expert appointed under Section 12.1.
- (p) **(Recovery of independent expert's costs)** The costs of an independent expert appointed under Section 12.1(d):
- (1) following the Completion of and handover to the Operator of a Terminal Capacity Expansion will be borne by DBCT Management, and included in the ~~regulated-asset-base~~relevant Regulated Asset Base in accordance with Section 12.5(a)(~~2~~3)(B); and
 - (2) in all circumstances other than as described in Section 12.1(p)(1), be borne by DBCT Management.
- (q) **(Provisional allocation pending determination of Capacity)** Notwithstanding any other provision of this Undertaking, DBCT Management may, on a provisional basis, allocate after the Completion of a Terminal Capacity Expansion the anticipated increase in Terminal Capacity and Expansion Component Capacity (if relevant depending on the Terminal Capacity Expansion) until Terminal Capacity, Expansion Component Capacity (if relevant depending on the Terminal Capacity Expansion) and System Capacity is determined in accordance with Section 12.1(k).

12.2 Terminal Capacity Expansion consultation

(Meeting agendas) DBCT Management will hold meetings with Access Holders not less than twice per Financial Year to consult with Access Holders in good faith upon the following issues:

- (a) current Terminal Capacity and System Capacity;
- (b) constraints on current Terminal Capacity and System Capacity including the impact on vessel waiting times and Access Holder transport costs;
- (c) future contracts/forecasts that may impact on Terminal Capacity and System Capacity;
- (d) significant issues relevant to Terminal Capacity and System Capacity;
- (e) the timing and nature of the next Terminal Capacity Expansion (if any) and the impact on current capacity requirements, pricing and the Terminal Master Plan and System Master Plan; and
- (f) any proposed changes to the Terminal Regulations~~s~~.

and DBCT Management will also hold such meetings to consult in good faith upon these issues in respect of Expansion Component Capacity with Differentially Priced Access Holders for the relevant Expansion Component.

(Meeting administration) DBCT Management will distribute in a timely manner agendas, detailed briefing material and a copy of the minutes of each of these meetings to all Access Holders, DBCT Holdings and the QCA.

12.3 General obligation to undertake Terminal Capacity Expansions

- (a) Subject to Sections 12.7 and 12.8 of this Undertaking, DBCT Management will undertake Terminal Capacity Expansions as are necessary to:
- (1) **(Accommodate growth)** accommodate the actual and reasonably anticipated future growth of demand (having regard to Access Applications received by DBCT Management and other relevant factors) for the use of the Terminal by Access Holders and Access Seekers;
 - (2) **(Eliminate shortfalls in Terminal Capacity)** eliminate sustained shortfalls in actual Terminal Capacity below the aggregate of Annual Contract Tonnes of Access Holders, whatever the reason for such shortfalls;
 - (3) **(Good Operating and Maintenance Practices)** ensure that the Terminal complies with Good Operating and Maintenance Practice in respect of quality standards for such facilities, good environmental practice and applicable environmental standards; and
 - (4) **(Laws)** comply with Approvals and applicable laws, provided that DBCT Management will nevertheless have regard to the System Master Plan and the expected capacity of other components of the System, with the intention that the capacity of the Terminal will (as far as practicable and economic and can reasonably be anticipated) not significantly and disproportionately exceed System Capacity for more than 12 months after the Completion of a Terminal Capacity Expansion.
- (b) (Factors to be taken into account) It is recognised that:
- (1) the name-plate capacity of each individual component of the System will, on a "stand alone" basis at all times, be likely to exceed the aggregate System Capacity to some extent; and
 - (2) DBCT Management does not have any control over any part of the System other than the Terminal, and DBCT Management's estimate of expected capacity of the other components of the System will have limited accuracy (for example, because of changes in ~~the System~~ or operation of the System or the operation of any upstream components of the System in relation to the Terminal, delays in expansions of other parts of the System (including in the circumstance in which another Service Provider delays an expansion which was provided for in a System Master Plan) and other differences to DBCT Management's assumptions).
- (Protection of DBCT Management)** Accordingly DBCT Management will not have any liability to the QCA or an Access Seeker (and the Standard Access Agreement will provide that DBCT Management will not be liable to an Access Holder who executes it) if DBCT Management makes a good faith and reasonable attempt to comply with this Section 12.3, even if it does not actually comply with this Section 12.3.

12.4 Accommodation of Capacity

- (a) **(General obligation to accommodate Access Applications)** Subject to Sections 12.7 and 12.8 of this Undertaking, and the proviso in Section 12.3(a), ~~DBCT Management will use its best endeavours to ensure that~~ as soon as reasonably practical after DBCT Management receives from a reasonably creditworthy Access Seeker a bona fide offer to enter into:

- (1) an Access Agreement that, on acceptance, ~~will be unconditional and legally binding~~ will be unconditional, legally binding and require the Access Seeker to obtain Handling of coal at the Terminal for a period in excess of 5 years ~~(or 10 years or more Handling of coal if acceptance of the offer would require a Capacity Expansion)~~ but will not require a Terminal Capacity Expansion; or
- (2) an Access Agreement or a series of Access Agreements that, on acceptance, will be unconditional, legally binding and require the Access Seeker to obtain Handling of coal at the Terminal for a term of at least 15 years or a Weighted Average Term of at least 15 years (respectively) and will require a Terminal Capacity Expansion,

Section 13.2 proposes Weighted Average Terms of 15 years for access agreements that will trigger an expansion. The above amendments to the 2010 Undertaking are consequential to that change.

~~DBCT Management will use its best endeavours to ensure that~~ the Terminal is able to Handle that coal without a material and sustained increase in:

- (3) ~~(1)~~ vessel waiting times; or
- (4) ~~(2)~~ the average net costs (after taking into account any discounts or rebates available to Access Holders) across all Access Holders of transporting coal from the rail loading points at mine sites to the Terminal for Handling, over any period of three consecutive months,

attributable to delays caused by the provision of Services in respect of the additional volume. DBCT Management will disclose to all Access Holders, Access Seekers and the QCA its process for so calculating vessel waiting times and average net costs to Access Holders.

- (b) **(Bona fide offers and reasonably creditworthy Access Seekers)** Without limiting the circumstances in which DBCT Management may be taken to have received from a reasonably creditworthy Access Seeker a bona fide offer to enter into an Access Agreement, if:

- (1) DBCT Management receives an offer from an Access Seeker to enter into an Access Agreement on the terms of the Standard Access Agreement, or receives an offer from an Access Seeker to enter into an Access Agreement where any departure of the terms of that offer from the terms of a Standard Access Agreement is not likely to increase cost (direct or indirect) or risks to DBCT Management; and

- (2) the Access Seeker has satisfied DBCT Management (acting reasonably) in accordance with Section 5.9 that the Access Seeker (or any relevant Security provider) has the financial and other relevant resources to enable it to discharge its obligations under the relevant Access Agreement,

then for the purpose of this Section 12.4, DBCT Management will be taken to have received from a reasonably creditworthy Access Seeker a bona fide offer to enter into an Access Agreement.

~~*[To the extent this Section varies from the current obligations in the Port Services Agreement, those variations are subject to them also being made to the Port Services Agreement – which DBCT Management will endeavour to negotiate.]*~~

12.5 Undertaking Terminal Capacity Expansions

- (a) **(Terminal Capacity Expansion application to be lodged with QCA)** If DBCT Management proposes to expand the Terminal during the Term of the Undertaking (either because it is obliged to do so under this Undertaking or wishes to do so without being obliged to do so), it will submit to the QCA a Terminal Capacity Expansion application, which must include the following information:
- (1) details of the scope of the proposed Terminal Capacity Expansion; including:
 - (A) confirmation that, and details of how, the Terminal Capacity Expansion complies with both the current Terminal Master Plan and System Master Plan; or
 - (B) a justification acceptable to the QCA as to why it does not, and need not, comply with the Terminal Master Plan or System Master Plan, but will nevertheless be economically and operationally prudent;
 - (2) DBCT Management’s determination, acting reasonably, of whether the Terminal Capacity Expansion should be treated as an Expansion Component or an extension to an existing Expansion Component and therefore be Differentially Priced, which must be:
 - (A) in accordance with Section 11.10(b); and
 - (B) consistent with DBCT Management’s determination notified to Access Seekers in accordance with Section 5.10(k),

unless DBCT Management has made a contrary determination due to any FEL3 Feasibility Study undertaken in accordance with Section 5.10(l). If DBCT Management’s determination is that the Terminal Capacity Expansion should be treated as an Expansion Component or an extension to an existing Expansion Component or is contrary to its determination notified to Access Seekers in accordance with Section 5.10(k), then DBCT Management will include:

- (C) its assessment of the Reference Tariff that might apply after the Terminal Capacity Expansion has been Completed, based on the FEL 1 Feasibility Study and FEL 2 Feasibility Study, and on any FEL 3 Feasibility Study, undertaken in accordance with Section 5.10; and
- (D) the basis on which the Reference Tariff has been calculated, which must be consistent with Section 11 of this Undertaking;

Section 12.5(a)(2) provides significant certainty for Access Seekers, Access Holders, DBCTM and the QCA as DBCTM's determination on whether the expansion will be differentially priced is 'locked in' from the feasibility study stage. This is the case unless a FEL 3 feasibility study showed that one or more aspects of the Section 11.10(b) criteria would be met. DBCTM considers that this would be relatively unlikely, given that the level of planning for the expansion that would have been included in the FEL 1 and 2 studies.

- (3) ~~(2)~~ the estimated cost of the proposed Terminal Capacity Expansion categorised into:
- (A) works that are proposed to be managed under the TCMP (**Contract Costs**); and
- (B) work and costs which are not to be managed under the TCMP (**Other Costs**);
- (4) ~~(3)~~ the estimated timetable for the proposed Terminal Capacity Expansion;
- (5) ~~(4)~~ a high level project execution strategy, which will, among other things, identify risks and risk mitigation;
- (6) ~~(5)~~ either:
- (A) evidence that the 60/60 Requirement has been complied with; or
- (B) DBCT Management's justification for the Terminal Capacity Expansion without the 60/60 Requirement having been complied with;
- (7) ~~(6)~~ the process for the tendering and awarding of contracts, standard form contract terms, and the contract management process for the management of contracts post award (these processes together constitute the Tender and Contract Management Processes (**TCMP**)); and
- (8) ~~(7)~~ the process by which costs will be expended, tracked and managed if they are not covered by the TCMP.
- (b) **(Monthly reporting to QCA)** DBCT Management will also submit to the QCA (with a copy to each Access Holder) a monthly report setting out:
- (1) the status of each ~~Contract~~contract awarded under the TCMP, including the degree of completion and the anticipated final cost inclusive of actual and provisioned variations;

- (2) the status of each element of the Other Costs, including the costs incurred, the degree of completion and the anticipated final costs; and
 - (3) if anticipated final costs vary from the costs initially forecast, details of and the reasons for the variation.
- (c) **(QCA to confirm indication of Reference Tariff following Expansion)** If requested by DBCT Management, an Access Seeker or an Access Holder, the QCA will provide an indication of the Reference Tariff that might apply after the Terminal Capacity Expansion has been completed. Any indicative Reference Tariff provided will be based on the estimates supplied by DBCT Management when submitting the Terminal Capacity Expansion application which may not have been reviewed or may not eventually be accepted by the QCA, but will, if relevant, be consistent with the QCA's acceptance (to the extent it has occurred at the relevant time) of Differential Pricing in accordance with Section 12.5(h).
- (d) **(DBCT Management to provide information to QCA)** DBCT Management will provide all information required by the QCA or any advisor to the QCA to enable the QCA to assess the prudence of any proposed or actual capital expenditure. Any information provided by DBCT Management and nominated as confidential will be handled by the QCA in accordance with the confidentiality provisions of the QCA Act.
- (e) **(QCA's acceptance of prudence of contract costs)**
- (1) The QCA will accept that capital expenditure in respect of a proposed Terminal Capacity Expansion is prudent and will include it into the ~~regulated asset base~~relevant Regulated Asset Base following Completion of the Terminal Capacity Expansion if DBCT Management can demonstrate and the QCA is satisfied that:
 - (A) the scope of the works complies with Section 12.5(f) and the requirements of that Section have been met; and
 - (B) the standard and specifications of the works is appropriate, as provided for in Section 12.5(g) and the requirements of that Section have been met; and
 - (C) the works were undertaken in accordance with the approved TCMP or were otherwise reasonable, as provided for in Sections ~~12.5(i)~~, 12.5(j), 12.5(k), 12.5(l) and 12.5(~~l~~m) and the requirements of those Sections have been met.
 - (2) In the event that the QCA considers that any elements specified in Section 12.5(e)(1) are not satisfactorily met, the QCA will undertake an assessment of the prudence of the capital expenditure as if the works were Other Costs, as provided for in Section 12.5(~~m~~n). In undertaking this assessment, the QCA will take into account the extent to which DBCT Management has achieved compliance with the expansion approval process outlined in this Section 12.5.
 - (3) For clarity, a reference in this Section 12.5 and in Section 12.6 to 'Regulated Asset Base' is:

- (A) to the extent that the Terminal Capacity Expansion is an Expansion Component or an extension to an existing Expansion Component, a reference to the Regulated Asset Base for that Expansion Component; and
 - (B) to the extent that the Terminal Capacity Expansion is an expansion of the Base Terminal and not an Expansion Component, a reference to the Regulated Asset Base for the Base Terminal.
- (f) (QCA's acceptance of scope of works)
 - (1) The QCA will accept the scope of the proposed Terminal Capacity Expansion if it is satisfied that:
 - (A) the scope is consistent with the current Terminal Master Plan and System Master Plan and applicable laws;
 - (B) the 60/60 Requirement has been complied with; and
 - (C) (together with any other relevant expansions of one or more components of the System) the Terminal Capacity Expansion will result in an increase in System Capacity and will not be expected to result in Terminal Capacity significantly and disproportionately exceeding System Capacity for more than 12 months after Completion of a Terminal Capacity Expansion.
 - (2) The QCA will accept or not accept the scope within 20 Business Days of being provided with all of the information it requires to assess the proposed works and the criteria listed in Section 12.5(f)(1). If the QCA does not accept the scope of the proposed works, it will give reasons in writing.
- (g) (QCA's acceptance of standard and specifications of works)
 - (1) The QCA will review the standard and specifications of works relating to a Terminal Capacity Expansion and all relevant contract terms to ensure that the works do not involve any unnecessary works or contain design standards that exceed those standards necessary to comply with ~~Section~~Clause 12.1 of the Port Services Agreement, or, in the case of contract terms, are not likely to materially adversely impact on a prudent balance between price and risk.
 - (2) The QCA will accept or not accept on a contract by contract basis the standard, specifications, and contract terms for the works within 20 Business Days of receipt of the technical specifications, design drawings and contract terms for the works and any other information needed by the QCA to review the standard, specifications and contract terms for the works. If the QCA does not accept the standard, specifications and contract terms of the works, it will give reasons in writing.

- (3) If DBCT Management amends the submitted technical specifications and/or design drawings and/or material contract terms after an approval by the QCA, DBCT Management will immediately advise the QCA of the changes. The QCA will accept or not accept the changes.

(h) (QCA's acceptance of Differential Pricing)

- (1) The QCA will accept DBCT Management's determination made in accordance with Section 12.5(a)(2) as to whether the Terminal Capacity Expansion should be treated as an Expansion Component or an extension to an existing Expansion Component and therefore be Differentially Priced if it is satisfied that the Terminal Capacity Expansion will be an Expansion Component or an extension to an existing Expansion Component as it meets the requirements set out at Section 11.10(b).
- (2) The QCA will provide a draft determination, giving reasons, as to whether it accepts DBCT Management's determination or not within 2 months of receipt of the Terminal Capacity Expansion application. Where the draft determination does not accept DBCT Management's determination, DBCT Management may provide further submissions and information to the QCA within one month of receipt of the draft determination.
- (3) If the QCA's draft determination did not accept DBCT Management's determination, the QCA will make its final determination within 2 months of the date of its draft determination. If the QCA's draft determination accepted DBCT Management's determination, the draft determination will be treated as the QCA's final determination.

(i) ~~(h)~~ (60/60 Requirement)

- (1) **(What is the 60/60 Requirement)** In this Section 12.5, the "60/60 Requirement" is satisfied when:

(A) DBCT Management has secured from Access Seekers firm contracts, each of which provides for the Handling of coal for a period of at least ~~10~~15 years duration; for at least 60% of the proposed Terminal Capacity increment; and

(B) 60% of existing Access Holders (as determined by their Annual Contract Tonnages reduced by the relevant exclusions set out in Section 12.5(i)(1)(C)) that:

- (i) in respect of Access Holders under Existing User Agreements, have been required under the terms of the Existing User Agreements to exercise, and in fact have exercised the option to extend the term of the Existing User Agreement by at least five years in response to a request from DBCT Management to do so in connection with the proposed Terminal Capacity Expansion;

- (ii) are Access Holders under Access Agreements under which ‘the Terminal’ (as defined in the Access Agreement) will include the proposed Terminal Capacity Expansion, and have not given an Extension Prevention Notice (as defined in and in accordance with the Access Agreement); or
 - (iii) otherwise, as at the date that is 15 Business Days before the date that it is determined whether the “60/60 Requirement” is complied with, have either (1) at least five years remaining in the term of their Access Agreement under which ‘the Terminal’ (as defined in the Access Agreement) will include the proposed Terminal Capacity Expansion, or (2) less than five years remaining in the term of their Access Agreement but have not been required under the terms of their Access Agreement to exercise the option to extend the term of the Access Agreement,
- ~~(B) 60% of existing Access Holders (as determined by their Annual Contract Tonnes reduced by the relevant exclusions set out in Section 12.5(h)(1)(C)) do not oppose the Terminal Capacity Expansion, having been given the information and notice in Section 12.5(h)(2) for at least 15 Business Days before it is determined whether or not the 60/60 Requirement has been complied with;—~~

The amended 60/60 requirement ensures that Access Holders who will not be affected by an expansion are not included in the voting requirements. The users who would not be affected are those who:

- have less than 5 years of their access agreement remaining and have been required to exercise an extension option; or
- will not be differentially priced Access Holders in respect of the expansion if the expansion proceeds (where the expansion will be differentially priced).

It would be inappropriate for those Access Holders to be included in the vote – and therefore have the ability to stymie the expansion – as they will not be paying for or granted access to the expansion.

- (C) The relevant exclusions are the tonnages of any Access Holder of existing capacity at the Terminal where the Access Holder is:

- (i) legally and beneficially, the same entity as; or
- (ii) a related body corporate of an Access Holder that is legally and beneficially, the same entity as,

an Access Seeker that is within Section 12.5(h)(1)(A). For clarification, where an Access Seeker or Access Holder is, or acts on behalf of, a joint venture, the Access Seeker or Access Holder will only be "legally and beneficially" the same, in respect of both an Access Agreement (or Existing User Agreement) and an Access Application or two or more Access Agreements (or Existing User Agreements) and

Access Applications, where each of the entities comprising the joint venture relating to each relevant Access Agreement (or Existing User Agreement) and Access Application is the same (or a related body corporate of the same) entity in each context.

- (2) **(DBCT Management to provide information for 60/60 Requirement process)** DBCT Management will provide [to the Access Holders and ~~Access Seekers~~ referred to in Section 12.5\(i\)\(1\)\(B\)](#) relevant to a proposed Terminal Capacity Expansion with the following information, for the purposes of determining whether the 60/60 Requirement can be complied with:
- (A) outline details of the scope of the proposed Terminal Capacity Expansion works;
 - (B) details of how the Terminal Capacity Expansion complies with the current Terminal Master Plan and System Master Plan;
 - (C) cost estimates for the proposed Terminal Capacity Expansion and each element of the Terminal Capacity Expansion, including contingency, financing and escalation allowances;
 - (D) a schedule of each element of the proposed Terminal Capacity Expansion;
 - (E) the projected incremental capacity provided by the Terminal Capacity Expansion and subsequent total Terminal Capacity and System Capacity;
 - (F) a high level project execution strategy, which strategy will, among other things, identify risks and risk mitigation;
 - (G) a schedule of likely reductions in Terminal Capacity and System Capacity during construction;
 - (H) an outline of Existing User Agreement tonnages, Access Agreement tonnages, Access Application tonnages and any other contracted tonnages (including provisionally contracted tonnages) and contract periods;
 - (I) an estimate of what effect the proposed Terminal Capacity Expansion will have on Capital Charges and Operation and Maintenance Charges, [including identifying any determination made in accordance with Section 12.5\(a\)\(2\) in respect of Differential Pricing](#);
 - (J) a notice that the above information is being expressly provided in contemplation of the 60/60 Requirement (even if the notice was given prior to the Commencement Date).

For clarification, the information may have been provided before the Commencement Date.

- (3) **(60/60 Requirement conclusive)** Once evidence of compliance with the 60/60 Requirement has been provided and accepted by the QCA it will not be subject to further review (provided that the evidence presented was not misleading or deceptive and there has been no dishonesty or manifest error).
- (4) **(60/60 Requirement determines deemed need for Terminal Capacity Expansion)** If Section 12.5(a)(~~56~~)(A) applies, the QCA will confirm the sufficiency (or sufficiencies) of evidence of the 60/60 Requirement within 20 Business Days of receipt of the Terminal Capacity Expansion application. If the QCA provides such confirmation, it will be deemed to have accepted the need for the Terminal Capacity Expansion. For clarification, the determination of whether the Terminal Capacity Expansion should be treated as an Expansion Component or an extension to an existing Expansion Component and therefore be Differentially Priced will be made in accordance with Section 12.5(h) and without reference to the 60/60 Requirement.

DBCTM has included the last sentence of Section 12.5(i)(4) to avoid any confusion that the 60/60 requirement plays a role in the determination of whether an expansion is to be differentially priced. This is consistent with the use of the 60/60 requirement under the current 2010 Undertaking, which is to provide evidence of the need for an expansion and not to determine the terms under which it should be undertaken.

- (5) **(QCA review if 60/60 Requirement not met)** If Section 12.5(a)(~~56~~)(B) applies, the QCA will, ~~as soon as is practicable~~ within 3 months, review whether the Terminal should be expanded in the way proposed by DBCT Management. If the QCA does not accept that the Terminal should be expanded in the way proposed by DBCT Management, it will give reasons in writing.

(j) ~~(i)~~ (Tender and Contract Management Processes)

- (1) **(General principles for QCA approval)** The QCA will approve DBCT Management's TCMP if it is satisfied that it is consistent with the following general principles, namely that the TCMP:
- (A) is in accordance with good industry practice;
 - (B) will generate an efficient and competitive outcome;
 - (C) will avoid conflict of interest or collusion amongst tenderers;
 - (D) is prudent in the circumstances of the Terminal Capacity Expansion project; and
 - (E) will avoid unreasonable exposure to contract variation claims.

- (2) **(Detailed considerations for QCA approval)** In particular, in considering whether or not to approve DBCT Management's TCMP, the QCA will consider whether, (amongst other things):
- (A) there is a clear process for the calling of tenders, including having clear specifications for tenders, and processes for mitigating conflicts of interest (except when it is assessed that calling tenders is likely to be less advantageous than an alternative means of negotiating a contract);
 - (B) (where applicable) there is a tender assessment process which contains clear and appropriate processes for determining the successful tender, with any decisions to approve a tender that is not the lowest tender being appropriately justified and documented;
 - (C) the basis of payment for works is clearly specified and the basis for undertaking the works is in accordance with good commercial practice;
 - (D) there is a process for managing contracts before and after award that accords with good commercial practice for a project of the type and scale of the Terminal Capacity Expansion and provides appropriate guidance on the criteria that DBCT Management should apply to decisions regarding the management of the Terminal Capacity Expansion, including but not limited to:
 - (i) safety during construction and operation;
 - (ii) compliance with environmental requirements during construction and operation;
 - (iii) minimising disruption to operating capacity during construction;
 - (iv) accommodation of the reasonable requests of Users of ~~DBCT~~[the Terminal](#) to change the scope and sequence of construction to suit their needs;
 - (v) a prudent balance between:
 - (A) a higher price in return for more certainty as to final cost;
 - (B) a lower price accepting that final cost may be less certain; and
 - (C) costs, schedule and minimising disruption to operating capacity during construction;
 - (vi) minimising whole of asset life costs including future maintenance and operating costs; and

- (vii) minimising total project cost which may at times not be consistent with minimisation of individual contract costs;
- (E) there is a process for managing contract variations and/or escalation that occurs post award of a contract, requiring that reasonable consideration be given to managing the risk of contract variations and/or escalation and the allocation of potential risks during the management of the contract and requiring the provision of clear documentary evidence regarding the nature and reasonableness of any variation and/or escalation; and
- (F) DBCT Management has engaged an auditor in accordance with Section 12.5(~~4m~~) to monitor compliance with the TCMP.
- (3) **(Reasons if approval not given by QCA)** If the QCA decides not to approve DBCT Management’s TCMP, the QCA will give DBCT Management a notice in writing within 20 Business Days of the QCA receiving all the information it requires to assess the TCMP. The QCA will provide:
 - (A) reasons for its refusal; and
 - (B) the way the ~~processes~~TCMP should be amended.
- (4) **(Amendment of TCMP)** DBCT Management may at any time and from time to time request amendments to an approved TCMP by giving written notice to the QCA . Promptly following receipt of a request to amend the TCMP the QCA will approve or not approve the amendments. In considering such amendments the QCA will apply Sections 12.5(~~ij~~)(1), 12.5(~~ij~~)(2) and 12.5(~~ij~~)(3).
- (k) ~~(j)~~**(Indicators of prudent contract value)** The QCA will accept that the value of a contract as awarded is prudent and will include it into the ~~regulated-asset-base~~relevant Regulated Asset Base if:
 - (1) the QCA has approved DBCT Management’s TCMP in accordance with Section 12.5(~~ij~~);
 - (2) the QCA is satisfied that contract provisions regarding contract variations and escalation accord with good commercial practice; and
 - (3) the auditor engaged in accordance with Section 12.5(~~4m~~) certifies that the works have been conducted in accordance with the approved TCMP.
- (l) ~~(k)~~**(Indicators of prudent variations and escalations)** The QCA will accept that contract variations and/or escalations post award of a contract are prudent and will include them into the ~~regulated-asset-base~~Regulated Asset Base if:

- (1) **(Compliance with TCMP)** a contract which has been accepted as prudent under Section 12.5(jk) has been managed in accordance with the approved TCMP;
- (2) **(Auditor certification)** the auditor engaged in accordance with Section 12.5(lm) has certified that contract variations and/or escalations have been handled in a manner consistent with the relevant contract provisions; and
- (3) **(Variations and escalations)** the QCA is satisfied that the cost of contract variations and/or escalations is otherwise appropriate, having regard to the following:
 - (A) whether adequate consideration was given to properly managing the risk of contract variations and/or escalation or the allocation of potential risks during the awarding and management of the contract;
 - (B) whether the contract has been appropriately managed when regard is had for matters outlined in Section 12.5(ij)(2)(D);
 - (C) whether the contract variations and/or escalations are appropriately justified; and
 - (D) whether the contract has been managed with a regard to a prudent balance between costs, schedule and minimising disruption to operating capacity during construction.

(m) ~~(h)~~ **(Independent external audit)** As part of the implementation of the approved TCMP, DBCT Management will engage an independent external auditor to audit the compliance of DBCT Management's tender and contract management processes with the TCMP approved under this Section 12.5. The process in this regard will be as follows:

- (1) **(Appointment)** DBCT Management will appoint the auditor, subject to obtaining the QCA's prior approval of the selection of the auditor and the QCA's prior approval of the terms and conditions of the engagement of the auditor;
- (2) **(Acknowledgement of duty)** the auditor will be required to acknowledge and accept that the auditor owes a separate contractual duty of care to the QCA in the provision of the audit and, in the event of a conflict between the auditor's obligations to DBCT Management and its duty of care to the QCA, the auditor's duty of care to the QCA will take precedence;
- (3) **(Audit process to be agreed and approved)** the auditor must agree the processes for conducting an audit with DBCT Management and obtain the QCA's approval of the audit process. The audit process will consist of a proposed work program, including audit costs (which shall be payable by DBCT Management and included in the ~~regulated asset base~~ Regulated Asset Base), for the execution of the audit;

- (4) **(Provision of information to auditor)** DBCT Management will, within a nominated timeframe that is determined by the auditor to be reasonable after consultation with DBCT Management, provide any relevant information the auditor reasonably requires for the purpose of conducting the audit;
- (5) **(Confidentiality deed)** if required by DBCT Management, the auditor will enter into a confidentiality deed with DBCT Management in relation to any information provided by DBCT Management to the effect that it must keep the information confidential and only use that information for the purpose of conducting the audit and completing the audit report detailed below;
- (6) **(Audit reports)** the auditor will compile an audit report identifying whether DBCT Management has complied in all material respects with the approved TCMP including in relation to contract variations and/or escalation. If the auditor identifies that DBCT Management has not complied in all material respects with the approved TCMP, then the audit report is also to contain details on the relevant non-compliance, any reasons stated by DBCT Management for the relevant non-compliance, and whether the non-compliance was reasonable in the circumstances;
- (7) **(Progress reports)** the auditor will provide progress reports on the audit process every 6 months. The auditor will also provide a copy of the audit report to DBCT Management and the QCA upon completion of the audit. The QCA may publish the audit report if it considers it appropriate; and
- (8) **(QCA may require additional detail)** if the QCA forms the view that any of the auditor's reports (whether progress reports or a final report) are lacking in detail or otherwise deficient, the QCA may direct DBCT Management to instruct the auditor to review their report and, in doing so, to address the concerns of the QCA.

(n) ~~(m)~~ (Prudency of Other Costs)

- (1) **(QCA to assess prudency)** The QCA will undertake an assessment of the prudency of Other Costs, and costs to which Section 12.5(e)(2) applies, after the relevant costs have been expended, in accordance with its usual practice for the assessment of the prudency of capital expenditure undertaken by regulated entities.
- (2) **(Considerations relating to prudency)** In assessing whether actual capital expenditure is prudent, the QCA will have regard for the scope of the works undertaken, the standard of the works undertaken and the reasonableness of the cost of works undertaken.
- (3) **(Factors relevant to scope of work)** In assessing the scope of the works and any associated ancillary services undertaken, the QCA will have regard to (amongst other things):

(A) the scope of the proposed Terminal Capacity Expansion;

- (B) the current Terminal Master Plan and System Master Plan (or to the extent that there is no current System Master Plan, the considerations DBCT Management is required to have regard to under Section 15.2(c);
 - (C) the extent of current contracted demand, likely future demand and any spare capacity considered appropriate, and the need for capital works to accommodate that demand;
 - (D) the appropriateness of DBCT Management’s processes to evaluate and select proposed capital works, including the extent to which alternatives are evaluated as part of the process;
 - (E) the extent to which capital projects that were undertaken were subjected to DBCT Management’s evaluation and selection process; and
 - (F) the extent to which consultation has occurred with relevant stakeholders about the proposed capital works.
- (4) **(Factors relevant to standard and specifications)** In assessing the standard and specifications of the works undertaken, the QCA will ensure that the proposed works do not involve any unnecessary works or contain design standards that exceed those standards necessary to comply with ~~elause~~[Clause](#) 12.1 of the Port Services Agreement.
- (5) **(Factors relevant to reasonableness)** In assessing the reasonableness of the cost of works undertaken, the QCA will have regard for, ~~inter alia~~[\(among other things\)](#):
- (A) the level of such costs relative to the scale, nature, cost and complexity of the project;
 - (B) the circumstances prevailing in the markets for engineering, equipment supply and construction;
 - (C) the manner in which the Terminal Capacity Expansion has been managed, including but not limited to the manner in which DBCT Management has balanced the needs of:
 - (i) safety during construction and operation;
 - (ii) compliance with environmental requirements during construction and operation;
 - (iii) minimising disruption to operating capacity during construction;
 - (iv) accommodating the reasonable requests of Access Holders to change the scope and sequence of the works undertaken to suit their needs;

- (v) a prudent balance between:
 - (A) a higher price in return for more certainty as to final cost;
 - (B) a lower price accepting that final cost may be less certain; and
 - (C) costs, schedule and minimising disruption to operating capacity during construction;
 - (vi) minimising whole of asset life costs including future maintenance and operating costs; and
 - (vii) minimising the total cost of the Terminal Capacity Expansion which may at times not be consistent with minimisation of individual costs.
- (6) **(Assessing capital expenditure)** In assessing the prudence of capital expenditure undertaken, the QCA will take advice as necessary from independent advisors using appropriate benchmarks and experience, and consult as necessary with relevant stakeholders (the cost of which advisors will be borne by DBCT Management at the discretion of the QCA).
- (7) **(Audit costs)** The costs of the external auditor referred to in Section 12.5(lm) and the advisers referred to in Section 12.5(mn)(6) (where payable by DBCT Management) will form part of the Other Costs.
- (8) **(Inclusion in asset base)** The QCA will include all prudent capital expenditure into the ~~regulated-asset-base~~ relevant Regulated Asset Base.
- (o) ~~(n)~~ **(Preliminary assessment of Other Costs)** If requested by DBCT Management, the QCA will undertake a preliminary assessment of the reasonableness of the Other Costs and shall advise DBCT Management of the results of such assessment. The QCA will not be bound by this assessment when determining the prudence of actual capital expenditure and whether the capital expenditure should be included in the ~~regulated-asset-base~~ relevant Regulated Asset Base.
- (p) ~~(e)~~ **(Interim Reference Tariffs etc may be determined before Completion of Terminal Capacity Expansion)** Prior to the Completion of a Terminal Capacity Expansion DBCT Management may submit a draft amending access undertaking in accordance with Schedule C, Part A, Section 5 of the Undertaking to provide for:
- (1) an interim ARR, Revenue Cap and Reference Tariff (which interim ARR, Revenue Cap and Reference Tariff is based on forecast costs) as relevant depending on whether the Terminal Capacity Expansion will, once Completed, be an Expansion Component or not, to apply from the first day of the Month following the Month in which a Terminal Capacity Expansion is Completed and handed over to the Operator, until approval by the QCA of an amended ARR, Revenue Cap and Reference Tariff which are based on the actual costs of the Terminal Capacity Expansion; and

- (2) a mechanism for the adjustment of Access Charges (to the extent that they are affected by a Terminal Capacity Expansion) so as to reconcile the difference between Access Charges which are based on forecast costs and Access Charges which are based on actual costs, with the purpose that DBCT Management and Reference Tonnage Access Holders will be placed in the same position they would have been in had the Access Charges which were payable were originally based on the actual costs of the Terminal Capacity Expansion and not the forecast costs.

The interim ARR, Revenue Cap, Reference Tariff and Access Charges will be:

- (3) calculated in accordance with Schedule C, Part A, Section 5 of the Undertaking; and
- (4) consistent with DBCT Management's determination under Section 12.5(a)(2) and any acceptance by the QCA (to the extent it has occurred at the relevant time) of Differential Pricing in accordance with Section 12.5(h).

Section 12.5(p)(3) has been updated for clarity only. Section 12.5(p)(4) recognises that the Reference Tariff is to be determined consistently with whether the expansion is differentially priced or not. At the time the interim determinations are made, the QCA may or may not have made a determination as set out in Section 12.5(h).

- (q) ~~(p)~~ **(Adjustment of interim Reference Tariff etc following Completion and determination of actual costs)** Promptly following the Completion of a Terminal Capacity Expansion and the determination of the actual costs of that Capacity Expansion, DBCT Management must submit a draft amending access undertaking in accordance with Schedule C, Part A, Section 5 of the Undertaking (which draft amending access undertaking will update any draft submitted pursuant to Section 12.5(~~op~~)).

~~(q) [The costs of the Stage 7X Project will be assessed in accordance with the version of the Section 12.5 which was in force on [Insert date]. For clarification, a copy of that version of Section 12.5 is set out in Schedule G of this Undertaking.] [Note: This paragraph and Schedule G can be deleted after confirmation that 7X costs are dealt with]~~

12.6 Return on capital applicable to Terminal Capacity Expansions

- (a) **(WACC(2))** In the event of a Terminal Capacity Expansion, costs incurred in the Terminal Capacity Expansion and approved by the QCA pursuant to Section 12.5, including construction related financing costs, (which will include a return on capital over the construction period on the Terminal Capacity Expansion expenditure incurred), will be included in the ~~regulated asset base~~ Regulated Asset Base upon which the ARR and Reference Tariff are determined. The return on capital over the construction period to be included in the ~~regulated asset base~~ Regulated Asset Base will be calculated at the WACC(2) Rate.
- (b) **(WACC(3))** The return on capital to apply to ~~a~~ the Regulated Asset Base, in respect of the Terminal Capacity Expansion only (whether as a component of the regulated asset base, Base Terminal or, if it is determined in accordance with this Undertaking to be an Expansion Component or an extension to an existing Expansion Component) when calculating the ARR and Reference Tariffs to apply from the first day of the Month

following the Completion and handover to the Operator of the Terminal Capacity Expansion, will be calculated at the WACC(3) Rate.

- (c) **(WACC(1))** The return on capital to apply to other components of the ~~regulated asset base~~ Regulated Asset Base will continue to be calculated at the WACC(1) Rate.

The updates to Section 12.6 are consequential changes due to the establishment of multiple RABs to facilitate differential pricing. DBCTM is not currently seeking to apply a different WACC to differentially priced expansions. However, if either the Weighted Average Mine Life methodology or the approach to differential pricing as set out in this Undertaking is not accepted by the QCA, DBCTM reserves its rights to revisit the WACC applicable to differentially priced expansions. This is because, if the QCA did not accept DBCTM's approach on either of these matters, DBCTM's risk profile would be substantially different. DBCTM would need to be compensated for the increased risks it would be required to assume in relation to term of access agreements and/or to pricing of expansions.

12.7 Unreasonable and uneconomic proposed Terminal Capacity Expansions

If, having regard to:

- (a) the actual or anticipated long-term demand for the Services;
- (b) the extent to which a Terminal Capacity Expansion under the relevant stage of the Terminal Master Plan would produce capacity in excess of demand;
- (c) the cost of the Terminal Capacity Expansion;
- (d) the extent to which DBCT Management can demonstrate on reasonable evidence that the costs of the Terminal Capacity Expansion would be unlikely to be accepted by the QCA as forming part of the cost base for the purposes of determining Access Charges in respect of that Terminal Capacity Expansion; and
- (e) the long-term nature of DBCT Management's investment in the Terminal, including the risk profile presented by a Terminal Capacity Expansion which has been determined by DBCT Management or the QCA (as applicable) to be an Expansion Component and therefore Differentially Priced as compared with the risk profile of the existing Terminal,

A differentially priced expansion may present a different risk profile to the rest of the (socialised) Terminal. This is especially likely to be the case if the expansion involves only a small number of Access Holders and/or if the creditworthiness of those Access Holders is weaker than that of the existing Access Holders of the (socialised) Base Terminal. Additionally, DBCTM will face an increased risk of asset-stranding as the differentially priced capacity will only be able to be re-contracted in the event of expiry or default on an access agreement that is on a separate, differentially priced basis to the rest of the Terminal. It is legitimate for DBCTM to have regard to these considerations in determining whether an expansion would be unreasonable and uneconomic.

the cost to DBCT Management of complying with Sections 12.3, 12.4 and 12.5 would be unreasonable and uneconomic, DBCT Management may submit to DBCT Holdings a written proposal that:

- (f) provides details of the above matters; and
- (g) proposes a modification to or temporary delay in the Terminal Capacity Expansion that would otherwise be required to be undertaken under this Part 12, on terms and conditions that are not inconsistent with the objectives in Clause 2.2 of the Port Services Agreement,

and DBCT Management and DBCT Holdings will consult with one another, the State, Access Holders and Access Seekers, in good faith in respect of the proposal. DBCT Holdings will not unreasonably withhold or delay its agreement to such modification or delay. DBCT Management will be relieved of its obligations under this Part 12 to the extent that DBCT Holdings agrees to modify or delay a Terminal Capacity Expansion (whether such agreement is given under the Undertaking or the Port Services Agreement).

12.8 Inability to proceed with a proposed Terminal Capacity Expansion

If DBCT Management would otherwise be required to proceed with a Terminal Capacity Expansion but, despite its best endeavours, is:

- (a) unable to procure a relevant tenure to or interest in land or seabed necessary for such Terminal Capacity Expansion;
- (b) unable to procure an approval in respect of the occupation or operation of the Terminal, that is required for DBCT Management to lawfully undertake any construction or development otherwise required by a Terminal Capacity Expansion under this Part 12; or
- (c) reasonably of the view that it is not possible to increase Terminal Capacity,

then the obligations of DBCT Management under this Part 12 will be suspended to the extent affected by that inability while that inability continues. DBCT Management will continue to use its best endeavours to (as applicable) procure that approval (including amending, resubmitting or substituting the application and amending the relevant design or work program for the construction or development to procure the approval), procure the interest or tenure, or identify a means of increasing Terminal Capacity.

12.9 Terminal Capacity Expansions to comply with Terminal Master Plan

If DBCT Management wishes to undertake a Terminal Capacity Expansion under this Part 12, it will do so by undertaking the next applicable stage or stages of development contemplated by the Terminal Master Plan (which is intended to be integrated with the System Master Plan) that are necessary to at least provide the necessary relevant additional Handling capacity.

12.10 Non-expansion Capital Expenditure

- (a) **(Good Operating and Maintenance Practice and Port Services Agreement)** DBCT Management will incur Capital Expenditure which does not relate to a Capacity Expansion as is necessary to ensure:
 - (1) that the Terminal complies with Good Operating and Maintenance Practice; and
 - (2) that DBCT Management complies with its obligations under the Port Services Agreement.
- (b) **(Automatic inclusions Streamlined approval of Capital Expansion in regulated asset base Expenditure)** The QCA will be obliged to accept that Capital Expenditure (which does not relate to a Capacity Expansion) is prudent and include it in the ~~regulated asset base~~: relevant Regulated Asset Base:

- ~~(1) to the extent that the total of all Capital Expenditure (which does not relate to a Capacity Expansion) for the Term is equal to or less than one hundred and ten million dollars (\$110,000,000) (which amount is derived from an estimated budget of twenty million dollars (\$20,000,000) per year² and is considered as being a reasonable and prudent amount of non-expansion Capital Expenditure for a terminal of the nature and type of the Terminal);~~
- (1) ~~(2)~~ provided that DBCT Management confirms, to the reasonable satisfaction of the QCA, that the expenditure incurred falls within the definition of Capital Expenditure;
- (2) ~~(3)~~ if:
- (A) the Capital Expenditure is unanimously approved by all Access Holders; or
- (B) the Operator is Dalrymple Bay Coal Terminal Pty Limited (which remains wholly or majority owned or Controlled by Access Holders) and no Access Holder at the relevant time objected to the Capital Expenditure within 1520 Business Days after receiving written notice of the estimated Capital Expenditure from DBCT Management which expressly drew their attention to this clauseSection; and
- (3) ~~(4)~~ if the Operator has recommended in writing the incurring of ~~that~~the Capital Expenditure.

Section 12.10(b) has been updated to reflect streamlining amendments agreed between DBCTM and existing users in consultation on this Undertaking. The amendments to this Section reflect changes resulting from the approved 2011 DAAU in relation to NECAP expenditure.

- (c) **(Inclusion of Capital Expenditure where specific criteria satisfied)** The QCA will accept into the ~~regulated asset base~~Regulated Asset Base Capital Expenditure which:
- (1) does not relate to a Capacity Expansion; and
- (2) ~~to the extent that it exceeds the twenty million dollar (\$20,000,000) per year amount specified in Section 12.10(b)(1) or~~ does not comply with all the conditions in Section 12.10(b),
- if the QCA forms the view that such expenditure is prudent having regard to (among other things):
- (3) the need for the work to be undertaken for the efficient operation and use of the Terminal having regard to demand, cost benefit and other relevant factors;
- (4) the scope of the work undertaken;
- (5) the standard of the work undertaken;
- (6) the circumstances prevailing in the markets for engineering, equipment supply and construction;
- (7) safety during construction and operation;

²~~The estimated budgeted amount of twenty million dollars per contract year does not cap the non-expansion Capital Expenditure which DBCT Management may incur under this Section.~~

- (8) compliance with environmental requirements during construction and operation;
- (9) minimising whole of asset life costs; and
- (10) the advice of independent advisors using appropriate benchmarks and experience and which advisors are appointed (and paid for) by the QCA or paid for by DBCT Management .

(d) (Regulated Asset Base) The relevant Regulated Asset Base for Capital Expenditure (which does not relate to a Capacity Expansion) will be:

- (1) the Regulated Asset Base for an Expansion Component, to the extent that it will provide a benefit to only the Access Holders of Capacity provided by that Expansion Component; or
- (2) otherwise (including if no Expansion Component exists), the Regulated Asset Base for the Base Terminal.

13 Terms and conditions of Access

13.1 Access Agreements

- (a) **(Standard Access Agreement guide for all access)** The granting of Access will be underpinned by the Standard Access Agreement.
- (b) **(Parties to Access Agreements)** The parties to each Access Agreement will include DBCT Management, DBCT Trustee and the relevant Access Holder.
- (c) **(Consistency with Standard Access Agreement)** If the Access Seeker so requires (although DBCT Management and the Access Seeker are able to agree otherwise), the Access Agreement will, in all material respects be consistent with the Standard Access Agreement.
- (d) **(Different terms)** An Access Seeker may seek Access on terms which are different **(Different Terms)** from the Standard Access Agreement, but if it does so:
 - (1) DBCT Management may, acting reasonably, decline to agree to any such Different Term (for example if accepting the Different Term would create obligations which would be impractical for it to comply with or incur unreasonable expense which it could not recoup from the Access Seeker or cause it to breach another Access Agreement or Existing User Agreement or materially disadvantage other Access Holders); and
 - (2) DBCT Management may require that charges other than the Reference Tariff apply if the Different Terms result in a risk profile or costs (direct or indirect) to it different from those that would have applied under the Standard Access Agreement,

and if the parties cannot agree on any such matter, it may be referred to the QCA for determination.
- (e) **(Standard Access Agreement is guide for non-standard terms)** For Access required on terms other than the Standard Access Agreement, the terms of the Standard Access

Agreement will provide guidance as to the terms and conditions that are to be included in the relevant Access Agreement.

- (f) **(Execution copies to be prepared)** Once an Access Seeker has notified DBCT Management that it is satisfied with the terms and conditions of the Access Agreement as drafted, DBCT Management will, as soon as reasonably practicable, provide a final Access Agreement to the Access Seeker for execution.
- (g) **(Prompt execution)** The parties will use reasonable efforts to duly execute the final Access Agreement as soon as practicable after negotiations are finalised.

13.2 Minimum Term of Access Agreements

- (a) (15 years where Terminal Capacity Expansion required)
 - (1) An Access Agreement which will, if entered into by DBCT Management, require a Terminal Capacity Expansion to be undertaken, must:
 - (A) provide for the Handling of coal for a minimum term of 15 years; and
 - (B) ~~(a) (10 years where Terminal Capacity Expansion required)~~ An Access Agreement which, if entered into by DBCT Management, will require a Terminal Capacity Expansion, must provide for the Handling of coal for a minimum term of 10 years (with no right on the part of not allow the User to voluntarily reduce the Annual Contract Tonnage from a date earlier than the end of that 10 year period, except tenth anniversary of commencement of the term of the Access Agreement, except for any right of DBCT Management to terminate for default by DBCT Management).
 - (2) A series of Access Agreements which will, if entered into by DBCT Management with an Access Seeker, require a Terminal Capacity Expansion to be undertaken, must:
 - (A) provide for the Handling of coal for a minimum Weighted Average Term of 15 years; and
 - (B) not allow the User to voluntarily reduce the Annual Contract Tonnage under any Access Agreement in the series earlier than the tenth anniversary of commencement of the term of the latest-dated Access Agreement in the series, except for any right of DBCT Management to terminate for default.

The current market for funding of capital expansions of infrastructure projects servicing the mining industry is weak. DBCTM's ability to obtain funding for capacity expansions at the Terminal is largely dependent on the access agreements which will provide DBCTM with the revenue needed to repay its funding costs. The two key elements of the access agreements are the creditworthiness of the Access Holders and the duration of the Term of the agreements, assuming that all other terms are equal and that pricing is on a take or pay basis (as is the case under the Standard Access Agreement). In this Undertaking, DBCTM has proposed refinements in relation to the creditworthiness of Access Seekers

(see for example Section 5.9(a)) and Access Holders (refer to clause 29 of the Standard Access Agreement).

DBCTM also proposes that the Term of access agreements which necessitate an expansion is extended from 10 years to 15 years. This is better aligned with the term which potential financiers to DBCTM are likely to require in order to provide funding for capacity expansions. This is a shorter term than required under certain other comparable port user agreements – for example, the arrangements between Gladstone Ports Corporation and the users of that port are in some cases for terms in excess of 20 years. DBCTM acknowledges that market practice is variable in relation to the length of term of port user agreements.

It is important to note that DBCTM is not proposing a change in the length of the Term of:

- Existing User Agreements, which in any case would require the agreement of the existing users;
- new access agreements that do not trigger an expansion; or
- replacement agreements for existing mines, which continue to be dealt with at Section 13.2(b) below.

DBCTM has also proposed changes in the SAA (Schedule 2 to this Undertaking) that will allow a user to decrease their tonnage during the last 5 years of a 15 year term to align with mine production. This reduces the impact to new Access Holders of the change from 10 to 15 year terms.

- (b) **(Replacement Agreements for existing mines)** An Access Agreement in respect of an existing mine for which there is already an Access Agreement or Existing User Agreement may be for any term, but:
- (1) if it is for less than 5 years that term and the relevant tonnages must correspond with the expected remaining life of that mine; and
 - (2) no option to extend the term may be granted under it if the term is for less than ~~10~~15 years.
- (c) **(Constraints on term for new mine)** The term of an Access Agreement relating to a new mine (including a mine where production is being resumed after a full closure or a sustained period of dormancy), may be for any term, but
- (1) if it is for a term of less than 5 years, DBCT Management may reserve the right to terminate it on not less than 12 months' notice if:
 - (A) DBCT Management executes an Access Agreement for a period in excess of 5 years, commencing during that term; and
 - (B) DBCT Management would have been unable to execute that new Access Agreement without a Terminal Capacity Expansion of the Terminal, had the first mentioned Access Agreement not been terminated at that time; and
 - (2) no option to extend the term may be granted under it if the agreement provides for the Handling of coal for a term of less than ~~10~~15 years.
- (d) **(Increased tonnage or term is deemed new Access Agreement)** For clarification, increasing the term of, or Annual Contract Tonnage under, an Access Agreement or Existing User Agreement will be taken to constitute a separate Access Agreement in respect of the increased term or tonnage for the purposes of this Section 13.2 (except to

the extent that an Access Holder under an Existing User Agreement has a contractual right to require the increase, on terms which are inconsistent with this paragraph).

- (e) **(Clarification re options)** Reference to an Access Agreement in this Section 13.2 does not include an Access Agreement resulting from the exercise of an option to renew or extend the term under a previous access agreement.

14 Whole of supply chain efficiency

- (a) **(Engagement in Goonyella Coal Chain efficiency improvement)** DBCT Management will, on a “best endeavours” basis, engage with other stakeholders to develop and implement mechanisms to improve the overall efficiency of the Goonyella Coal Chain (including forums established pursuant to or arising out of a Memorandum of Understanding dated 1 April 2008 between stakeholders in the DBCT Coal Chain or any subsequent agreement or arrangement replacing or pursuant to that Memorandum of Understanding, ~~including the LTS Process~~).
- (b) **(Amend Undertaking to comply with ~~LTS Outcomes~~ In the event that the LTS Process results in a LTS Outcome, Section 1.4(c) will apply. Agreed Supply Chain Outcome)** If DBCT Management and each Access Holder reach agreement on mechanisms to improve the overall efficiency of the Goonyella Coal Chain, DBCT Management will:
- (1) consult with the Access Holders regarding the amendments to this Undertaking reasonably required to implement the agreed mechanisms (to the extent relevant to the Services, the Terminal or this Undertaking); and
 - (2) submit to the QCA for approval a draft amending access undertaking incorporating the amendments to this Undertaking which are reasonably required to implement the agreed mechanisms (to the extent relevant to the Services, the Terminal or this Undertaking).

The LTS Process contemplated in the 2010 Undertaking has not resulted in agreement on a solution to improve coordination in the coal chain. Nevertheless, DBCTM remains committed to working with all stakeholders to improve efficiency of the coal chain. This Section has been updated to recognise this and to include the obligation to submit a draft access undertaking that was included in Section 1.4(c) of the 2010 Undertaking.

15 Master plans

15.1 Terminal Master Plan

- (a) **(What the Terminal Master Plan is)** The Terminal Master Plan is the framework and reasoning for the expansion of the Terminal in the most logical and efficient way. It is intended to be a part of, and integrated with, the System Master Plan (and to the extent that at any time there is no System Master Plan, having regard to DBCT Management’s knowledge of the System and System Capacity for the relevant period).
- (b) **(Schedule F)** Until changed pursuant to the Undertaking and the Port Services Agreement, the Terminal Master Plan is the Terminal Master Plan in Schedule F.

- (c) **(Annual review)** DBCT Management must review the Terminal Master Plan at least annually and otherwise in accordance with its obligations under the Port Services Agreement.
- (d) **(Consultation)** Without limiting Section 15.1(c) DBCT Management must consult with all other Service Providers, Access Holders, Access Seekers and the Operator in respect of any proposed amendment to the Terminal Master Plan.
- (e) **(DBCT Management to make copies available)** DBCT Management must make a copy of the Terminal Master Plan available to each other Service Provider and to each Access Holder and Access Seeker, the Operator and the QCA (which may be by way of reference to a website) promptly after each amendment of the Terminal Master Plan.

15.2 System Master Plan

- (a) **(Participate in System Master Planning)** DBCT Management must use its reasonable endeavours to:
 - (1) (to the extent that it has not already occurred at the Commencement Date) reach agreement with each other Service Provider and DBCT Holdings (after consultation with those stakeholders and with all Access Holders and Access Seekers and the Operator) on a System Master Plan; and
 - (2) review (and if necessary revise) that System Master Plan by agreement with each other Service Provider, following ongoing consultation with all the abovementioned stakeholders.
- (b) **(Withdrawal from System Master Planning)** DBCT Management may at any time, acting reasonably propose amendments to an existing or proposed System Master Plan. If after a reasonable time each other Service Provider does not agree to the amendments proposed by DBCT Management, DBCT Management may withdraw its agreement in respect of that System Master Plan in which case there will be assumed to be no System Master Plan for the purposes of this Undertaking. DBCT Management will publish on its website its reasons for withdrawing its agreement to a System Master Plan.
- (c) **(If no System Master Plan)** If at any time for any reason there is (or is deemed to be) no System Master Plan in force, where a provision of this Undertaking requires DBCT Management (or the QCA) to have regard to a System Plan, DBCT Management (or the QCA, as relevant) will have regard to the Terminal Master Plan together with what it reasonably considers to be the present and likely future state of the other relevant components of the System and what DBCT Management (or the QCA, as relevant) reasonably understands to be generally accepted System operating assumptions.
- (d) **(Protection of DBCT Management)** DBCT Management will not be liable to the QCA or an Access Seeker (and the Standard Access Agreement will provide that DBCT Management will not be liable to an Access Holder who executes it) if DBCT Management makes a good faith and reasonable attempt to comply with this Part 15.
- (e) **(DBCT Management's obligations in System Master Planning process)** The following apply to DBCT Management in relation to its endeavours to agree a System Master Plan pursuant to Section 15.2(a) and 15.2(b):
 - (1) DBCT Management must fully and promptly provide to all other relevant Stakeholders all information (to the extent that it is

available to DBCT Management) which might reasonably be considered to be relevant for the purpose of determining a System Master Plan (but this does not require DBCT Management to disclose any information which could reasonably be considered to be commercially sensitive to it or any Access Holder or Access Seeker); and

- (2) DBCT Management must, as far as practicable, work cooperatively with each other Service Provider (for example regularly provide information relevant to System Capacity and, as far as practicable, using reasonable endeavours to agree on the joint engagement of experts for the purpose of the Undertaking and similar obligations by other Service Providers).

16 Transitional arrangements

Nothing in this Undertaking requires a party to an Existing User Agreement to vary a term or provision of that Existing User Agreement.

17 Dispute resolution

17.1 Disputes

(Disputes under this Undertaking) If any dispute or question arises under this Undertaking or in relation to the negotiation of Access between an Access Seeker and DBCT Management (**Dispute**) then, unless otherwise expressly agreed by both parties, such Dispute will be resolved in accordance with this Part 17 and either party may give to the other party to the Dispute notice in writing (**Dispute Notice**) specifying the Dispute and requiring that it be dealt with in the manner set out in this Part 17.

(Disputes under Access Agreements) Unless otherwise agreed by the parties, Disputes under an Access Agreement or Existing User Agreement will be dealt with in accordance with the provisions of that Access Agreement or Existing User Agreement and are not dealt with under this Undertaking.

17.2 Chief Executive resolution

(Reference to CEOs) Unless otherwise agreed by both parties or provided for in this Undertaking, any Dispute will be referred in the first instance and in any event within 10 Business Days of the giving of the Dispute Notice to the Chief Executive of DBCT Management (or his or her nominee) and the Chief Executive of the Access Seeker (or his or her nominee) for resolution.

(Reference to expert) In the event that:

- (a) resolution is not reached within 10 Business Days of referral; or
- (b) either Chief Executive appoints a nominee in accordance with this Part 17 that is unacceptable to the other party,

the relevant Dispute may, by agreement between DBCT Management and the Access Seeker, be referred for resolution by an expert in accordance with Part 17. Failing such agreement, either party may refer the Dispute to the QCA in accordance with Part 17.

17.3 Expert determination

Where a matter is referred to an expert in accordance with Section 17.2 or as otherwise specified in accordance with this Undertaking, then the following will apply:

- (a) **(Appointment)** An expert may be appointed by the parties, or where agreement cannot be reached by the parties within 20 Business Days, in the case of financial matters, by the President for the time being of the Australian Society of Certified Practising Accountants and, in the case of non-financial matters, the President for the time being of the Institution of Engineers, Australia;
- (b) **(Criteria for expert)** In any event the expert must:
 - (1) have appropriate qualifications and practical experience having regard to the nature of the Dispute;
 - (2) have no interest or duty which conflicts or may conflict with his or her function as expert, he or she being required to fully disclose any such interest or duty before his or her appointment; and
 - (3) not be a current or immediate past employee of the Access Seeker or DBCT Management or of a Related Party of either of them;
- (c) **(Acceptance of appointment)** The expert appointed pursuant to this Section 17.3 must not act until the expert has given written notice of the acceptance of his or her appointment to both parties;
- (d) **(Provision of information to expert)** The parties must upon request by the expert, provide or make available to the expert:
 - (1) all information in their possession or control (other than Confidential Information);
 - (2) all Confidential Information (subject to entry into arrangements to preserve confidentiality which are acceptable to all relevant parties, acting reasonably); and
 - (3) all other assistance,

that the expert may reasonably require. Any such information or assistance must be provided as soon as reasonably practicable. Any determination made by an expert in relation to a Dispute must be consistent with the provisions of this Undertaking;
- (e) **(Determination to be given to each party)** The expert will provide both parties with a copy of the determination in relation to the Dispute within a reasonable time after his or her appointment;
- (f) **(Confidentiality)** The expert appointed pursuant to this Section 17.3 is required to undertake to the parties in writing to keep confidential all matters coming to his or her knowledge by reason of this appointment and performance of his or her duties;

- (g) **(Not arbitration)** Any person nominated as an expert pursuant to this Section 17.3 is deemed to be and must act as an expert and not as an arbitrator. The law relating to arbitration including, without limitation, the Commercial Arbitration Act ~~1990~~2013 (Qld) as it may be amended from time to time, does not apply to the expert or to the determination or to the procedures by which the expert may reach that determination;
- (h) **(Expert's decision final)** In the absence of manifest error, the decision of the expert is final and binding upon the parties. If a party believes that there was a manifest error it may refer the matter to the QCA for a determination. If the QCA determines that there was a manifest error, then the parties may agree to refer the Dispute to another expert in accordance with this Section 17.3, or failing such agreement, either party may refer the Dispute to the QCA for resolution in accordance with Section 17.4;
- (i) **(Costs of expert)** The costs of the expert and the reasonable costs of the parties are to be borne by the parties in such proportions as determined by the expert. If two or more Access Holders are parties to a Dispute involving substantially the same issues and there are no special circumstances making it necessary or desirable for them to be separately represented, it will only be reasonable for those Access Holders in aggregate to recover the costs of being collectively represented in any Dispute.

17.4 Determination by the QCA

(Division 5 Part 5 process) If a Dispute is referred to the QCA in accordance with this Undertaking, then Division 5 of Part 5 of the QCA Act will apply. The QCA must not make an access determination that is inconsistent with this Undertaking (unless all parties agree and no other relevant stakeholder is adversely affected).

(Process in other cases) If an issue is referred to the QCA for determination as specified in accordance with this Undertaking but does not constitute a Dispute for the purposes of Division 5 of Part 5 of the QCA Act, then the QCA will make a determination through any process that it considers appropriate, provided that:

- (a) prior to considering the issue, the QCA advises both parties of the process that it will use to make the determination and both parties are given the opportunity to advise the QCA of any concerns they may have with that process and receive a response from the QCA as to how it will deal with such concerns, if at all; and
- (b) the QCA must not make an access determination that is inconsistent with this Undertaking (unless all parties agree and no other relevant stakeholder is adversely affected).

(Costs awarded as QCA determines) The costs of the QCA and the reasonable costs of the parties are to be borne by the parties in such proportions as determined by the QCA. If two or more Access Holders are parties to a Dispute involving substantially the same issues and there are no special circumstances making it necessary or desirable for them to be separately represented, it will only be reasonable for those Access Holders in aggregate to recover the costs of being collectively represented in any Dispute.

Schedule A – [Access Application Form and Renewal Application Form](#)

Access Application Form



Dalrymple Bay Coal Terminal

Access Application

To: The Chief Executive Officer
 DBCT Management
 Level 15 Waterfront Place
 1 Eagle Street
 BRISBANE QLD 4000

TAKE NOTICE that the Access Seeker named below applies for Access to the Services at Dalrymple Bay Coal Terminal pursuant to section 5.2 of the Access Undertaking.

Name of Access Seeker:

Origin of Coal (Mine name):

Contact Details:

Street address :
 Facsimile :
 Telephone :
 Attention :
 Email address :

The Access Seeker warrants that it has:

- (a) rights to below rail infrastructure; and/or
- (b) made or will promptly make an application to the relevant railway infrastructure service provider to obtain rights to rail infrastructure (which it reasonably expects will be granted if this Access Application is granted); and/or
- (c) otherwise made arrangements,

to ensure that rail access is sufficient to deliver to the Terminal the tonnages which are the subject of this Access Application.

Category of Access Application:		<i>(tick applicable category)</i>
A.	A new Access Seeker <i>(please (1) complete Schedule A attached and (2) provide evidence of solvency or security offered to enable DBCT Management to assess creditworthiness).</i>	<input type="checkbox"/>
B.	An existing Access Holder seeking additional capacity (including an extension of the Term) pursuant to a mechanism in its Access Agreement (as contemplated by section 5.11 of the Access Undertaking).	<input type="checkbox"/>
C.	An existing Access Holder seeking additional capacity (including an extension of the Term) other than in the circumstances contemplated by 5.11 of the Access Undertaking.	<input type="checkbox"/>
	<i>For existing Access Holders making a category B or C application, please complete the</i>	<input type="checkbox"/>

declaration below or Schedule A attached:

I confirm that all details required by Schedule A attached in relation to the Services required at DBCT, and any Security required, will be as per our existing Access Agreement *[tick box at right]*.

[Note: If box is not ticked, please complete Schedule A attached]

Signed: _____

Position: _____

Date: / /

DBCT Management use only

Received Date: / /

Access Application date: / /

[[clause section 5.4\(b\)](#) of the Access Undertaking]

Schedule A to the Access Application of [insert name]

(Note – where the Access Seeker is an Existing Access Holder and the details are relevantly the same as the Services being provided under the Access Agreement, state “as existing”. Cross reference to further sheets to be attached where there is insufficient room in the table below.

1	Name and contact details:	As above
2	Stockpiling requirements:	
3	Blending requirements:	
4	Number of products:	
5	Date of commencement of delivery of coal to the Terminal:	
6	Description of each type of coal (including coal qualities such as moisture content, dust extinction moisture level, “stickiness”, and contamination levels and any special requirements the Access Seeker has in relation to its coal, including any special equipment or particular Handling processes) <u>to be delivered to the Terminal:</u>	
7	Net tonnes of coal per annum requested for each Financial Year where access is requested:	Year Mtpa
8	Proposed number of trains and wagons per train for each week from the proposed date of commencement of the delivery of coal to the Terminal to the end of the first full Financial Year:	
9	Proposed gross tonnes per wagon:	
10	To the extent possible, the number, type and respective gross and deadweight tonnages of vessels, on a month by month basis, expected to ship the Access Seeker's coal from the proposed date of the commencement of the delivery of coal to the Terminal to the end of the first full Financial Year, including details of the numbers of single and part vessel consignments:	
11	Requirements for trial shipments (if any):	
12	<ul style="list-style-type: none"> • Any other information which has been required by DBCT Management or the Operator <u>A report prepared by a ‘competent person’ (as defined in the JORC Code) in accordance with the JORC Code and the Coal Guidelines which provides an estimate of Marketable Coal Reserves and Coal Resources as at the date the report is prepared (which must be within 12 months of the date of the Access Application) which are to be allocated for shipment under the Access Seeker's Access Agreement. The estimate must be calculated in accordance with the JORC Code and the Coal Guidelines. The report and the key documents used to develop the report must be verified by a ‘competent person’ (as defined in the JORC Code).</u> • <u>An explanation of how the estimate of Marketable Coal Reserves and Coal Resources in the report is consistent with having sufficient:</u> 	

	<ul style="list-style-type: none"> ○ <u>Marketable Coal Reserves for the net tonnes of coal per annum requested for each of the first 5 Financial Years in item 7 in respect of which Access is applied for; and</u> ○ <u>Coal Resources, together with the Marketable Coal Reserves, for the net tonnes of coal per annum requested for each Financial Year in item 7.</u> 	
13	<ul style="list-style-type: none"> ● <u>A description of the coal mine project that will be used as the source of coal to be delivered by the Access Seeker to the Terminal (Source Mine Project).</u> ● <u>The project timeline (including key milestones) for the construction, commissioning and production phases of the Source Mine Project.</u> ● <u>An explanation of how the Source Mine Project is currently tracking against the project timeline and a description of the current stage of the Source Mine Project.</u> ● <u>An explanation of how the project timeline referred to above is consistent with the date for commencement of delivery of coal to the Terminal (as specified in item 5).</u> ● <u>An assessment of the prospects of the Access Seeker obtaining any debt or equity finance required in order for the Source Mine Project to achieve the key milestones referred to in the project timeline including commencement of the production phase.</u> ● <u>The Access Seeker's progress in obtaining the necessary approvals for the Source Mine Project.</u> 	

Signed: _____

Position: _____

Date: / /

Renewal Application Form

DALRYMPLE BAY COAL TERMINAL
DBCT MANAGEMENT



Dalrymple Bay Coal Terminal

Renewal Application

To: The Chief Executive Officer
DBCT Management
Level 15 Waterfront Place
1 Eagle Street
BRISBANE QLD 4000

TAKE NOTICE that the Access Seeker named below applies to renew its Access Application for Access to the Services at Dalrymple Bay Coal Terminal pursuant to section 5.3A of the Access Undertaking.

Name of Access Seeker:

Origin of Coal (Mine name):

Contact Details:

Street address :
Facsimile :
Telephone :
Attention :
Email address :

The Access Seeker warrants that it has:

- (a) rights to below rail infrastructure; and/or
- (b) made or will promptly make an application to the relevant railway infrastructure service provider to obtain rights to rail infrastructure (which it reasonably expects will be granted if this Renewal Application is granted); and/or
- (c) otherwise made arrangements.

to ensure that rail access is sufficient to deliver to the Terminal the tonnages which are the subject of this Renewal Application.

<u>Category of Renewal Application:</u>		<i>(tick applicable category)</i>
<p><u>A.</u> <u>A renewal of an Access Application which was submitted by a new Access Seeker (please complete the declaration below or (1) complete Schedule A attached and (2) provide evidence of solvency or security offered to enable DBCT Management to assess creditworthiness).</u></p> <p><u>I confirm that all details required by Schedule A attached in relation to the Services required at DBCT, and any Security required, will be as per our current Access Application [tick box at right].</u></p> <p><u>[Note: If box is not ticked, please complete Schedule A attached]</u></p>		<input type="checkbox"/>
<p><u>B.</u> <u>A renewal of an Access Application which was submitted by an existing Access Holder seeking additional capacity (including an extension of the Term) pursuant to a mechanism in its Access</u></p>		<input type="checkbox"/>

<p><u>Agreement (as contemplated by section 5.11 of the Access Undertaking).</u></p> <p><u>C. A renewal of an Access Application which was submitted by an existing Access Holder seeking additional capacity (including an extension of the Term) other than in the circumstances contemplated by 5.11 of the Access Undertaking.</u> <input type="checkbox"/></p> <p><u>For existing Access Holders making a category B or C Renewal Application, please complete the declaration below or Schedule A attached:</u> <input type="checkbox"/></p> <p><u>I confirm that all details required by Schedule A attached in relation to the Services required at DBCT, and any Security required, will be as per our current Access Application and existing Access Agreement [tick box at right].</u> <input type="checkbox"/></p> <p style="text-align: center;"><i>[Note: If box is not ticked, please complete Schedule A attached]</i></p>	
<p>Signed: _____</p> <p>Position: _____</p> <p>Date: ____ / ____ / ____</p>	<p><i>DBCT Management use only</i></p> <p><i>Received Date:</i> ____ / ____ / ____</p>

Schedule A to the Renewal Application of [insert name]

(Note – where the Access Seeker is an Existing Access Holder and the details are relevantly the same as the Services being provided under the Access Agreement, state “as existing”. Cross reference to further sheets to be attached where there is insufficient room in the table below.

<u>1</u>	<u>Name and contact details:</u>	<u>As above</u>
<u>2</u>	<u>Stockpiling requirements:</u>	
<u>3</u>	<u>Blending requirements:</u>	
<u>4</u>	<u>Number of products:</u>	
<u>5</u>	<u>Date of commencement of delivery of coal to the Terminal:</u>	
<u>6</u>	<u>Description of each type of coal (including coal qualities such as moisture content, dust extinction moisture level, “stickiness”, and contamination levels and any special requirements the Access Seeker has in relation to its coal, including any special equipment or particular Handling processes) to be delivered to the Terminal:</u>	
<u>7</u>	<u>Net tonnes of coal per annum requested for each Financial Year where access is requested:</u>	Year Mtpa
<u>8</u>	<u>Proposed number of trains and wagons per train for each week from the proposed date of commencement of the delivery of coal to the Terminal to the end of the first full Financial Year:</u>	
<u>9</u>	<u>Proposed gross tonnes per wagon:</u>	
<u>10</u>	<u>To the extent possible, the number, type and respective gross and deadweight tonnages of vessels, on a month by month basis, expected to ship the Access Seeker’s coal from the proposed date of the commencement of the delivery of coal to the Terminal to the end of the first full Financial Year, including details of the numbers of single and part vessel consignments:</u>	
<u>11</u>	<u>Requirements for trial shipments (if any):</u>	
<u>12</u>	<ul style="list-style-type: none"> • <u>A report prepared by a ‘competent person’ (as defined in the JORC Code) in accordance with the JORC Code and the Coal Guidelines which provides an estimate of Marketable Coal Reserves and Coal Resources as at the date the report is prepared (which must be within 12 months of the date of the Renewal Application) which are to be allocated for shipment under the Access Seeker’s Access Agreement. The estimate must be calculated in accordance with the JORC Code and the Coal Guidelines. The report and the key documents used to develop the report must be verified by a ‘competent person’ (as defined in the JORC Code).</u> • <u>An explanation of how the estimate of Coal Resources in the report is consistent with being able to economically extract the net tonnes of coal per annum requested for each Financial Year in item 7 by the relevant Financial Years (including the proportion which is ‘Marketable Coal Reserves’ as defined in the JORC Code, and the Access Seeker’s approach to converting those Coal Resources to</u> 	

	<p><u>Marketable Coal Reserves).</u></p> <ul style="list-style-type: none"> • <u>An explanation of how the estimate of Marketable Coal Reserves and Coal Resources in the report is consistent with having sufficient:</u> <ul style="list-style-type: none"> ○ <u>Marketable Coal Reserves for the net tonnes of coal per annum requested for the first five Financial Year in item 7 in respect of which Access applied for; and</u> ○ <u>Coal Resources, together with the Marketable Coal Reserves, for the net tonnes of coal per annum requested for each Financial Year in item 7.</u> 	
<p>13</p>	<ul style="list-style-type: none"> • <u>A description of the coal mine project that will be used as the source of coal to be delivered by the Access Seeker to the Terminal (Source Mine Project).</u> • <u>The project timeline (including key milestones) for the construction, commissioning and production phases of the Source Mine Project.</u> • <u>An explanation of how the Source Mine Project is currently tracking against the project timeline and a description of the current stage of the Source Mine Project.</u> • <u>An explanation of how the project timeline referred to above is consistent with the date for commencement of delivery of coal to the Terminal (as specified in item 5).</u> • <u>An assessment of the prospects of the Access Seeker obtaining any debt or equity finance required in order for the Source Mine Project to achieve the key milestones referred to in the project timeline including commencement of the production phase.</u> • <u>The Access Seeker's progress in obtaining the necessary approvals for the Source Mine Project.</u> 	

Signed: _____

Position: _____

Date: _____ / _____ / _____

Schedule B – Standard Access Agreement

[Standard Access Agreement attached separately]

Schedule C – Revenue Cap/Pricing Structure (Reference Tonnage only)

DBCTM does not propose any substantive amendments to the formulae in Schedule C, other than to provide for differential pricing or to rectify typographical errors in the 2010 Undertaking. The application of differential pricing requires the calculation of separate Revenue Caps, ARR and Reference Tariffs. However, these are calculated using the existing formulae and therefore in the same way that these amounts are currently determined.

Part A – Rules for calculating Terminal Infrastructure Charge and Monthly Payment

1 Monthly Payment (MP)

Each Access Holder “u” with Reference Tonnage (RTAHu) must pay to DBCT Management a Monthly Payment in respect of that Reference Tonnage in each Month “m” of each Financial Year ($MP_{u,m}$), calculated as follows:-

$$MP_{u,m} = TIC \times MRT_{u,m}$$

where:-

TIC is the Terminal Infrastructure Charge applicable for a relevant Financial Year as calculated under [Section 3, Part A](#), Schedule C, ~~Part A, Section 2~~; and

MRT_{u,m} is the number of tonnes which is the proportion of the Reference Tonnage applicable to each RTAHu in each Month “m” of a Financial Year. Where the rate of the Reference Tonnage for an Access Holder does not vary in a Financial Year and applies to the full Financial Year, the MRT_{u,m} for the RTAHu will be one-twelfth of the their Reference Tonnage for the relevant Financial Year. Where the rate of the Reference Tonnage for the RTAHu varies during a Financial Year, the MRT_{u,m} will vary from Month to Month to reflect one-twelfth of the annualised rate of the Reference Tonnage at that time.

The Monthly Payment will be adjusted during a Financial Year where the TIC is adjusted in accordance with Schedule C, Part A, Sections 4 and 5.

2 Determination of Revenue Cap

The Revenue Cap (RC) for each Financial Year (or where there is a Review Event, for each period “i” in the Financial Year) is calculated as follows:

$$RC = \frac{ARR \times ART}{NCT} + INCR$$

where:

ARR is the Annual Revenue Requirement;

ART is the Aggregate Reference Tonnage;

NCT is the Notional Contracted Tonnage; and

INCR is the sum of any relevant increments approved by the QCA in respect of prior Financial Years pursuant to Schedule C, Part B, Sub-Section 4(d).

3 ~~2~~ Terminal Infrastructure Charge

- (a) Where no Review Event occurs after 1 July in a Financial Year, the Terminal Infrastructure Charge (TIC) for that Financial Year (being a charge per tonne for Reference Tonnage) will be calculated as follows:-

$$\text{TIC} = \frac{\text{RC}}{\text{ART}}$$

where:-

RC is the Revenue Cap; and

ART is the Aggregate Reference Tonnage.

- (b) Where a Review Event occurs after 1 July in a Financial Year, the Terminal Infrastructure Charge (per tonne of Reference Tonnage) to apply for each period i in that Financial Year (TIC_i) will be calculated as follows:-

$$\text{TIC}_i = \frac{\text{RC}_i}{\text{ART}_i}$$

where:-

RC_i is the relevant portion of the Revenue Cap to apply for period i in the Financial Year; and

ART_i is the relevant portion of the Aggregate Reference Tonnage applying to the relevant period i in the Financial Year.

3 ~~Determination of Revenue Cap~~

~~The Revenue Cap (RC) for each Financial Year (or where there is a Review Event, for each period “i” in the Financial Year) is calculated as follows:~~

~~where:~~

~~**ARR** is the Annual Revenue Requirement;~~

~~**ART** is the Aggregate Reference Tonnage;~~

~~**NCT** is the Notional Contracted Tonnage; and~~

4 ~~INCR is the sum of any relevant increments approved by the QCA in respect of prior Financial Years pursuant to Schedule C, Part B, Sub Section 4(d); and~~ Determination of ARR

- (a) ~~The ARR that applies for the Financial Year (of 6 Months) commencing on the Commencement Date is [insert].~~
- (a) (b) The ARR that will apply in each subsequent Financial Year (of 12 Months) will be calculated based on:

- (1) principles set out by the QCA in its Final Decision on the Dalrymple Bay Coal Terminal Draft Access Undertaking dated [~~insert~~]; ~~and~~
- (2) any amendment to the Access Undertaking, the ARR, Revenue Cap or Reference Tariff made pursuant to Sub-Sections 4(c), (e) and (g) below; ~~and~~
- (3) any amendment to the ARR required to reflect the fees charged to DBCT Management by the QCA in respect of that or any prior period after 1 July 2010 (to the extent not previously recovered) pursuant to the Queensland Competition Authority Regulation 2007 in providing regulatory services in connection with the Terminal. An amendment under this sub-clause (3) may be submitted to the QCA at the same time as the ARR under sub-section (c) below, or as a later amendment to the ARR during the relevant Financial Year.

Subsection 4(a)(3) was approved by the QCA on 21 July 2011 in response to DBCTM's draft amending access undertaking in relation to pass through of QCA Fees.

(4) Annual amendment of the ARR, Revenue Cap and Reference Tariff

- (b) ~~(e)~~ By each 15 May after the Commencement Date, DBCT Management, after consultation with Access Holders, will submit the ARR to apply for the next Financial Year to the QCA for approval.
- (c) ~~(d)~~ The QCA must approve the ARR submitted by DBCT Management if it considers it has been calculated in accordance with Sub-Section 4(~~ab~~) above.
- (d) ~~(e)~~ The Reference Tariff will be amended annually on 1 July to reflect the new ARR and any variation to reflect the relevant Increment, the Aggregate Reference Tonnage and the Notional Contract Tonnage applicable for that Financial Year.
- (e) ~~(f)~~ Any amendment made pursuant to Sub-Section 4(~~de~~) above will be effective from the relevant 1 July.

Amendment of the ARR, Revenue Cap and Reference Tariff if a Review Event occurs

- (f) ~~(g)~~ If a Review Event occurs, and where described in Section 12.5(~~ep~~), DBCT Management will submit to the QCA for approval:
 - (1) in the case of a Review Event referred to in paragraphs (a) or (b) of the definition of Review Event, a request to amend; or
 - (2) in the case of a Review Event referred to in paragraphs (c), (d) or (e) of the definition of Review Event or in the case of Section 12.5(~~ep~~), a draft amending access undertaking to make any necessary amendments to, any one or more of the ARR, the Revenue Cap and the Reference Tariff to the extent required because of the Review Event. The QCA may approve a request to amend any one or more of the ARR, the Revenue Cap and the Reference Tariff or the draft amending access undertaking (as the case may be) in accordance with this Sub-Section only if it considers it appropriate having regard to the pricing objectives in Section 11.1 of this Undertaking.
- (g) ~~(h)~~ Any amendment made pursuant to Sub-Section 4(~~g~~) **Error! Reference source not found.** above will be effective from the first day of the Month following the Month in which the Review Event occurs, except for those Review Events of the

kind described at paragraph (e) of the Review Event definition, which will be effective from the relevant 1 July.

- (h) ~~(i)~~ For clarification, if a review under Sub-Section 4(e) above occurs simultaneously with a review under Sub-Section 4(g) they will be reviewed together and become effective on the relevant 1 July.

5 Reconciliation of ARR, Revenue Cap and Reference Tariff between the forecast costs of a Terminal Capacity Expansion and the actual costs of a Terminal Capacity Expansion

- (a) The objects of Sub-Sections 5(b) to 5(f) are:
- (1) to provide for an interim ARR, Revenue Cap and Reference Tariff (which interim ARR, Revenue Cap and Reference Tariff is based on forecast costs) to apply from the first day of the Month following the Month in which a Terminal Capacity Expansion is Completed until approval by the QCA of an amended ARR, Revenue Cap and Reference Tariff which are based on the actual costs of the relevant Terminal Capacity Expansion;
 - (2) to provide a mechanism for additional actual costs of a Terminal Capacity Expansion to be incorporated into the ~~regulated asset base~~relevant Regulated Asset Base where those additional actual costs are not determined as at the date of submission (based on actual costs) of a draft amending access undertaking for the Terminal Capacity Expansion; and
 - (3) to provide a mechanism for the adjustment of Access Charges (to the extent that they are affected by a Terminal Capacity Expansion) so as to reconcile, in respect of a Terminal Capacity Expansion, the difference between Access Charges which include forecast costs and Access Charges which include the actual costs of a Terminal Capacity Expansion with the purpose that DBCT Management and Reference Tonnage Access Holders will (subject to the interest calculation provided for in Sub-Section 5(e)(2)) be placed in the same position they would have been in had the Access Charges which were payable were originally based on the actual costs of the Terminal Capacity Expansion and not the forecast costs.
- (b) DBCT Management may submit a draft amending access undertaking promptly after Completion of a Terminal Capacity Expansion that proposes amendments to the:
- (1) ARR;
 - (2) Revenue Cap; and
 - (3) Reference Tariff,
- as relevant depending on whether the Terminal Capacity Expansion is an Expansion Component or not, on an interim basis so as to incorporate the reasonable forecast costs of the Terminal Capacity Expansion.
- (c) Where DBCT Management has submitted a draft amending access undertaking in accordance with Sub-Section 5(b), DBCT Management will submit a further draft amending access undertaking in accordance with Sub-Section 4(g) within such time as is approved by the QCA. That draft amending access undertaking will propose amendments to the:

- (1) ARR;
- (2) Revenue Cap; and
- (3) Reference Tariff,

as relevant depending on whether the Terminal Capacity Expansion is an Expansion Component or not, to, consistent with Section 11.1 of this Undertaking:

- (4) reverse the effects of the amendments referred to in Sub-Section 5(b), that incorporated the reasonable forecast costs of the relevant Terminal Capacity Expansion; and
 - (5) (subject to Sub-Section 5(e)) instead incorporate the actual costs of the relevant Terminal Capacity Expansion.
- (d) Promptly, and in any event within sixty days, after approval by the QCA of a draft amending access undertaking referred to in Sub-~~Sections~~Section 5(c), DBCT Management will, for each Reference Tonnage Access Holder, and in consultation with the QCA, calculate for the relevant Terminal Capacity Expansion the difference between:
- (1) ~~(A)~~ the Access Charges payable in the Interim Reference Tariff Period, which Access Charges are calculated using the reasonable forecast costs of the Terminal Capacity Expansion referred to in Sub-Section 5(b); and
 - (2) ~~(B)~~ the Access Charges payable in the Interim Reference Tariff Period, which Access Charges are calculated using the actual costs of the Terminal Capacity Expansion referred to in Sub-Section 5(c).

Where **Interim Reference Tariff Period** means the period on and from the first day of the Month following the Month in which the relevant Terminal Capacity Expansion is Completed to (but excluding) the first day of the Month following the Month in which the QCA approves the Reference Tariff referred to in Sub-Section 5(c).

DBCT Management will advise the relevant Reference Tonnage Access Holder and the QCA of the calculation referred to in Sub-Section 5(d), promptly, and in any event within one hundred and twenty days, after each date on which the QCA approves the Reference Tariff referred to in Sub-~~Section~~Sections 5(c).

- (e) DBCT Management will, in the Month following the Month in which the calculation referred to in Sub-Section 5(d) (as the case may be) is advised to the QCA, recover or repay in a single payment:
- (1) the difference referred to in Sub-Section 5(d) (as the case may be); and
 - (2) interest on the difference calculated on a Monthly basis from the date the applicable portion of the difference would have been payable under the relevant Access Agreement (had the amended Reference Tariff referred to in Sub-~~Sections~~Section 5(c) applied) to the date of payment of the difference referred to in Sub-Section 5(d) by DBCT Management or the relevant Reference Tonnage Access Holder (as applicable) calculated at a rate equal to a WACC(3) Rate compounded Monthly.

- (f) Where Sub-Sections 5(c) or 5(d) specify a time period by which DBCT Management will do something, the QCA may, on one or more occasions, at its discretion, grant an extension to any time period or due date that applies provided that an application for that extension has been received by the QCA before the expiration of the time period in question.
- (g) [To the extent that a Terminal Capacity Expansion is an Expansion Component or an extension to an existing Expansion Component and is therefore Differentially Priced, this Part A, Section 5 will apply only to the determination, calculation and implementation of the ARR, Revenue Cap, Reference Tariff and corresponding Access Charges in respect of the Expansion Component.](#)

Part B – End of Year Adjustments

1 Year End Adjustment (YEA)

The Year End Adjustment (if any) payable to each Access Holder “u” with Reference Tonnage (YEA_u) will be calculated in respect of each Financial Year as follows:-

$$YEA_u = \frac{RT_u}{ART} \times RP$$

where:-

RT_u is the Reference Tonnage for the Access Holder for the Financial Year;

ART is the Aggregate Reference Tonnage for the Financial Year; and

RP is the Rebate Pool for the Financial Year calculated at Schedule C, Part B, Section 2.

2 Rebate Pool

The Rebate Pool (**RP**) for each Financial Year will be calculated as follows:-

$$RP = (\max(\sum_{u=1}^n EC_u - PI - ATA, 0))$$

where:-

EC_u is the Excess Charge (if any) for each RTAHu for the Financial Year calculated at Schedule C, Part B, Section 73;

n is the number of RTAHs which together hold all ART for the Financial Year;

PI is the Provisional Increment calculated at Schedule C, Part B, Sub-Section 4 (b) for the Financial Year; and

ATA is the Additional Tonnage Amount calculated at Schedule C, Part B, Section 95 for the Financial Year.

3 Excess Charge (EC)

- (a) Where no Review Event occurs after 1 July in a Financial Year, the Excess Charge (if any) payable by each RTAHu (**EC_u**) shall be calculated as follows:-

$$EC_u = \left\{ \begin{array}{l} TIC \times \max[(TS_u - RT_u), 0] + \\ TIC \times 25\% \times \max[(TS_u - RT_u \times 110\%), 0] + \\ TIC \times 25\% \times \max[(TS_u - RT_u \times 125\%), 0] \end{array} \right\}$$

where:-

TIC is the Terminal Infrastructure Charge for that Financial Year calculated at Schedule C, Part A, Section 23;

TS_u is the actual tonnes of coal shipped through the Terminal by a RTAHu during the Financial Year that are Reference Tonnage or Excess Tonnage; and

RT_u is the Reference Tonnage for the RTAHu for the Financial Year.

- (b) Where a Review Event occurs after 1 July in a Financial Year, the Excess Charge (if any) payable by each RTAHu (**EC_u**) shall be calculated as follows:-

$$EC_u = \left\{ \begin{array}{l} TIC_A \times \max[(TS_u - RT_u), 0] + \\ TIC_A \times 25\% \times \max[(TS_u - RT_u \times 110\%), 0] + \\ TIC_A \times 25\% \times \max[(TS_u - RT_u \times 125\%), 0] \end{array} \right\}$$

where:-

- (c) **TIC_A** is the annualised Terminal Infrastructure Charge for that Financial Year calculated at Schedule C, Part B, Section 6;

TS_u is the actual tonnes of coal shipped through the Terminal by a RTAHu during the Financial Year that are Reference Tonnage or Excess Tonnage; and

RT_u is the Reference Tonnage for the RTAHu for the Financial Year.

4 Increment

- (a) If the Reference Tonnage Handled for all Access Holders plus the Excess Tonnage Handled for all Access Holders in a Financial Year exceeds the Aggregate Reference Tonnage (**Over-shipment**), DBCT Management will initially hold (or be entitled to hold – if it is has not actually been paid the relevant amount) a portion of the revenue attributable to the Over-shipment of up to and including 2% of the Revenue Cap (the **Provisional Increment**) calculated in accordance with Sub-Section 4(b) below.

- (b) Where:-

- (1) there has been no Review Event after 1 July during the Financial Year the Provisional Increment is calculated as follows:

$$PI = \max(\min(TIC \times TRTS - RC, 2\% \times RC), 0)$$

where:-

TIC is the Terminal Infrastructure Charge for the Financial Year calculated at Schedule C, Part A, Section 23;

TRTS is the Reference Tonnage Handled for all Access Holders plus the Excess Tonnage Handled for all Access Holders in the Financial Year (and is the sum of all TS_u for each RTAHu); and

RC is the Revenue Cap for the Financial Year.

- (2) there has been a Review Event after 1 July during the Financial Year the Provisional Increment is calculated as follows:

$$PI = \max(\min(TIC_A \times TRTS - RC, 2\% \times RC), 0)$$

where:-

TIC_A is the annualised Terminal Infrastructure Charge for the Financial Year calculated at Schedule C, Part B, Section 6;

TRTS is the Reference Tonnage Handled for all Access Holders plus the Excess Tonnage Handled for all Access Holders in the Financial Year (and is the sum of all TS_u for each RTAH_u); and

RC is the Revenue Cap for the Financial Year.

For clarification, DBCT Management may elect not to make a claim for an Increment in respect of a Financial Year, and to treat the Provisional Increment as nil.

- (c) DBCT Management may submit an application to the QCA seeking to permanently retain the Provisional Increment, within 60 days of Financial Year end. If the QCA is reasonably satisfied that some or all of the over recovery is a direct result of DBCT Management itself or through its contractors (other than the Operator) engaging in activities which have improved capital or operational productivity of the Terminal then the QCA may approve the retention by DBCT Management of all or part of the Provisional Increment (the amount so approved being the **Increment**).
- (d) If the QCA approves an Increment, the Revenue Cap otherwise applicable will be increased commencing from the next Financial Year and for each Financial Year (or part thereof) thereafter until the Terminating Date by the amount of the Increment (or a proportion of it, if the final period in the Term is not a whole Financial Year);
- (e) If the QCA does not approve DBCT Management's application (in whole or in part) or DBCT Management does not submit an application to the QCA as outlined above, DBCT Management will distribute any retained portion of the Provisional Increment (the **Provisional Increment Repayment**) to Reference Tonnage Access Holders within 14 days of the QCA's decision (or, if no application is made, then no later than 14 days after the last date on which the application could have been made), in proportion to their respective Reference Tonnages for the relevant Financial Year.

5 Additional Tonnage Amount (ATA)

- (a) Where no Review Event occurs after 1 July in a Financial Year, the Additional Tonnage Amount (ATA) will be calculated as follows:

$$ATA = TIC \times AT$$

where:-

TIC is the Terminal Infrastructure Charge for the Financial Year calculated at Schedule C, Part A, Section 23; and

AT is the Additional Tonnage for the Financial Year

- (b) Where a Review Event occurs after 1 July in a Financial Year, the Additional Tonnage Amount (**ATA**) will be calculated as follows:

$$ATA = TIC_A \times AT$$

where:-

TIC_A is the annualised Terminal Infrastructure Charge for the Financial Year calculated at Schedule C, Part B, Section 6; and

AT is the Additional Tonnage for the Financial Year.

6 Annualised Terminal Infrastructure Charge (TIC_A)

If there is a Review Event after 1 July in a Financial Year, the annualised Terminal Infrastructure Charge (**TIC_A**) for that Financial Year will be calculated as follows:-

$$TIC_A = \sum_{i=1}^n \left(\frac{TIC_i \times RTP_i}{ART} \right)$$

where:

TIC_i is the Terminal Infrastructure Charge for each period *i* in the Financial Year calculated at Schedule C, Part A, Section 23;

RTP_i is that part of the Reference Tonnage for all RTA_{Hus} relating to each period *i* in the Financial Year (for example, if the Aggregate Reference Tonnage rate in period “*i*” is 50Mtpa and the period “*i*” is of 6 Months duration then RTP_i would be 25 Mt);

ART is the Aggregate Reference Tonnage for the Financial Year (for example, if there are two periods “*i*” in a Financial Year, each of 6 Months duration, and the Aggregate Reference Tonnage rate in each of the periods is 50 Mtpa and 60 Mtpa respectively, then the ART for the Financial Year would be 55Mt); and

n is the number of periods “*i*” in the Financial Year.

Schedule D – Confidentiality deed

This confidentiality deed

is made on _____ between the following parties:

1. **DBCT Management Pty Limited**
ACN 097 ~~098698~~ 916
of Level 15, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000
(**DBCT Management**)
2. **[insert name of receiving party]**
[insert ABN/ACN/ARBN]
of [insert address]
(**Access Seeker**)

Recitals

- A. DBCT Management and the Access Seeker wish to negotiate the terms of an Access Agreement under which DBCT Management will provide Access to the Services.
- B. The parties have agreed to the disclosure of certain Confidential Information to each other in order to assist them to reach a negotiated outcome on the terms and conditions of Access to the Services.
- C. The parties have agreed that any Confidential Information is provided on the terms of this deed and that they will not use or disclose the Confidential Information except as provided in this deed.

This deed witnesses

that in consideration of, among other things, the mutual promises contained in this deed, the parties agree:

1 ~~7~~ Definitions and interpretation

1.1 ~~7.1~~ Definitions

In this deed:

Access Undertaking means the Dalrymple Bay Coal Terminal Access Undertaking prepared in accordance with the requirements of the *Queensland Competition Authority Act 1997* (Qld) and approved on [insert] as varied or replaced from time to time;

Confidential Information means any information, data or other matter disclosed to a party by or on behalf of another party where:

- (a) the disclosure of the information, data or other matter by the Recipient might reasonably be expected to affect the commercial affairs of the owner of the ~~Confidential Information~~ information, data or other matter; or

- (b) the information, data or other matter is marked or otherwise clearly identified as confidential by a party when disclosed, ~~provided that such information, data or other matter:~~

~~provided that such information, data or other matter:~~

- (c) ~~(1)~~ is not already in the public domain;
- (d) ~~(2)~~ does not become available to the public through means other than a breach of this confidentiality deed or of the confidentiality provisions of the Access Undertaking;
- (e) ~~(3)~~ was not in the other party's lawful possession prior to such disclosure; or
- (f) ~~(4)~~ is not received by the other party independently from a third party free to disclose such information, data or other matter,

and provided further that the information, data or other matter will cease to be Confidential Information if the information has ceased to retain its confidential nature, for example because:

- (g) ~~(5)~~ the disclosure of the information, data or other matter by the Recipient would no longer reasonably be expected to affect the commercial affairs of the owner of the information, data or other matter;
- (h) ~~(6)~~ the information, data or other matter is now in the public domain through means other than a breach of this confidentiality deed or of the confidentiality provisions of the Access Undertaking; or
- (i) ~~(7)~~ the information, data or other matter has been received by the Recipient independently from a third party free to disclose the information, data or other matter.

Corporations Act means the *Corporations Act 2001* (Cth);

Discloser means a person who discloses Confidential Information to a Recipient pursuant to negotiations for Access ~~to the Services~~ under Part 5 of the Access Undertaking;

Document includes any note, memorandum, record, report, financial information, summary, analysis, calculation, strategic assessment, market survey, business plan, computer program, computer record, circuit, circuit layout, drawing, specification, material or any other means by which information may be stored or reproduced;

Express Purpose means to assist the Recipient to reach a negotiated outcome with the Discloser as to the terms and conditions of Access;

Recipient means a person who receives Confidential Information pursuant to negotiations for Access ~~to the Services~~ under Part 5 of the Access Undertaking; and

Specified Person means:

- (a) an officer or employee of a Recipient;
- (b) a professional adviser to a Recipient;
- (c) a financier of a Recipient;

- (d) a professional adviser to a financier of a Recipient;
- (e) an officer, employee, or a professional adviser to a related body corporate of a Recipient; or
- (f) an officer or employee of the Operator,

who has a specific need to have access to the Confidential Information for the Express Purpose.

1.2 ~~7.2~~ Interpretation

- (a) Terms defined in the Access Undertaking have the same meaning in this deed unless otherwise defined.
- (b) Headings are for convenience only and do not affect interpretation.
- (c) In this deed, unless the context otherwise requires:
 - (1) words importing the singular include the plural and vice versa;
 - (2) a reference to any thing (including, but not limited to, any right) includes a part of that thing but nothing in this Clause ~~7.2~~1.2(c)(2) implies that performance of part of an obligation constitutes performance of the obligation;
 - (3) the term “related body corporate” has the meaning given to that term under the Corporations Act;
 - (4) the term “associate” has the meaning given to that term in Section 15 of the Corporations Act;
 - (5) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any government agency; and
 - (6) a reference to a person includes that person’s successors and legal personal representatives.

2 ~~8~~ Confidentiality

The Recipient must:

- (a) hold the Confidential Information in strict confidence and not disclose, or cause or permit the disclosure of, the Confidential Information, except as permitted under this deed or with the prior written consent of the Discloser;
- (b) not disclose, or cause or permit the disclosure to any person of, any opinion in respect of the Confidential Information or a Document created in accordance with Clause ~~9~~3(c), except as permitted under this deed;
- (c) keep the Confidential Information and any Documents created in accordance with Clause ~~9~~3(c) in a way such that it is reasonably protected from any use, disclosure or access which is inconsistent with this deed;

- (d) promptly notify the Discloser if it suspects, or becomes aware of, any unauthorised use, storage, copying or disclosure of the Confidential Information;
- (e) do anything reasonably required by the Discloser to prevent or stop a breach or threatened breach of this deed or an infringement or threatened infringement of the Discloser's rights arising out of this deed by any person, whether by court proceedings or otherwise; and
- (f) maintain such procedures as are reasonably necessary to ensure compliance with this deed by the Recipient and each Specified Person and, upon request, provide the Discloser details of the procedures adopted.

3 ~~9~~ Permitted use and disclosure

The Recipient may:

- (a) only use the Confidential Information for the Express Purpose;
- (b) not make use of the Confidential Information to the commercial, financial or competitive disadvantage of the Discloser (but this does not preclude the Recipient from using the Confidential Information in negotiations with the Discloser or in any dispute proceedings, submissions to the Queensland Competition Authority or other proceeding contemplated in the Access Undertaking or the *Queensland Competition Authority Act 1997* (Qld));
- (c) create, or cause or permit to be created, a Document which reproduces, is based on, utilises or relates to Confidential Information only if that creation is solely for the Express Purpose; and
- (d) only disclose Confidential Information (including as contained in a Document created in accordance with Clause ~~9~~3(c)) to a Specified Person, and may only make such disclosure solely for the Express Purpose.

4 ~~10~~ Return and destruction of information

- (a) If requested by the Discloser, the Recipient must promptly return to the Discloser, or destroy or delete as the Discloser directs, all original Documents and copies which:
 - (1) are or contain Confidential Information; and
 - (2) reproduce, are based on, utilise or relate to Confidential Information.
- (b) If a Document or a copy referred to in Clause ~~10~~4(a) contains information which is Confidential Information of the Recipient, then the Recipient is not required to return that Document but must destroy or delete the portion of the Document containing the Confidential Information of the Discloser.
- (c) Nothing in this clause 4 requires the destruction or return of documentation contained in any board papers or information retained by a professional adviser in accordance with usual professional practice.

5 ~~11~~ **Operation of this deed**

- (a) This deed continues without limitation in time but, subject to Clause ~~11~~5(b), does not apply to any Confidential Information that:
- (1) the Recipient or a Specified Person is required to disclose by any applicable law or legally binding order of any court, government, semi-government authority, administrative or judicial body, or a requirement of a stock exchange or regulator;
 - (2) is in the public domain other than as a result of a breach of this deed;
 - (3) was at the time of disclosure already in the lawful possession of the Recipient; or
 - (4) is received by the Recipient from a person (other than a Discloser or any employee, officer, agent or adviser of a Discloser) legally entitled to possess that information and provide it to the Recipient.
- (b) If the Recipient or a Specified Person must make a disclosure referred to in Clause ~~11~~5(a)(1):
- (1) the Recipient must only disclose, and must ensure that the Specified Person only discloses the minimum Confidential Information required to comply with the applicable law, order or requirement; and
 - (2) before making such disclosure, the Recipient must:
 - (A) give the Discloser reasonable written notice of:
 - (i) the full circumstances of the required disclosure; and
 - (ii) the Confidential Information which it, or the Specified Person, proposes to disclose; and
 - (B) consult with the Discloser as to the form of the disclosure.

6 ~~12~~ **Acknowledgment**

The Recipient acknowledges that:

- (a) the Confidential Information is secret and highly confidential to the Discloser;
- (b) this deed does not convey any proprietary or other interest in the Confidential Information to the Recipient or any Specified Person;
- (c) disclosure of Confidential Information in breach of this deed could cause considerable commercial and financial detriment to the Discloser;
- (d) damages may be inadequate compensation for breach of this deed and, subject to the court's discretion, the Discloser may restrain by an

injunction or similar remedy, any conduct or threatened conduct which is or would be a breach of this deed; and

- (e) some or all of the Confidential Information may be relevant to the price or value of securities of the Discloser. The Recipient undertakes that it will not deal in those securities in breach of the insider trading provisions of the Corporations Act.

7 ~~13~~ Recipient to ensure others comply

The Recipient must:

- (a) inform each Specified Person of the Recipient's obligations under this deed;
- (b) procure that each Specified Person strictly observes all of the Recipient's obligations under this deed as if those obligations were imposed on that person; and
- (c) generally ensure that no officer, employee, adviser or agent of the Recipient does anything which, if done by the Recipient, would be inconsistent with this deed.

8 ~~14~~ Indemnity

The Recipient indemnifies the Discloser in respect of any claim, action, damage, loss, cost, charge, expense, outgoing or payment which the Discloser suffers, incurs or is liable for in respect of:

- (a) any breach of this deed by the Recipient;
- (b) any failure by the Recipient to ensure compliance by any Specified Person with the terms of this deed; or
- (c) any infringement of the Discloser's rights in respect of the Confidential Information by the Recipient or a Specified Person.

9 ~~15~~ Disclaimer

- (a) Neither the Discloser, nor any of its related bodies corporate nor any of their respective officers, employees or advisers:
- (1) makes any representation or warranty:
- (A) as to the accuracy or completeness of the Confidential Information;
- (B) that the Confidential Information has been audited, verified or prepared with reasonable care; or
- (C) that the Confidential Information is the totality of the information that a prospective Access Seeker may require in order to negotiate an Access Agreement;

- (2) ~~(D)~~ accepts any responsibility for any interpretation, opinion or conclusion that the Recipient or a Specified Person may form as a result of examining the Confidential Information;
- (3) ~~(E)~~ accepts any responsibility to inform the Recipient of any matter arising or coming to the Discloser's notice which may affect or qualify any Confidential Information which the Discloser provides to the Recipient; and
- (4) ~~(F)~~ is liable, and the Recipient covenants not to make any claim or commence or pursue any proceedings against any of them, for any loss of any kind (including, without limitation, damages, costs, interest, loss of profits, or special loss or damage) arising from:
 - (A) ~~(i)~~ an error, inaccuracy, incompleteness or similar defect in the Confidential Information; or
 - (B) ~~(ii)~~ any default, negligence or lack of care in relation to the preparation or provision of the Confidential Information.
- (b) ~~(2)~~ The Recipient acknowledges that it is making an independent assessment of the Confidential Information and that it will carry out, and rely solely on, its own investigation and analyses in relation to the Confidential Information.
- (c) ~~(3)~~ Any reliance by the Recipient, or any Specified Person, on any Confidential Information, or any use of any Confidential Information, is solely at its own risk.

10 ~~16~~ **Governing law and jurisdiction**

- (a) This deed is governed by the laws of Queensland.
- (b) The parties irrevocably submit to the exclusive jurisdiction of the courts of Queensland.

11 ~~17~~ **Waivers**

- (a) Waiver of any right, power, authority, discretion or remedy arising on default under this deed must be in writing and signed by the party granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of a right, power, authority, discretion or remedy created or arising on default under this deed does not result in a waiver of that right, power, authority, discretion or remedy.

12 ~~18~~ **Variation**

Any variation of this deed must be in writing and signed by the parties.

13 ~~19~~ **Entire agreement**

This deed is the entire agreement between the parties in respect of its subject matter.

Executed as a deed:

Signed sealed and delivered by
DBCT Management
by:

Director/Secretary

Director

Name (please print)

Name (please print)

Signed sealed and delivered by
[insert Access Seeker]
by:

Director/Secretary

Director

Name (please print) Name (please print)

Schedule E - Services

This Schedule has been updated for consistency with the amended Operation and Maintenance Contract, which was executed by the Operator and DBCTM in December 2012, and the ILC Operating Methodology (which has been agreed to by current users).

1 Train scheduling

DBCT Management must (subject to availability of trains and factors beyond its control) co-ordinate ~~the ordering and scheduling~~ cargo assembly windows at the terminal to receive coal parcels and provide train operators and Users with details of cargo receipt windows suitable for terminal acceptance of trains and ensure sufficient unloading capacity is made available at the Terminal, to allow each Access Holder to ship its Annual Contract Tonnage of coal in each Financial Year.

2 Train unloading

If a train carrying an Access Holder's coal arrives at the Terminal ~~as scheduled (or within a reasonable time before or after it is scheduled, where it can reasonably be unloaded at that time)~~ within its designated cargo build window, DBCT Management must ensure that the train is unloaded at a rate (consistent with the type and condition of the coal) consistent with achieving Handling of the Annual Contract Tonnage of coal for an Access Holder.

3 Reclaiming and vessel loading

DBCT Management must:

- (a) make the Terminal available for berthing by vessels (which are satisfactory in all respects to receive coal) nominated by each Access Holder, such that not less than the Annual Contract Tonnage can be Handled by DBCT Management on behalf of that Access Holder in each Financial Year (as long as the vessel and/or cargo mix required by the Access Holder (or its customer) does not unreasonably impact on the efficiency of the Terminal). It is agreed that historical vessel or cargo mixes prior to 30 June 2005 will be taken generally not to have unreasonably impacted on efficiency; and
- (b) load each Access Holder's coal into a vessel which is nominated by the Access Holder and is available for loading so as to achieve the objective in paragraph 3(a).

4 Incidental services

DBCT Management must provide the following services incidental to coal Handling (unless provided directly by the Operator):

- sampling and survey services; and
- vessel monitoring; and
- ~~co-ordination~~ co-ordination with ships' agents, masters, customers and other relevant entities; and
- crew disembarkation ~~assistance~~ services; and
- wharfage and line services.

5 Miscellaneous services

If required by an Access Holder or any Approval or statutory authority notified to DBCT Management, DBCT Management must, in accordance with Good Operating and Maintenance Practice, provide the following ~~Miscellaneous Services~~ miscellaneous services to the Access Holder:

- moisture adding;
- compacting;
- surfactant adding;
- dozing;
- blending (subject to ~~Clause~~Section 6(d) below); and
- any other services reasonably requested from time to time in writing by an Access Holder to DBCT Management, provided that such services will not unreasonably impact on the efficiency or capacity of the Terminal.

6 Stockpiling and blending

- (a) DBCT Management must provide to each Access Holder sufficient stockpile areas to allow cargo assembly (i.e. assembly of cargo for a nominated vessel with an appropriate arrival time) for vessels onto which the Access Holder's coal is to be loaded.
- (b) Remnant management areas will be determined by the Operator in areas of the Terminal which are not required for cargo assembly and which can be made available for dedicated stockpiling without materially affecting efficiency of the Terminal. DBCT Management must ensure that the each Access Holder is offered the opportunity to use a proportion of that stockpiling area which accords with its proportion of the Aggregate Annual Contract Tonnage under all Access Agreements and Existing User Agreements.
- (c) The stockpiling rights in Section 6(a) and 6(b) are subject to any other obligation of DBCT Management under any Access Agreement or Existing User Agreement with another Access Holder entered into prior to 1 July 2004 (to the extent that such obligation has not been waived).
- (d) ~~(e)~~ DBCT Management must blend coal ~~(as a miscellaneous service)~~ if so requested, but subject to requirements in the Terminal Regulations from time to time, which may:
- (1) require coal to be blended before it is received at the Terminal, where reasonably practicable;
 - (2) require coal to be blended into a stockpile where reasonably practicable (rather than being blended from stockpile); and
 - (3) limit the proportions in which coal may be blended (to limit the increase in consumption of capacity of the Terminal consumed because of blending).
- (e) ~~(d)~~ DBCT Management must transfer each Access Holder's coal from the train unloading facility at the Terminal to the relevant stockpile area or a cargo assembly area and stockpile an Access Holder's coal in that area (except to the extent that a quality plan under the Terminal Regulations has been agreed to which provides for direct loading from train to vessel).

7 Prevention of contamination

DBCT Management must take all practicable measures to maintain the integrity of each Access Holder's coal at the Terminal, including (without limitation) by:

- (a) avoiding contamination of the Access Holder's coal, including (without limitation) contamination with other coal or waste material; and
- (b) minimising handling and associated degradation of the Access Holder's coal.

8 Data provision

DBCT Management must provide such information and access to systems as are reasonable to inform Access Holders of relevant data relating to handling of their coal.

9 Co-ordination

Subject to the Access Holder providing relevant information to DBCT Management within a reasonable time, DBCT Management must:

- (a) ~~Subject to the Access Holder providing relevant information to DBCT Management within a reasonable time, DBCT Management must~~ ensure, as far as practicable, that it discharges its obligations in this Schedule in accordance with the requirements of the Access Holder's reasonable quality plans, reasonable shipping programs and contracts as notified to DBCT Management ~~or~~and the Operator from time to time consistent with Terminal Regulations, and ~~(having regard to equity amongst Access Holders) to use its best endeavours to minimise the aggregate cost to the Access Holder arising out of Handling at the Terminal (including demurrage and rail freight).~~
- (b) (subject to the foregoing and having regard to equity amongst Access Holders) use its best endeavours to minimise the aggregate cost to the Access Holder arising out of Handling at the Terminal (including demurrage costs and rail freight).

10 Terminal ~~Regulation~~Regulations, Force Majeure, Laws and Operation & Maintenance Contract~~and laws~~

The provision of each of the above Services by DBCT Management is subject to (and DBCT Management's obligations are modified to the extent of):

- (a) any relevant provisions of the Terminal Regulations ~~in so far as they:~~
 - (1) ~~require scheduling of Access Holder's railing in and shipment of coal in ways which promote Terminal and System efficiency and endeavours to achieve the objective of even shipments by Access Holders;~~
 - (2) ~~temporarily reduce the tonnage of coal which may be Handled or Services provided, during such periods as capacity of the Terminal or relevant Services becomes restricted, provided that such reductions and restrictions affect all Access Holders equitably (but this does not relieve the Access Holder or DBCT Management respectively from any liability which they might have in respect of causing capacity or Services to have become restricted);~~
 - (3) ~~prescribe requirements for trains, unloading of trains, stockpiling and cargo assembly of vessels, arrival of vessels, loading of vessels, pre-loading requirements and order of loading and unloading and other matters where possible (including matters of the type dealt with in the~~

~~Terminal Regulations as at the Commencement Date) which promote the efficient, safe and equitable utilisation of Terminal Capacity and System Capacity and Terminal Services;-~~

- ~~(4) require Access Holders to co-operate with the Operator and other Access Holders in relation to scheduling, loading, unloading, priorities and other matters relating to the operation of the Terminal; and~~
- ~~(5) allow the exercise of discretions on the part of the Operator in limited cases, where it is reasonable to do so, to optimise Terminal or System efficiency and the power is required to be exercised in good faith and in a non-discriminatory way; and~~
- (b) in respect of an Access Holder, any specific provision of their Access Agreement or Existing User Agreement including any [provisions relating to an event of force majeure](#);
- (c) DBCT Management being able to require the Operator under the Operation & Maintenance Contract to provide such services; [and](#)
- (d) [without limiting Section 10\(c\) any specific provision in the Operation & Maintenance Contract including any provisions relating to an event of force majeure.](#)

The provision of the above Services by DBCT Management must be carried out in accordance with Good Operating and Maintenance Practice and all applicable laws.

Schedule F – Terminal Master Plan

Contained separately as Volume 2

Schedule G – ~~Section 12.5 applying to Stage 7X Project~~ Weighted Average Term

Schedule G of the 2010 Undertaking has been removed as costs from the 7X Project have now been addressed.

DBCTM's proposed Weighted Average Term approach is explained in annotations to Section 13.2.

The Weighted Average Term of a series of Access Agreements between DBCT Management and an Access Holder will be calculated as follows:

$$WA = \left(\frac{\sum_{i=1}^n ACT_i \times T_i}{\sum_{i=1}^n ACT_i} \right)$$

where:

WA: Weighted Average Term (in years)

ACT: Annual Contract Tonnage (as defined in the relevant Access Agreement)

T: Term (as defined in the relevant Access Agreement)

Expanded form of Weighted Average Term calculation

An expansion of the formula for the calculation of the Weighted Average Term is set out below for illustration purposes only:

$$WA = \frac{ACT_1 \times T_1 + ACT_2 \times T_2 + ACT_3 \times T_3 + \dots + ACT_n \times T_n}{ACT_1 + ACT_2 + ACT_3 + \dots + ACT_n}$$

Worked example of the Weighted Average Term calculation

A worked example of the calculation of the Weighted Average Term is set out below for illustration purposes only.

Example:

An Access Holder has the following tranches of capacity under three separate Access Agreements with DBCT Management: 3 Mtpa for a 10 year term, 2 Mtpa for a 15 year term and 1 Mtpa for a 20 year term.

The application of the formula to calculate the Weighted Average Term of this series of three Access Agreements is shown below:

{Note: this Schedule can be deleted after confirmation that 7X costs are dealt with}

$$WA = \frac{(3 \times 10) + (2 \times 15) + (1 \times 20)}{3 + 2 + 1}$$

12.5 Capacity Expansion

- (a) ~~If DBCT Management proposes to expand the Terminal during the term of the undertaking, it will submit to the QCA, a Capacity Expansion application, which must include the following information:~~
- ~~(1) details of the scope of the proposed Capacity Expansion;~~
 - ~~(2) details of how the Capacity Expansion complies with the current Master Plan (and any variations to the Master Plan approved by DBCT Holdings);~~
 - ~~(3) the estimated cost of the proposed Capacity Expansion categorised into:

 - ~~(A) works that are proposed to be managed under the TCMP (Contract Costs); and~~
 - ~~(B) Other Costs (**Other Costs**);~~~~
 - ~~(4) the timetable for the proposed Capacity Expansion;~~
 - ~~(5) a high level project execution strategy, which will, among other things, identify risks and risk mitigation;~~
 - ~~(6) either:

 - ~~(A) evidence that the 60/60 Requirement has been complied with; or~~
 - ~~(B) DBCT Management's justification for the Capacity Expansion without the 60/60 Requirement having been complied with;~~~~
 - ~~(7) the process for the tendering and awarding of contracts, standard form contract terms, and the contract management process for the management of contracts post-award (these processes together constitute the Tender and Contract Management Processes (TCMP)); and~~
 - ~~(8) the process by which costs will be expended, tracked and managed if they are not covered by the TCMP.~~
- (b) ~~DBCT Management will also submit to the QCA (with a copy to each Access Holder) a 6-monthly report setting out:~~
- ~~(1) the status of each Contract awarded under the TCMP, including the degree of completion and the anticipated final cost inclusive of actual and provisioned variations;~~
 - ~~(2) the status of each element of the Other Costs, including the costs incurred, the degree of completion and the anticipated final costs; and~~
 - ~~(3) if anticipated final costs vary from the costs initially forecast, details of and the reasons for the variation.~~
- (c) ~~If requested by DBCT Management, an Access Seeker or an Access Holder, the QCA will provide an indication of the Reference Tariff that might apply after the Capacity Expansion has been completed. Any indicative Reference Tariff provided will be based on the estimates supplied by DBCT Management when submitting the Capacity Expansion application which may not have been reviewed or may not eventually be accepted by the QCA.~~

- (d) ~~DBCT Management will provide all information required by the QCA or any advisor to the QCA to enable the QCA to assess the prudence of any proposed or actual capital expenditure. Any information provided by DBCT Management and nominated as confidential will be handled by the QCA in accordance with the confidentiality provisions of the QCA Act.~~
- (e) **Prudence of Contract Costs**
- (1) ~~The QCA will accept that capital expenditure is prudent and will include it into the regulated asset base if DBCT Management can demonstrate and the QCA is satisfied that:~~
- (A) ~~the scope of the proposed works is consistent with the current Master Plan (and any variations to the Master Plan approved by DBCT Holdings) and applicable laws, as provided in section (f) of this Section 12.5;~~
- (B) ~~the standard and specifications of the works is appropriate, as provided for in section (g) of this Section 12.5;~~
- (C) ~~the 60/60 Requirement has been complied with or the QCA accepts that the Terminal should be expanded in accordance with the proposed works, as provided for in section (h) of this Section 12.5; and~~
- (D) ~~the capital works were undertaken in accordance with the approved TCMP or were otherwise reasonable, as provided for in sections (i), (j), (k) and (l) of this Section 12.5.~~
- (2) ~~In the event that the QCA considers that any elements specified in section (e)(1) of this Section 12.5 are not satisfactorily met, the QCA will undertake an assessment of the prudence of the capital expenditure as if the works were Other Costs, as provided for in section (m) of this Section 12.5. In undertaking this assessment, the QCA will take into account the extent to which DBCT Management has achieved compliance with the expansion approval process outlined in this Section 12.5.~~
- (f) **Scope of works**
- (1) ~~The QCA will accept the scope of the proposed Capacity Expansion if it is satisfied it is consistent with the current approved Master Plan (or any variations to the Master Plan approved by DBCT Holdings) and applicable laws.~~
- (2) ~~The QCA will accept or not accept the scope within 20 Business Days of being provided with all of the information it requires to assess the proposed works. If the QCA does not accept the scope of the proposed works, it will give reasons in writing.~~
- (g) **Standard and specifications of works**
- (1) ~~The QCA will review the standard and specifications of the works and all relevant contract terms to ensure that the proposed works do not involve any unnecessary works or contain design standards that exceed those standards necessary to comply with Section 12.1 of the Port Services Agreement, or, in the case of contract terms, are not likely to materially adversely impact on a prudent balance between price and risk.~~
- (2) ~~The QCA will accept or not accept on a contract by contract basis the standard, specifications, and contract terms for the works within 20 Business Days of~~

~~receipt of the technical specifications, design drawings and contract terms for the works and any other information needed by the QCA to review the standard, specifications and contract terms for the works. If the QCA does not accept the standard, specifications and contract terms of the works, it will give reasons in writing.~~

- ~~(3) If DBCT Management amends the submitted technical specifications and/or design drawings and/or material contract terms after an approval by the QCA, DBCT Management will immediately advise the QCA of the changes. The QCA will accept or not accept the changes.~~

~~(h) **60/60 Requirement**~~

- ~~(1) In this Section 12.5, the "60/60 Requirement" is satisfied when:~~

~~(A) DBCT Management has secured from Access Seekers firm contracts, each of which provides for the Handling of coal for a period of at least 10 years duration, for at least 60% of the proposed Terminal Capacity increment; and~~

~~(B) 60% of existing Access Holders (as determined by their Annual Contract Tonnages reduced by the relevant exclusions set out in Section 12.5(h)(1)(C) below) do not oppose the Capacity Expansion, having been given the information and notice in Section 12.5(h)(2) for at least 15 Business Days before it is determined whether or not the 60/60 Requirement has been complied with;~~

~~(C) The relevant exclusions are the tonnages of any Access Holder of existing capacity at the Terminal where the Access Holder is, legally and beneficially, the same entity as or a related body corporate of an Access Holder that is, legally and beneficially, the same entity as, an Access Seeker that is within Section 12.5(h)(1)(A).~~

- ~~(2) DBCT Management will provide Access Holders with the following information, for the purposes of determining whether the 60/60 Requirement can be complied with:~~

~~(A) outline details of the scope of the proposed Capacity Expansion works;~~

~~(B) details of how the Capacity Expansion complies with the current Master Plan (and any variations to the Master Plan approved by DBCT Holdings);~~

~~(C) cost estimates for the proposed Capacity Expansion and each element of the Capacity Expansion, including contingency, financing and escalation allowances;~~

~~(D) a schedule of each element of the proposed Capacity Expansion;~~

~~(E) the projected incremental capacity provided by the Capacity Expansion and subsequent total Terminal capacity;~~

~~(F) high level project execution strategy, which strategy will, among other things, identify risks and risk mitigation;~~

~~(G) outline of Existing User Agreement tonnages, Access Agreement tonnages, Access Application tonnages and any other contracted tonnages (including provisionally contracted tonnages) and contract periods;~~

- ~~(H) a notice that the above information is being expressly provided in contemplation of the 60/60 Requirement (even if the notice was given prior to the Commencement Date). For clarification, the information may have been provided before the Commencement Date.~~
- ~~(3) Once evidence of compliance with the 60/60 Requirement has been provided and accepted by the QCA it will not be subject to further review (provided that the evidence presented was not misleading or deceptive and there has been no manifest error).~~
- ~~(4) If Section 12.5(a)(6)(A) applies, the QCA will confirm the sufficiency (or sufficiencies) of evidence of the 60/60 Requirement within 20 Business Days of receipt of the Capacity Expansion application. If the QCA provides such confirmation, it will be deemed to have accepted the need for the Capacity Expansion.~~
- ~~(5) If Section 12.5(a)(6)(B) applies, the QCA will, as soon as is practicable, review whether the Terminal should be expanded in the way proposed by DBCT Management. If the QCA does not accept that the Terminal should be expanded in the way proposed by DBCT Management, it will give reasons in writing.~~
- (i) Tender and Contract Management Processes**
- ~~(1) The QCA will approve DBCT Management's TCMP if it is satisfied that it is consistent with the following general principles, namely that the TCMP:~~
- ~~(A) is in accordance with good industry practice;~~
 - ~~(B) will generate an efficient and competitive outcome;~~
 - ~~(C) will avoid conflict of interest or collusion amongst tenderers;~~
 - ~~(D) is prudent in the circumstances of the Capacity Expansion project; and~~
 - ~~(E) will avoid unreasonable exposure to contract variation claims.~~
- ~~(2) In particular, in considering whether or not to approve DBCT Management's TCMP, the QCA will consider whether, inter alia:~~
- ~~(A) there is a clear process for the calling of tenders, including having clear specifications for tenders, and processes for mitigating conflicts of interest (except when it is assessed that calling tenders is likely to be less advantageous than an alternative means of negotiating a contract);~~
 - ~~(B) there is a tender assessment process which contains clear and appropriate processes for determining the successful tender, with any decisions to approve a tender that is not the lowest tender being appropriately justified and documented;~~
 - ~~(C) the basis of payment for works is clearly specified and the basis for undertaking the works is in accordance with good commercial practice;~~
 - ~~(D) there is a process for managing contracts before and after award that accords with good commercial practice for a project of the type and scale of the Capacity Expansion and provides appropriate guidance on the criteria that DBCT Management should apply to decisions regarding the management of the Capacity Expansion, including but not limited to:~~
 - ~~(i) safety during construction and operation;~~

- (ii) ~~compliance with environmental requirements during construction and operation;~~
 - (iii) ~~minimising disruption to operating capacity during construction;~~
 - (iv) ~~accommodation of the reasonable requests of Users of DBCT to change the scope and sequence of construction to suit their needs;~~
 - (v) ~~a prudent balance between:

 - (A) ~~a higher price in return for more certainty as to final cost;~~
 - (B) ~~a lower price accepting that final cost may be less certain; and~~
 - (C) ~~costs, schedule and minimising disruption to operating capacity during construction;~~~~
 - (vi) ~~minimising whole of asset life costs including future maintenance and operating costs;~~
 - (vii) ~~minimising total project cost which may at times not be consistent with minimisation of individual contract costs;~~
- (E) ~~there is a process for managing contract variations and/or escalation that occurs post award of a contract, requiring that reasonable consideration be given to managing the risk of contract variations and/or escalation and the allocation of potential risks during the management of the contract and requiring the provision of clear documentary evidence regarding the nature and reasonableness of any variation and/or escalation; and~~
- (F) ~~DBCT Management has engaged an auditor in accordance with section (I) of this Section 12.5 to monitor compliance with the TCMP.~~
- (3) ~~If the QCA decides not to approve DBCT Management's TCMP, the QCA will give DBCT Management a notice in writing within 20 Business Days of the QCA receiving all the information it requires to assess the TCMP. The QCA will provide:~~
- (A) ~~reasons for its refusal; and~~
 - (B) ~~the way the processes should be amended.~~
- (j) ~~The QCA will accept that the value of a contract as awarded is prudent and will include it into the regulated asset base if:~~
- (1) ~~the QCA has approved DBCT Management's TCMP in accordance with section (i) of this Section 12.5;~~
 - (2) ~~the QCA is satisfied that contract provisions regarding contract variations and escalation accord with good commercial practice; and~~
 - (3) ~~the auditor engaged in accordance with section (I) of this Section 12.5 certifies that the tender has been conducted in accordance with the approved TCMP.~~
- (k) ~~The QCA will accept that contract variations and/or escalations post award of a contract are prudent and will include them into the regulated asset base if:~~
- (1) ~~a contract which has been accepted as prudent under section (j) of this Section 12.5 has been managed in accordance with the approved TCMP;~~

- ~~(2) the auditor engaged in accordance with section (1) of this Section 12.5 has certified that contract variations and/or escalations have been handled in a manner consistent with the relevant contract provisions; and~~
- ~~(3) the QCA is satisfied that the cost of contract variations and/or escalations is otherwise appropriate, having regard to the following:~~
- ~~(A) whether adequate consideration was given to properly managing the risk of contract variations and/or escalation or the allocation of potential risks during the awarding and management of the contract;~~
 - ~~(B) whether the contract has been appropriately managed when regard is had for matters outlined in Section 12.5(i)(2)(D);~~
 - ~~(C) whether the contract variations and/or escalations are appropriately justified; and~~
 - ~~(D) whether the contract has been managed with a regard to a prudent balance between costs, schedule and minimising disruption to operating capacity during construction~~
- ~~(4) As part of the implementation of the approved TCMP, DBCT Management will engage an independent external auditor to audit the compliance of DBCT Management's tender and contract management processes with the TCMP approved under this Section 12.5. The process in this regard will be as follows:~~
- ~~(1) DBCT Management will appoint the auditor, subject to obtaining the QCA's prior approval of the selection of the auditor and the QCA's prior approval of the terms and conditions of the engagement of the auditor;~~
 - ~~(2) the auditor will be required to acknowledge and accept that the auditor owes a separate contractual duty of care to the QCA in the provision of the audit and, in the event of a conflict between the auditor's obligations to DBCT Management and its duty of care to the QCA, the auditor's duty of care to the QCA will take precedence;~~
 - ~~(3) the auditor must agree the processes for conducting an audit with DBCT Management and obtain the QCA's approval of the audit process. The audit process will consist of a proposed work program, including audit costs (which shall be payable by DBCT Management and included in the regulated asset base), for the execution of the audit;~~
 - ~~(4) DBCT Management will, within a nominated timeframe that is determined by the auditor to be reasonable after consultation with DBCT Management, provide any relevant information the auditor reasonably requires for the purpose of conducting the audit;~~
 - ~~(5) if required by DBCT Management, the auditor will enter into a confidentiality deed with DBCT Management in relation to any information provided by DBCT Management to the effect that it must keep the information confidential and only use that information for the purpose of conducting the audit and completing the audit report detailed below;~~
 - ~~(6) the auditor will compile an audit report identifying whether DBCT Management has complied in all material respects with the approved TCMP including in relation to contract variations and/or escalation. If the auditor identifies that DBCT Management has not complied in all material respects with the approved~~

~~TCMP, then the audit report is also to contain details on the relevant non-compliance, any reasons stated by DBCT Management for the relevant non-compliance, and whether the non-compliance was reasonable in the circumstances;~~

- ~~(7) the auditor will provide progress reports on the audit process every 6 months as part of the information requirement in section (b) of this Section 12.5. The auditor will also provide a copy of the audit report to DBCT Management and the QCA upon completion of the audit. The QCA may publish the audit report if it considers it appropriate; and~~
- ~~(8) if the QCA forms the view that any of the auditor's reports (whether progress reports or a final report) are lacking in detail or otherwise deficient, the QCA may direct DBCT Management to instruct the auditor to review their report and, in doing so, to address the concerns of the QCA.~~

(m) Prudency of Other Costs

- ~~(1) The QCA will undertake an assessment of the prudency of Other Costs, and costs to which section (e)(2) of this Section 12.5 applies, after the relevant costs have been expended, in accordance with its usual practice for the assessment of the prudency of capital expenditure undertaken by regulated entities.~~
- ~~(2) In assessing whether actual capital expenditure is prudent, the QCA will have regard for the scope of the works undertaken, the standard of the works undertaken and the reasonableness of the cost of works undertaken.~~
- ~~(3) In assessing the scope of the works and any associated ancillary services undertaken, the QCA will have regard for, inter alia:

 - ~~(A) the scope of the proposed Capacity Expansion;~~
 - ~~(B) the current Master Plan (and any variations to the Master Plan approved by DBCT Holdings);~~
 - ~~(C) the extent of current contracted demand, likely future demand and any spare capacity considered appropriate, and the need for capital works to accommodate that demand;~~
 - ~~(D) the appropriateness of DBCT Management's processes to evaluate and select proposed capital works, including the extent to which alternatives are evaluated as part of the process;~~
 - ~~(E) the extent to which capital projects that were undertaken were subjected to DBCT Management's evaluation and selection process; and~~
 - ~~(F) the extent to which consultation has occurred with relevant stakeholders about the proposed capital works.~~~~
- ~~(4) In assessing the standard and specifications of the works undertaken, the QCA will ensure that the proposed works do not involve any unnecessary works or contain design standards that exceed those standards necessary to comply with Section 12.1 of the Port Services Agreement.~~
- ~~(5) In assessing the reasonableness of the cost of works undertaken, the QCA will have regard for, inter alia:~~

- (A) ~~the level of such costs relative to the scale, nature, cost and complexity of the project;~~
- (B) ~~the circumstances prevailing in the markets for engineering, equipment supply and construction;~~
- (C) ~~the manner in which the Capacity Expansion has been managed, including but not limited to the manner in which DBCT Management has balanced the needs of:~~
- (i) ~~safety during construction and operation;~~
- (ii) ~~compliance with environmental requirements during construction and operation;~~
- (iii) ~~minimising disruption to operating capacity during construction;~~
- (iv) ~~accommodating the reasonable requests of Access Holders to change the scope and sequence of the works undertaken to suit their needs;~~
- (v) ~~a prudent balance between:~~
- (A) ~~a higher price in return for more certainty as to final cost;~~
- (B) ~~a lower price accepting that final cost may be less certain;~~
- ~~and~~
- (C) ~~costs, schedule and minimising disruption to operating capacity during construction;~~
- (vi) ~~minimising whole of asset life costs including future maintenance and operating costs; and~~
- (vii) ~~minimising the total cost of the Capacity Expansion which may at times not be consistent with minimisation of individual costs.~~
- (6) ~~In assessing the prudence of capital expenditure undertaken, the QCA will take advice as necessary from independent advisors using appropriate benchmarks and experience, and consult as necessary with relevant stakeholders.~~
- (7) ~~The QCA will include all prudent capital expenditure into the regulated asset base.~~
- (n) ~~If requested by DBCT Management, the QCA will undertake a preliminary assessment of the reasonableness of the Other Costs and shall advise DBCT Management of the results of such assessment. The QCA will not be bound by this assessment when determining the prudence of actual capital expenditure and whether the capital expenditure should be included in the regulated asset base.~~
- (o) ~~Upon, or as near as practicable to, completion of commissioning of the proposed Capacity Expansion, DBCT Management must submit a draft amending access undertaking in~~
- $WA = \frac{80}{6}$
- ~~accordance with Schedule C, Part A, Section 4 of the Undertaking.~~

$WA = 13.33$

[Applying the formula, the Weighted Average Term of the series of three Access Agreements in this example is 13.33 years.](#)

Schedule H – Definitions and Interpretation

This Schedule incorporates consequential amendments arising from substantive amendments made to the body of this Undertaking. A number of these changes are to make concepts in this Undertaking applicable to differential pricing, which will involve division of the Terminal into separate components and the creation of separate Regulated Asset Bases.

Definitions

In this Undertaking:

60/60 Requirement has the meaning given in Section 12.5(h).

Access means access under an Access Agreement or Existing User Agreement to the Services to be provided by DBCT Management at the Terminal.

Access Agreement means an access agreement between DBCT Management and an Access Holder negotiated under Part 5 of this Undertaking (or otherwise entered into during the Term).

Access Applicant means a person who has submitted to DBCT Management a valid Access Application that has been confirmed by DBCT Management as compliant with Section 5.2 and has not lapsed, expired or otherwise been rejected by DBCT Management.

Access Application means:

- (a) an application for Access made or deemed to have been made under Section 5.2 of this Undertaking;
- (b) for the purposes of Sections 5.4, 5.7, 5.8, 5.9, and Part 17 only – an access application which was duly submitted to DBCT Management prior to the Commencement Date under and in accordance with a previous access undertaking for the Terminal and which has not been dealt with on the Commencement Date. For clarification, the time of the submission of the Schedule A information (before or after the Commencement Date) will not affect the date on which the application is taken to have been received by DBCT Management; and
- (c) for the purposes of Section 5.4 only – an application of the kind referred to in Section 5.11 which is made after the Commencement Date,

as renewed from time to time in accordance with this Undertaking.

Access Application Date means:

- (a) where paragraph (b) of this definition does not apply, the date that the Access Application was received by DBCT Management; or
- (b) the date that the Access Application was deemed to be made if the Access Application was substantially altered in accordance with Section 5.3A or 5.7.

Access Charges means amounts payable by an Access Holder under an Access Agreement or Existing User Agreement for the Services.

Access Holder means a party who has an entitlement to Access under an Access Agreement or an Existing User Agreement.

Access Seeker means a party seeking Access, or increased Access, to the Services.

Additional Tonnage means, in respect of a relevant Financial Year, the aggregate of all Excess Tonnage of all Access Holders in that Financial Year which, because of Terminal Capacity, could not have been Handled unless there had been an Early Termination. For clarification, the Additional Tonnage cannot exceed the relevant annual tonnages the subject of Early Termination.

Additional Tonnage Amount or ATA has the meaning given in Schedule C, Part B, Section ~~5.5~~

~~Aggregate Reference Tonnage means, in respect of a relevant Financial Year, the sum of the Reference Tonnages for all Access Holders in that Financial Year.~~

Affiliated Party means, in respect of DBCT Management:

- (a) each Related Entity of DBCT Management; and
- (b) each entity which is otherwise ultimately under the same majority ownership, Control or management as DBCT Management.

Aggregate Annual Contract Tonnage means, in respect of a relevant Financial Year:

- (a) in respect of an Expansion Component, the sum of the Annual Contract Tonnages for ~~all~~ only the Differentially Priced Access Holders in respect of that Expansion Component; and
- (b) in respect of the Base Terminal, the sum of the Annual Contract Tonnages for all Access Holders other than Differentially Priced Access Holders in that Financial Year.

~~Aggregate Reference Tonnage means, in respect of a relevant Financial Year:~~

- (a) in respect of an Expansion Component, the sum of the Reference Tonnages for only the Differentially Priced Access Holders in respect of that Expansion Component; and
- (b) in respect of the Base Terminal, the sum of the Reference Tonnages for all Access Holders other than Differentially Priced Access Holders in that Financial Year.

Annual Contract Tonnage means, for an Access Holder in a relevant Financial Year, the number of tonnes of coal in that Financial Year that the Access Holder is entitled to have Handled under its Access Agreement or Existing User Agreement:

- (a) including tonnage which an Access Holder is entitled to have Handled but which may not, at a practical level, be able to be Handled due to circumstances such as a force majeure event or relevant provisions of Terminal Regulations; ~~but~~ and any tonnage which an Access Holder would be entitled to have Handled but for the suspension of the Access Holder's right to have the tonnage Handled under an Access Agreement; but
- (b) excluding ad-hoc over shipments which may be permitted subject to available capacity.

Annual Revenue Requirement or ARR means, in respect of a relevant Financial Year, the amount of revenue which the QCA determines that DBCT Management is entitled to earn in that Financial Year ~~to fully recover the costs incurred in providing Access to the Services (including an adequate rate of return on the value of assets employed but excluding Terminal Operating Costs), assuming that the Aggregate Annual Contract Tonnage for that Financial Year was all contracted as Reference Tonnage.;~~

- (a) in respect of an Expansion Component, to fully recover the costs incurred in providing Access to the Services (including an adequate rate of return on the value of assets employed but excluding Terminal Operating Costs) that are provided solely utilising that Expansion Component, assuming that the sum of the Annual Contract Tonnages for all

Differentially Priced Access Holders in respect of that Expansion Component in that Financial Year was all contracted as Reference Tonnage; and

- (b) in respect of the Base Terminal, to fully recover the costs incurred in providing Access to the Services (including an adequate rate of return on the value of assets employed but excluding Terminal Operating Costs) other than the Services that are provided solely utilising any Expansion Component, assuming that the Aggregate Annual Contract Tonnage for that Financial Year was all contracted as Reference Tonnage.

Approval means any and all ~~licences~~ licences, approvals, consent or permits required from any Government Agency or third party for the construction, occupation, development or operation of the Terminal for the provision of the Services, performance of the Leases, or the Port Services Agreement, including but not limited to:

- (c) environmental approvals and licences;
- (d) planning and development approvals and licences; and
- (e) local government approvals and licences.

Auditor means, subject to Section 9.7(c)(4), the auditor appointed by DBCT Management and approved by the QCA in accordance with Section 9.7(c)(1).

Available System Capacity means, in respect of a relevant time, the amount of System Capacity at that time not contracted to be Handled. It is derived by subtracting the Aggregate Annual Contract Tonnage as at the relevant time from System Capacity at that time. Where that subtraction results in a negative number, it will be taken to be "nil". Where Available System Capacity is to be determined in respect of a future time DBCT Management will estimate it taking all relevant factors into account (including System Capacity expected to arise out of a System Capacity Expansion which has been or can reasonably be expected to be committed to at the time of the estimation).

Base Terminal means the Terminal excluding any Expansion Components.

Brookfield Group means the group of companies of which Brookfield Asset Management Inc. is the ultimate holding company.

Business Day means a day ~~on which banks (as defined in the Banking Act 1959 (Cth)) are open for general banking business in Queensland excluding Saturdays and Sundays~~ other than a Saturday, a Sunday, or a public holiday in Brisbane.

Capital Charge means the components of Access Charges that are not an Operation & Maintenance Charge.

Capital Expenditure means expenditure (incurred by DBCT Management) which:

- (a) relates to replacement or expansion of any part of the Terminal;
- (b) relates to refurbishment or upgrade of any part of the Terminal which can reasonably be expected to extend the life of the relevant part beyond its original useful life or is undertaken for environmental or safety reasons;
- (c) otherwise relates to the refurbishment or upgrade of Terminal plant and/or infrastructure which is reasonably expected to improve whole of life cost, or is incurred with the agreement of the Operator; or
- (d) is ancillary or incidental to paragraphs (a), (b) or (c),

but not expenditure recovered through HCF or HCV (as those terms are defined in the Standard Access Agreement).

Coal Guidelines means the 'Australian Guidelines for Estimating and Reporting of Inventory Coal, Coal Resources and Coal Reserves' published by the Coalfields Geology Council of New South Wales and the Queensland Resources Council or its successor document, as updated from time to time.

Coal Resources has the meaning given to it in the JORC Code.

Commencement Date means 1 ~~January 2011~~ July 2016.

Completion means, in respect of relevant works comprising a Terminal Capacity Expansion:

- (a) the works are electrically and mechanically complete; and
- (b) testing and commissioning has been satisfactorily completed (including load commissioning),

but where punchlist items (being items intended to be carried out after practical completion and commencement of full operation of the relevant items) are not necessarily complete, and **Complete and Completed** have corresponding meanings.

Confidential Information means any information, data or other matter disclosed to a person by, or on behalf of, another person where:

- (a) the disclosure of the information, data or other matter by the recipient might reasonably be expected to affect the commercial affairs of the owner of the information, data or other matter; or
- (b) the information, data or other matter is marked or otherwise clearly identified as confidential by a party when disclosed;

provided that such information, data or other matter:

- (c) is not already in the public domain;
- (d) does not become available to the public through means other than a breach of the confidentiality provisions in this Undertaking or a breach of any confidentiality deed contemplated in Part 8 of this Undertaking;
- (e) was not in the other party's lawful possession prior to such disclosure; or
- (f) is not received by the other party independently from a third party free to disclose such information, data or other matter;

and provided further that the information, data or other matter will cease to be Confidential Information if the information, data or other matter has ceased to retain its confidential nature, for example because:

- (g) the disclosure of the information, data or other matter by the recipient would no longer reasonably be expected to affect the commercial affairs of the owner of the information, data or other matter;
- (h) the information, data or other matter has entered in the public domain through means other than a breach of the confidentiality provisions in this Undertaking or a breach of any confidentiality deed contemplated in Part 8 of this Undertaking; or
- (i) the information, data or other matter has been received by the recipient independently from a third party free to disclose the information, data or other matter.

Construction Period Risk Free Rate means the rate calculated by averaging the yield of the 10 year Commonwealth Government bond over the 20 Business Days preceding the earlier of:

- (a) the first draw down date on floating rate construction debt financing; or
- (b) the interest rate set date on a fixed rate construction debt financing;

effected by DBCT Management in respect of a relevant Terminal Capacity Expansion.

[Control has the meaning given to that term in the Corporations Act 2001 \(Cth\) and Controlled has a corresponding meaning.](#)

DBCT Holdings means DBCT Holdings Pty Limited ACN 096 395 783 and its successors and assigns, including persons taking by way of novation.

DBCT Management means DBCT Management Pty Ltd ACN 097 698 916 and its successors and permitted assigns, including persons taking by way of novation.

[DBCT Management Executive Team has the meaning given to that term in Section 9.3\(a\).](#)

DBCT Trustee means DBCT Investor Services Pty Ltd ACN 052 156 082 as trustee of the DBCT Trust.

Different Terms has the meaning given in Section 13.1(d)

[Differential Pricing has the meaning given in Section 11.10\(b\) and Differentially Priced has a corresponding meaning.](#)

[Differentially Priced Access Agreement means an Access Agreement under which the Access Charges are to be Differentially Priced and Services are to be provided by DBCT Management utilising an Expansion Component.](#)

[Differentially Priced Access Holder means an Access Holder who is party to a Differentially Priced Access Agreement.](#)

Dispute has the meaning given to that term in Section 17.1.

Dispute Notice has the meaning given to that term in Section 17.1.

Early Termination means the termination of an Access Agreement or Existing User Agreement (**Terminated Agreement**) before its originally scheduled expiry date (but not where that occurred as a result of the exercise of a contractual right to terminate which was included in the Terminated Agreement when it was entered into, other than a right to do so for default in payment or insolvency of the Access Holder or default by DBCT Management. For the purpose of this definition, termination for default in payment or insolvency will be taken to have occurred if DBCT Management terminates the Terminated Agreement on other grounds but in circumstances where a default in payment or the insolvency of the Access Holder could have been reasonably expected within a reasonably short time thereafter had that termination not occurred).

Effective Date has the meaning given in the Standard Access Agreement.

Excess Charge has the meaning given in Section 11.4.

Excess Tonnage means, in respect of an Access Holder, the number of tonnes of the Access Holder's coal (excluding Non-Reference Tonnage) Handled in a Financial Year which is more than the Access Holder's Reference Tonnage for that Financial Year.

Execution Date has the meaning given in the Standard Access Agreement.

Existing User Agreement means an agreement which is in force as at the Commencement Date by which DBCT Management has granted an Access Holder an entitlement to have coal Handled through the Terminal.

Expansion Component means a part of the Terminal which comes into existence due to a Completed Terminal Capacity Expansion which is determined to be an Expansion Component or an extension to an existing Expansion Component, in accordance with this Undertaking.

Expansion Component Capacity means, for an Expansion Component, the maximum reasonably achievable capacity of that Expansion Component (measured in tonnes per Financial Year) as estimated pursuant to Section 12.1.

Feasibility Studies means in relation to a proposed Terminal Capacity Expansion, a FEL 1 Feasibility Study, FEL 2 Feasibility Study and FEL 3 Feasibility Study.

FEL 1 Feasibility Study means in respect of a proposed Terminal Capacity Expansion, a conceptual desktop engineering study to be undertaken in advance of a pre-feasibility study.

FEL 2 Feasibility Study means in respect of a proposed Terminal Capacity Expansion, a pre-feasibility engineering study.

FEL 3 Feasibility Study means in respect of a proposed Terminal Capacity Expansion, a definitive engineering study.

Financial Year means 1 July in a calendar year to 30 June in the next following calendar year. Where the context allows, it also includes a period shorter than 12 months – from the Commencement Date to the next 30 June, inclusive, and from the last 1 July during the Term to the Terminating Date inclusive - but where that period is less than 12 months, any provision of this Undertaking which, in respect of a Financial Year, assumes a full 12 months period, will be taken to be modified proportionately.

Framework Agreement means the framework agreement between DBCT Holdings, the State, PCQ, DBCT Trustee, DBCT Management and others dated 31 August 2001.

~~**Fund and Funding**~~ have Access Seeker has the meaning in clause 5.10 (as given to that term in Section 6(c)(1)).

Funding Agreement means an agreement on such terms as DBCT Management reasonably requires, including in relation to the provision of such security to DBCT Management as it reasonably requires, pursuant to which an Access Applicant must fund the reasonable and proper costs of:

(a) a FEL 1 Feasibility Study; and

(b) after a satisfactory outcome from a FEL 1 Feasibility Study, a FEL 2 Feasibility Study, in respect of a proposed Terminal Capacity Expansion.

Good Operating and Maintenance Practice means adherence to a standard of practice which includes the exercise of that degree of skill, diligence, prudence and foresight which would reasonably be expected from a competent, experienced and qualified operator of a facility comparable with the Terminal.

Government Agency means a minister, government, government department or another government body, a governmental, semi-governmental or judicial person or a person (whether autonomous or not) charged with the administration of any applicable law.

Goonyella Coal Chain means all infrastructure relating to railing and shipping of coal (from mine outloaders to Terminal ~~Shiploaders~~shiploaders and adjacent infrastructure), generally

referred to as the *Goonyella Coal Chain*, but (unless all relevant stakeholders otherwise agree) disregarding the Goonyella to Abbott Point expansion rail line (also referred to as the Northern Missing Link) and the coal chain relating to the Hay Point Terminal.

Handle means the receiving by rail, unloading, stacking, storing, reclaiming and loading of vessels with coal and any other relevant Services required by the Access Holder using any of the infrastructure at the Terminal.

Increment has the meaning given in Schedule C, Part B, Sub-Section 4 (c).

Indicative Access Proposal has the meaning given to that term in Section 5.5.

Insolvent means, for an Access Seeker, where one of the following events has happened in relation to the Access Seeker:

- (a) it is unable to pay all its debts as and when they become due and payable or it has failed to comply with a statutory demand as provided in Section 459F(1) of the *Corporations Act 2001* (Cth);
- (b) a resolution is passed to place it in voluntary liquidation or to appoint an administrator;
- (c) an application is made to a court for it to be wound up and the application is not dismissed or withdrawn within 14 days;
- (d) the appointment of a controller (as defined in the *Corporations Act 2001* (Cth)) of any of its assets, if that appointment is made and not terminated within 14 days after it is made; or
- (e) it resolves to enter into or enters into any form of arrangement (formal or informal) with its creditors or any of them, including a deed of company arrangement.

~~**LTS Outcome** means an agreement by all affected stakeholders (including DBCT Management) pursuant to the LTS Process, to a course of action which requires an amendment to the Undertaking or to the Standard Access Agreement.~~

~~**LTS Process** means an initiative undertaken by stakeholders in the Goonyella Coal Chain to implement a series of objectives (generally referred to at the Commencement Date as the "LTS" or "Long Term Solution") to (amongst other things) align Access Agreements and Existing User Agreements with rail access and rail freight agreements, and to provide both efficiency and certainty in respect of optimum usage and future expansion of the capacity of the Goonyella Coal Chain.~~

Interim Reference Tariff Period has the meaning given in Schedule C, Part A, Sub-Section 5(d)

JORC Code the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Minerals Council of Australia, as updated from time to time.

Leases means the Primary Leases and the Secondary Leases.

Lease Term has the meaning ascribed to that term in the Framework Agreement.

Marketable Coal Reserves has the meaning given to it in the JORC Code.

Month means a calendar month.

Monthly Payment has the meaning given to it in Section 11.8 (a) .

Negotiation Cessation Notice means a notice given in accordance with the provisions of Section 5.8.

Non-Reference Tonnage means, for an Access Holder, that portion of the Access Holder's Annual Contract Tonnage that is not Reference Tonnage.

Notified Access Seeker has the meaning given to that term in Section 5.4.

Notifying Access Seeker has the meaning given to that term in Section 5.4.

Notional Contracted Tonnage or NCT means, in respect of a Financial Year: the Aggregate Annual Contract Tonnage.

- (a) ~~the Aggregate Annual Contract Tonnage; plus~~
- (b) ~~Annual Contract Tonnage which an Access Holder had been entitled to have Handled in that Financial Year under an Access Agreement or Existing User Agreement but which it is no longer entitled to have Handled as a result of an Early Termination (Terminated Agreement), but only until one or more of the following events occur:~~
- (1) ~~the Terminating Date; or~~
 - (2) ~~the date that the Terminated Agreement would have expired (had the Early Termination not occurred); or~~
 - (3) ~~the date that the tonnage under the Terminated Agreement is replaced with tonnage under a new Access Agreement which tonnage, because of Terminal Capacity, could not have been granted unless the Terminated Agreement had been terminated.~~

Operation & Maintenance Charge means the component of Access Charges under which DBCT Management recovers the Terminal Operating Costs from Access Holders and is calculated in accordance with Section 11.9.

Operation & Maintenance Contract means any contract in force between DBCT Management and the Operator under which the Operator is appointed by DBCT Management to operate and maintain the Terminal on a day to day basis.

Operator means the entity engaged by DBCT Management under the Operation & Maintenance Contract which, as at the Commencement Date, is Dalrymple Bay Coal Terminal Pty Limited ACN 010 268 167.

Other Costs has the meaning given in Section 12.5(a)(23)(B).

Over-shipment has the meaning given in Schedule C, Part B, Sub-Section 4(a).

PCQ means Ports Corporation of Queensland Limited ACN 126 302 994.

Port Services Agreement has the meaning ascribed to that term in the Framework Agreement.

Primary Leases has the meaning ascribed to that term in the Framework Agreement.

Protected Information has the meaning given to that term in Section 9.4(a).

Provisional Increment has the meaning given in Schedule C, Part B, Sub-Section 4(a).

Provisional Increment Repayment has the meaning given in Schedule C, Part B, Sub-Section 4(e).

Publicly Report means to upload information onto DBCT Management's website.

QCA means the Queensland Competition Authority, a statutory authority established under the QCA Act.

QCA Act means the *Queensland Competition Authority Act 1997* (Qld).

Queue has the meaning given in Section 5.4(a) .

Rail Operator means an entity that provides above rail services to an Access Holder for the purpose of transporting coal to the Terminal.

Reference Tariff ~~has the meaning given in Section 11.3.~~ means:

- (a) in respect of an Expansion Component, the reference tariff determined in accordance with Section 11.3(a) and approved by the QCA for that Expansion Component for the purposes of this Undertaking, as amended from time to time in accordance with Section 11.3(d); and
- (b) in respect of the Base Terminal, the reference tariff determined in accordance with Section 11.3(a) and approved by the QCA for the Base Terminal for the purposes of this Undertaking, as amended from time to time in accordance with Section 11.3(d).

Reference Terms means terms and conditions which are in all material respects the same as the terms and conditions in the Standard Access Agreement relating to the calculation of charges. (For clarification, it is expected that Reference Terms will usually only apply under an Access Agreement where the terms of that Access Agreement are, in respect of the risk profile and costs (direct and indirect) to DBCT Management, the same as the terms of the Standard Access Agreement).

Reference Tonnage means:

- (a) for an Access Holder under an Existing User Agreement, that portion of the Access Holder's Annual Contract Tonnage that is charged on the basis of terms that in all material respects align with the Reference Terms; and
- (b) for an Access Holder under an Access Agreement, that portion of the Access Holder's Annual Contract Tonnage which is charged in accordance with the Reference Terms,

and in respect of an Expansion Component, is to be interpreted in accordance with Section 11.10(e).

Reference Tonnage Access Holders or RTAH means an Access Holder to the extent that its Annual Contract Tonnage is Reference Tonnage.

Regulated Asset Base means, as relevant in respect of the applicable Expansion Component or Base Terminal:

- (a) in respect of an Expansion Component, the regulated asset base for that Expansion Component calculated by DBCT Management and approved by the QCA in accordance with this Undertaking; and
- (b) in respect of the Base Terminal, the regulated asset base for the Base Terminal (which at the Commencement Date is the only regulated asset base) calculated by DBCT Management and approved by the QCA in accordance with this Undertaking.

Related Party Entity has the meaning given to that term in the *Corporations Act 2001* (Cth).

Renewal Application has the meaning given in Section 5.3.

Revenue Cap is the amount DBCT Management is entitled to earn from Reference Tonnage and is calculated in accordance with Schedule C, Part A, Section ~~3.2~~.

Review Event means any one or more of the following events:

- (a) a change in Reference Tonnage;
- (b) a change in Non-Reference Tonnage;
- (c) Completion and handover to the Operator of the whole of a discrete phase of a Terminal Capacity Expansion;
- (d) receipt of insurance proceeds, damages or other compensation for loss, damage or destruction of an asset comprised in the Terminal, to the extent that those moneys are not applied in repair, reinstatement or replacement; ~~or~~ and
- (e) each 1 July, in respect of:
 - (1) Capital Expenditure incurred ~~during the preceding 12 months which do not relate to a Terminal Capacity Expansion (or which~~ in any prior period (including Capital Expenditure in any period preceding the Commencement Date provided such Capital Expenditure has not already been included in the relevant Regulated Asset Base) which does not relate to a Terminal Capacity Expansion and are paid by DBCT Management after Completion and handover of the relevant ~~phase)works~~, including Capital Expenditure referred to in Section 12.10;

The paragraph above has been updated to reflect the approved 2011 DAAU in relation to NECAP, consistent with updates to Section 12.10.

- (2) Capital Expenditure incurred which relates to a Terminal Capacity Expansion (provided such Capital Expenditure has not already been included in the relevant Regulated Asset Base) and are paid by DBCT Management after Completion and handover of the relevant phase).
- (3) ~~(2)~~ sale of assets comprised in the Terminal during the preceding 12 months;
- (4) ~~(3)~~ the prudent cost of a FEL 3 Feasibility Study to the extent not included in Capital Expenditure the subject of a Capacity Expansion;
- (5) ~~(4)~~ the cost of a Feasibility Study referred to in Section 5.10(~~hm~~)(1) or 5.10(~~hm~~)(2), to the extent not funded by Access Seekers, ~~but not exceeding 20% of the prudent cost; and;~~
- (6) ~~(5)~~ the prudent cost of a Feasibility Study referred to in Section 5.10(4o), to the extent not funded by Access Seekers. ~~[DBCT Management intends seeking amendments to the Port Services Agreement so as to align the Port Services Agreement with this Undertaking. If the Port Services Agreement is so amended, the words in brackets will be deleted]~~

DBCTM has not sought to amend the treatment of the risk of user default or insolvency from what exists in the current Undertaking, which is that charges that DBCTM would otherwise have recovered from a defaulting or insolvent user are not immediately socialised with other users. This risk allocation means that DBCTM bears the risk of user default/insolvency until the next regulatory reset, unless the QCA agreed to earlier socialisation (for example, on the basis that there had been a change in Reference Tonnage).

DBCTM is of the view that this is only an appropriate risk for DBCTM to bear (a) to the extent that users' obligations are secured by appropriate security and (b) to the extent that DBCTM is otherwise compensated for this risk, which is a form of asset stranding risk. In relation to (a), DBCTM has proposed updates to clause 29 of the Standard Access Agreement which are aimed at improving DBCTM's ability to obtain security from new Access Holders. Although these provisions will not reduce this risk in respect of existing access agreements, they will go some way to allaying DBCTM's concerns. DBCTM also continues to review the creditworthiness of its existing users on

an ongoing basis. In relation to (b), DBCTM's proposed approach on depreciation as set out in its submissions is directed at addressing the asset stranding risk which DBCTM is exposed to.

DBCTM reserves its rights to seek inclusion of termination of an access agreement for user default or insolvency as a 'Review Event' if the changes at clause 29 of the Standard Access Agreement or DBCTM's proposed approach on depreciation are not accepted by the QCA.

Secondary Leases has the meaning ascribed to that term in the Framework Agreement.

Security means any form of security or guarantee required to be provided by an Access Seeker or Access Holder to DBCT Management pursuant to Section 5.9.

Service Provider means:

- (a) DBCT Management, as the provider of Services at the Terminal;
- (b) each provider at a relevant time of railway infrastructure ("below rail") for any part of the System;
- (c) each provider at a relevant time of railway freight services ("above rail") for any part of the ~~system~~System.

Services means the services set out in Schedule E of this Undertaking.

~~**Stage 7X Project** means the three phase Terminal Capacity Expansion project of that name, as described in the Terminal Master Plan.~~

Standard Access Agreement means the standard access agreement set out in Schedule B of this Undertaking.

State means the State of Queensland.

Supply Chain Business means an entity (or group of entities) in the Brookfield Group which:

- (a) provides or proposes to provide above rail services in Queensland;
- (b) owns or holds an interest in, or proposes to acquire such an interest in, coal-producing mines in Queensland;
- (c) purchases coal that has been produced in Australia;
- (d) provides shipping services from the Terminal; or
- (e) trades in capacity at the Terminal.

System means, in respect of the Goonyella Coal Chain, the following components of infrastructure relating to the transport of coal from mines whose coal is Handled by the Terminal:

- (a) rail loading facility of mines whose coal is Handled by the Terminal;
- (b) railway infrastructure in the Goonyella Coal Chain;
- (c) railway locomotives and rolling stock used in the Goonyella Coal Chain; and
- (d) Terminal unloading, stacking, loading and other Handling facilities,

and all interfaces between such components.

System Capacity means at a relevant time, the maximum reasonably achievable estimated capacity of the System (measured in tonnes per financial year) as determined pursuant to Section 12.1 in respect of that time. Where System Capacity is required to be estimated in respect of a future time (for example, for the purposes of Section 5.4) DBCT Management will estimate it taking all relevant factors into account (including System Capacity expected to arise out of a

System Capacity Expansion which has been or can reasonably be expected to be committed to at the time of the estimation).

System Capacity Expansion means the construction, upgrade, refinement, purchase, installation and/or erection of new works or items or modifications to existing works or items intended to materially increase the System Capacity.

System Master Plan means, at a relevant time, the master plan (if any) determined pursuant to Section 15.

TCMP has the meaning given in Section 12.5(a)(7).

Term means the period between (and including each of) the Commencement Date and the Terminating Date.

Terminal means the land and port infrastructure located at the Port of Hay Point which is owned by DBCT Holdings or the State and leased to DBCT Trustee and/or DBCT Management, and known as the Dalrymple Bay Coal Terminal, and includes the following:

- (a) loading and unloading equipment;
- (b) stacking, reclaiming, conveying and other handling equipment;
- (c) wharves and piers;
- (d) deepwater berths; and
- (e) shiploaders;

and for the avoidance of doubt, includes the Base Terminal and any Expansion Component.

Terminal Capacity means the maximum reasonably achievable capacity of the Terminal (measured in tonnes per Financial Year) as estimated pursuant to Section 12.1.

Terminal Capacity Expansion means the construction, upgrade, refinement, purchase, installation and/or erection of new works or items or modifications to existing works or items intended to materially increase the Terminal Capacity.

Terminal Capacity Expansion Risk Free Rate means the rate calculated by averaging the yield of the 10 year Commonwealth Government bond over the 20 Business Days preceding the date of Completion and handover to the Operator of the relevant Terminal Capacity Expansion.

Terminal Infrastructure Charge or **TIC** has the meaning given in Section 11.3(c).

Terminal Master Plan (a copy of the version which was current at the Commencement Date is attached at Schedule F) means the master plan approved by DBCT Holdings under the Port Services Agreement, and related engineering and other reports, as amended from time to time with the approval of DBCT Holdings under the Port Services Agreement.

Terminal Operating Costs means any amounts:

- (a) reasonably incurred or charged by the Operator (including any margin payable to the Operator under the Operation & Maintenance Contract);
- (b) in the nature of an operating expense for the Terminal and reasonably incurred or charged by DBCT Management with the express written consent of not less than 66% of Access Holders by contract tonnage; and
- (c) reasonably incurred by DBCT Management in exercising its rights under the Operation & Maintenance Contract to step in or take work out of the hands of the Operator (as a result of a default by the Operator);

but excluding Capital Expenditure other than minor capital expenditure not exceeding \$3million per Financial Year.

Terminal Regulations means regulations in force from time to time governing procedures for the operation of the Terminal and provision of the Services under an Access Agreement or Existing User Agreement.

Terminating Date means ~~30 June 2016 or when the Operator changes, whichever is earlier the~~ earliest of the following dates:

- (a) 1 July 2021;
- (b) the date that Dalrymple Bay Coal Terminal Pty Ltd ACN 010 268 167 ceases to be the Operator; or
- (c) the date that the handling of coal at the Terminal ceases to be a “declared service” for the purposes of the QCA Act.

Trading SCB means a Supply Chain Business that solely engages in the trading of secondary capacity at the Terminal and which includes, as at the Commencement Date, Brookfield Port Capacity Pty Ltd ACN 134 741 567.

Undertaking means this Access Undertaking (as amended from time to time) which is an access undertaking for the purposes of the QCA Act.

Underwriting Agreement means an agreement on such terms as DBCT Management reasonably requires, including in relation to the provision of such security to DBCT Management as it reasonably requires, which gives DBCT Management the right to call for, and requires an Access Applicant to fund in response to such call, the reasonable and proper costs of:

- (a) a FEL 1 Feasibility Study; and
- (b) after a satisfactory outcome from a FEL 1 Feasibility Study, a FEL 2 Feasibility Study, in respect of a proposed Terminal Capacity Expansion, if the proposed Terminal Capacity Expansion does not proceed.

WACC(1) Rate means [insert]%, being the weighted average cost of capital set by the QCA in its ~~Final Decision~~final decision on this Undertaking.

WACC(2) Rate means a rate equivalent to the Construction Period Risk Free Rate plus [insert]%.

WACC(3) Rate means a rate equivalent to the Terminal Capacity Expansion Risk Free Rate plus [insert]%.

Weighted Average Term means a period of time calculated in accordance with the formula specified in Schedule G.

Year End Adjustment or **YEA** has the meaning given in Section 11.5.

Interpretation

In this Undertaking unless the context otherwise requires:

- (a) reference to any statute or statutory provision includes any modification or re-enactment of, or any legislative provisions substituted for, and all legislation and statutory instruments issued under such legislation or such provision;
- (b) words denoting the singular include the plural and vice versa;

- (c) words denoting persons or individuals include corporations, associations, trustees, instrumentalities and partnerships and vice versa;
- (d) words denoting any gender include all genders;
- (e) references to parties, Parts, Sections, Annexures and Schedules are references to parties, Parts, Sections, Annexures and Schedules to this Undertaking as modified or varied from time to time;
- (f) references to any document, deed or agreement include references to such document or agreement as amended, novated, supplemented, varied or replaced from time to time;
- (g) references to any party to this Undertaking or any other document, deed or agreement include its successors or permitted assigns;
- (h) all references to dates and times are to Brisbane time;
- (i) all references to "\$" and "dollars" are to the lawful currency of Australia;
- (j) a reference to "including" shall be construed as "including, but not limited to," and "include" and "includes" shall be construed similarly;
- (k) where a provision provides that a party "may" do something, "may" shall be construed as discretionary and without obligation;
- (l) where any word or phrase is given a defined meaning, any other grammatical form of that word or phrase has a corresponding meaning; ~~and~~
- (m) where there is a requirement under this Undertaking to consider whether Access Holders are being treated or will be affected equitably, the party so considering must have regard to (amongst other things) the Access Holders' respective Annual Contract Tonnages- ~~and~~ [the extent to which \(if at all\) Differential Pricing applies to the Annual Contract Tonnages the subject of each Access Agreement; and](#)
- (n) ~~Where~~[where](#) measurement of coal "Handled" is being made in respect of a period, the tonnage loaded into vessels will be taken to be the tonnage Handled in that period.
- ~~(o)~~ Headings ~~to any Section or part of a Section~~ are for convenience only and do not affect ~~the~~ interpretation of ~~the Section or part of it~~[this Undertaking](#).

Schedule I – Undertaking by Trading SCB

This deed poll is given on _____ by:
[Trading SCB name] ACN [number] of [address] (Trading SCB)

in favour of:

DBCT Management Pty Limited ACN 097 098 916 of Level 15, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000 (DBCT Management)

Recitals

- A. Under the Access Undertaking, DBCT Management must procure an undertaking from Trading SCB in the form of this undertaking.
- B. At the request of DBCT Management, Trading SCB has agreed to enter into this deed poll to ensure that DBCT Management complies with the relevant provisions of the Access Undertaking.

This deed witnesses that the Trading SCB agrees to the following terms:

1 Ring-fencing

1.1 Non-discrimination

- (a) Subject to clause 1.1(b), in carrying out Secondary Capacity Trading, Trading SCB will not:
 - (1) engage in conduct for the purpose of preventing or hindering an Access Holder's or Access Seeker's Access;
 - (2) unfairly differentiate between Access Seekers or Access Holders in a way that has a material adverse effect on:
 - (A) the ability of one or more of the Access Seekers or Access Holders to compete with other Access Seekers or Access Holders; or
 - (B) a competitor of a Supply Chain Business to compete with the Supply Chain Business; or
 - (3) engage in Secondary Capacity Trading with a customer, or a person who is negotiating to become a customer, of a Supply Chain Business (other than Trading SCB) in relation to the provision of a service by the Supply Chain Business which relates to Access on more favourable terms than the terms on which the Trading SCB engages in Secondary Capacity Trading with:
 - (A) competitors of the Supply Chain Business; or

- (B) persons who are, or who are negotiating to become, customers of any such competitor.
- (b) Clause 1.1(a)(3) does not prevent Trading SCB, when carrying out Secondary Capacity Trading, from acquiring or selling contracted Access on terms and conditions (including price) which reflect reasonable commercial considerations at the relevant time including:
- (1) the nature and characteristics of the contracted Access which is being acquired or sold; and
 - (2) circumstances in the market which have had, or will have, a material effect on the ability of the party purchasing, or proposing to purchase, the contracted Access from Trading SCB to pay for the contracted Access.

1.2 Confidentiality

- (a) Trading SCB will enter into a confidentiality deed poll, substantially in the form specified in Annexure A, in favour of any Trading SCB Customer that discloses, or notifies Trading SCB that it intends to disclose, Confidential Information to Trading SCB.
- (b) Without limiting Trading SCB's obligations under any confidentiality deed poll given by Trading SCB in accordance with clause 1.2(a), Trading SCB will not provide Confidential Information:
- (1) disclosed to it by Trading SCB Customers; or
 - (2) collected or received by Trading SCB in connection with Secondary Capacity Trading,
to a Rail Operator, except:
 - (3) with the prior written consent of the relevant Trading SCB Customer; or
 - (4) as may otherwise be allowed in accordance with the confidentiality deed poll given by Trading SCB in accordance with clause 1.2(a).
- (c) Trading SCB will not disclose to a Trading SCB Customer that acquires Access from Trading SCB the identity of the Trading SCB Customer that assigned that Access (or any part thereof) to Trading SCB.
- (d) Trading SCB acknowledges that DBCT Management will not disclose Confidential Information of a Trading SCB Customer to Trading SCB without the prior written consent of the Trading SCB Customer.

2 Compliance

2.1 Complaints process

- (a) If an Access Holder, Access Seeker, the QCA or a Rail Operator considers that Trading SCB has breached one or more of its obligations under this deed the relevant entity (**Complainant**) may lodge a written complaint with Trading SCB.

- (b) Unless otherwise notified in writing by the Complainant, the written complaint and any accompanying information (whether documentary or otherwise) will be Confidential Information until it ceases to be Confidential Information.
- (c) Trading SCB will provide to the QCA, as soon as practicable, a copy of any complaint it receives pursuant to clause 2.1(a) and identify the complaint as Confidential Information.
- (d) Trading SCB will:
 - (1) investigate complaints received pursuant to clause 2.1(a); and
 - (2) advise the Complainant and the QCA in writing of the outcome of that investigation and Trading SCB's proposed response, if any, and use reasonable endeavours to do so within 20 Business Days after receiving such a complaint.
- (e) If the Complainant is not satisfied with the outcome of Trading SCB's investigation, the Complainant can apply to the QCA seeking an audit of the relevant subject of the complaint. The QCA will consider such a request and determine whether to require Trading SCB to conduct an audit.
- (f) If the QCA requires Trading SCB to conduct an audit in accordance with clause 2.1(e), Trading SCB must promptly engage the Auditor to carry out the audit and provide the QCA with a report on the outcomes of that audit within a reasonable period of time, identifying any information contained in that report which is Confidential Information.
- (g) If the QCA is of the view that the outcomes of the audit required under clause 2.1(e) show that Trading SCB has not complied with this deed, it may require Trading SCB to provide a rectification plan to address the issue and implement the rectification plan within a reasonable period of time.
- (h) The QCA may advise the Complainant of:
 - (1) whether any audit referred to in clause 2.1(f) has demonstrated that Trading SCB has or has not complied with this deed; and
 - (2) whether Trading SCB has been required to provide a rectification plan to address the relevant issue in accordance with clause 2.1(g), provided that the QCA must not disclose any Confidential Information.
- (i) Trading SCB will bear the costs of the audit unless the QCA determines that the complaint made by the Complainant is vexatious or has not been made in good faith in which case:
 - (1) Trading SCB will not be liable for the costs of the audit; and
 - (2) the Complainant will bear the costs of the audit.

2.2 Audit

- (a) In respect of each year ending 30 June, an audit of Trading SCB's compliance during that year with its obligations in respect of this deed will be conducted in accordance with clause 2.2(c).

- (b) The Auditor will compile an audit report identifying:
- (1) to the extent feasible, whether Trading SCB has complied in all material respects with its obligations referred to in this deed, and, if not, details as to the relevant non-compliance;
 - (2) the process adopted for the conduct of the audit;
 - (3) any complaints made by an Access Seeker, Access Holder, the QCA or a Rail Operator to Trading SCB about Trading SCB's compliance with its obligations under this deed, and the outcome of any such complaint;
 - (4) any recommendations by the Auditor to improve Trading SCB's processes or reporting systems in relation to compliance with its obligations under this deed; and
 - (5) the implementation and outcome of any prior recommendations by the Auditor.
- (c) An audit required under clause 2.2(a) must be conducted in accordance with the following process:
- (1) the Auditor will have a duty of care to the QCA in the provision of the audit and, in the event of a conflict between the Auditor's obligations to Trading SCB and its duty of care to the QCA, the Auditor's duty of care to the QCA will take precedence;
 - (2) prior to commencing the audit the Auditor must agree an audit plan with Trading SCB, document that audit plan, and obtain the QCA's approval of the audit plan;
 - (3) the audit plan will:
 - (A) consist of a proposed work program for the execution of the audit, including audit costs (which are payable by Trading SCB);
 - (B) provide that the audit must be completed by 30 September immediately following the year ending 30 June in respect of which the audit is being undertaken or such later date as may be agreed between the Auditor and Trading SCB; and
 - (C) provide for the establishment of an audit liaison group, comprising the Auditor, Trading SCB and the QCA, during the course of the audit, to provide a forum for the resolution of any audit issues that arise;
 - (4) Trading SCB will:
 - (A) provide any relevant information the Auditor reasonably requires for the purpose of conducting the audit, within a nominated timeframe that is determined by the Auditor to be reasonable after consultation with Trading SCB; and
 - (B) not interfere with, or otherwise hinder, the Auditor's ability to carry out his or her functions under this clause 2.2(c);

- (5) the Auditor will be required to enter into a confidentiality agreement in relation to any information provided by Trading SCB, to the effect that it must keep the information confidential and only use that information for the purpose of conducting the audit and completing the audit report;
- (6) the Auditor will provide to Trading SCB and the QCA a copy of:
 - (A) the audit report (which the QCA may publish provided that the QCA must ensure that any Confidential Information specified in the published version of the audit report is redacted); and
 - (B) any letter or report from the Auditor accompanying the audit report which explains the audit findings in greater detail;
- (7) Trading SCB must use reasonable endeavours to implement any recommendations made by the Auditor in the audit report or any other letters or reports provided in accordance with clause 2.2(c)(6) (except to the extent the non-implementation is approved by the QCA) as soon as reasonably practicable after the documents are provided by the Auditor; and
- (8) Trading SCB must use reasonable endeavours to comply with any direction of the QCA in relation to matters arising from the audit report as soon as reasonably practicable.

3 Governing law and jurisdiction

- (a) This deed is governed by the laws of Queensland.
- (b) The parties irrevocably submit to the exclusive jurisdiction of the courts of Queensland.

4 Definitions and interpretation

4.1 Definitions

In this deed:

Access Undertaking means the Dalrymple Bay Coal Terminal Access Undertaking prepared in accordance with the requirements of the *Queensland Competition Authority Act 1997* (Qld) and approved on [] as varied or replaced from time to time.

Secondary Capacity Trading means the carrying out of any one or more of the following activities by Trading SCB:

- (1) acquiring contracted Access from Users;
- (2) aggregating contracted Access which Trading SCB has acquired from Users; and

- (3) selling the contracted Access which Trading SCB has acquired from Users to Access Seekers or Users.

Trading SCB Customer means a customer, or any person who is negotiating to become a customer, of Trading SCB in respect of Secondary Capacity Trading.

4.2 Interpretation

- (a) Terms defined in the Access Undertaking have the same meaning in this deed unless otherwise defined.
- (b) Headings are for convenience only and do not affect interpretation.
- (c) In this deed, unless the context otherwise requires:
- (1) words importing the singular include the plural and vice versa;
 - (2) a reference to any thing (including, but not limited to, any right) includes a part of that thing but nothing in this clause 4.2(c)(2) implies that performance of part of an obligation constitutes performance of the obligation;
 - (3) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any government agency; and
 - (4) a reference to a person includes that person's successors and legal personal representatives.

Executed as a deed poll:

Signed sealed and delivered by [*Trading SCB name*] ACN [*number*]

Director/Secretary

Director

Name (please print)

Name (please print)

[Annexure A – Confidentiality deed poll](#)

[Confidentiality deed poll](#)

[\[Trading SCB\]](#)

[DBCT Management Pty Ltd](#)

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Confidentiality deed poll

Date ▶

This deed poll is made by

Recipient **[Trading SCB]**
ACN [number] of [address]
(Trading SCB)

and

DBCT Management **DBCT Management Pty Ltd**
ACN 097 698 916 of Level 15, 1 Eagle St, Brisbane QLD 4001
(DBCT Management)

in favour of

Discloser **[User]**
ACN [number] of [address]
([User alias])

Recitals

- 1 The Discloser has consented to DBCT Management disclosing Confidential Information to the Recipient for the Express Purpose and for no other purpose.
- 3 The Discloser may disclose additional Confidential Information directly to the Recipient for the Express Purpose.
- 4 The Recipient agrees that the Confidential Information is provided to it on the terms of this deed poll and that it will not use or disclose the Confidential Information except as provided in this deed poll.

This deed poll witnesses as follows:

1 Definitions and interpretation

1.1 Definitions

The meanings of the terms used in this deed poll are set out below.

<u>Term</u>	<u>Meaning</u>
<u>Capacity</u>	up to <u>[insert]</u> mtpa of port capacity at Dalrymple Bay Coal Terminal
<u>Confidential Information</u>	<p>all information which:</p> <ol style="list-style-type: none"> <u>1</u> is disclosed to the Recipient or a Specified Person (whether before or after the date of this deed poll) by the Discloser or DBCT Management; <u>2</u> relates directly or indirectly to the Discloser or its past, existing or future business, operations, administration or strategic plans; and <u>3</u> is in oral or visual form, or is recorded or stored in a Document, and includes, without limitation, the fact that: <u>4</u> Confidential Information is being made available by the Discloser to the Recipient or the Specified Persons; and <u>5</u> discussions or negotiations have occurred, are occurring or may occur between the Recipient and the Discloser, or their respective advisers or representatives, in relation to a possible Capacity transfer.
<u>Corporations Act</u>	the <u>Corporations Act 2001 (Cth)</u> .
<u>Discloser</u>	<u>[Insert User alias]</u> .
<u>Document</u>	includes any note, memorandum, record, report, financial information, summary, analysis, calculation, strategic assessment, market survey, business plan, computer program, computer record, circuit, circuit layout, drawing, specification, material or any other means by which information may be stored or reproduced.
<u>Dudgeon Point Project Management</u>	<u>Dudgeon Point Project Management Pty Ltd ACN 150 261 733.</u>
<u>Express Purpose</u>	a possible transfer of all or part of the Capacity from the Discloser to the Recipient

<u>Term</u>	<u>Meaning</u>
<u>Recipient</u>	<u>Trading SCB.</u>
<u>Specified Person</u>	<u>an officer, employee or adviser of the Recipient who has a specific need to have access to the Confidential Information for the Express Purpose.</u>

1.2 Interpretation

- (a) Headings are for convenience only and do not affect interpretation.
- (b) In this deed poll, unless the context otherwise requires:
- (1) words importing the singular include the plural and vice versa;
 - (2) a reference to any thing (including, but not limited to, any right) includes a part of that thing but nothing in this clause 1.2(b)(2) implies that performance of part of an obligation constitutes performance of the obligation;
 - (3) the term 'related body corporate' has the meaning given to that term under the Corporations Act;
 - (4) the term 'associate' has the meaning given to that term in section 15 of the Corporations Act;
 - (5) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any government agency; and
 - (6) a reference to a person includes that person's successors and legal personal representatives.

2 Confidentiality

The Recipient must:

- (a) hold the Confidential Information in strict confidence and not disclose, or cause or permit the disclosure of, the Confidential Information, except as permitted under this deed poll or with the prior written consent of the Discloser (which may be withheld in the Discloser's ultimate discretion);
- (b) keep the Confidential Information secure and protected from any use, disclosure or access which is inconsistent with this deed poll;
- (c) promptly notify the Discloser if it suspects, or becomes aware of, any unauthorised use, storage, copying or disclosure of the Confidential Information; and
- (d) maintain such procedures as are necessary to ensure compliance with this deed poll by the Recipient and each Specified Person and, upon request, provide the Discloser details of the procedures adopted.

3 Permitted use and disclosure

- (a) The Recipient must only use the Confidential Information for the Express Purpose.
- (b) The Recipient may:
- (1) only disclose Confidential Information to a Specified Person, and must only make such disclosure solely for the Express Purpose; and
 - (2) disclose Confidential Information to the Queensland Competition Authority.
- (c) DBCT Management must only disclose Confidential Information to the Recipient, and must only make such disclosure solely for the Express Purpose.
- (d) Without limiting this clause 3, the Recipient and DBCT Management must not disclose or use the Confidential Information in any way that relates to Dudgeon Point Project Management.

4 Benefit of this deed poll

This deed poll is made by the Recipient and DBCT Management in favour of, and for the benefit of the Discloser.

5 Return and destruction of information

If requested by the Discloser, the Recipient must, within 7 days, return to the Discloser, or destroy or delete as the Discloser directs, all original Documents and copies which:

- (a) are or contain Confidential Information; and
- (b) reproduce, are based on, utilise or relate to Confidential Information,
provided however that the Recipient may keep one copy of the Confidential Information for its records.

6 Operation of this deed poll

- (a) Subject to clause 6(c), this deed poll continues without limitation as to time.
- (b) This deed poll does not apply to any Confidential Information that:
- (1) the Recipient or a Specified Person is required to disclose by any applicable law or legally binding order of any court, government, semi-government authority, administrative or judicial body, or a requirement of a stock exchange or regulator (including the Queensland Competition Authority); or
 - (2) is in the public domain other than as a result of a breach of this deed poll.
- (c) If the Recipient or a Specified Person must make a disclosure referred to in clause 6(b)(1):

- (1) the Recipient must disclose, and must ensure that the Specified Person discloses only the minimum Confidential Information required to comply with the applicable law, order or requirement; and
 - (2) before making such disclosure, the Recipient must give the Discloser reasonable written notice of the full circumstances of the required disclosure together with the Confidential Information which it, or the Specified Person, proposes to disclose and consult with the Discloser as to the form of the disclosure.
- (d) Nothing in this deed poll requires the Discloser to disclose Confidential Information to the Recipient.

7 Acknowledgment

The Recipient acknowledges that:

- (a) the Confidential Information is secret and highly confidential to the Discloser;
- (b) disclosure of Confidential Information in breach of this deed poll could cause considerable commercial and financial detriment to the Discloser;
- (c) damages may be inadequate compensation for breach of this deed poll and, subject to the court's discretion, the Discloser may restrain by an injunction or similar remedy, any conduct or threatened conduct which is or would be a breach of this deed poll.

8 Recipient to ensure others comply

The Recipient must:

- (a) inform each Specified Person of the Recipient's obligations under this deed poll;
- (b) procure that each Specified Person strictly observes all of the Recipient's obligations under this deed poll as if those obligations were imposed on that person; and
- (c) ensure that no officer, employee, adviser or agent of the Recipient does anything which, if done by the Recipient, would be inconsistent with this deed poll.

9 Disclaimer

- (a) The Recipient acknowledges that neither the Discloser, nor any of its related bodies corporate nor any of their respective officers, employees or advisers:
 - (1) makes any representation or warranty as to the accuracy or completeness of the Confidential Information;
 - (2) accepts any responsibility for any interpretation, opinion or conclusion that the Recipient or a Specified Person may form as a result of examining the Confidential Information; and

- (3) accepts any responsibility to inform the Recipient of any matter arising or coming to the Discloser's notice which may affect or qualify any Confidential Information which the Discloser provides to the Recipient.
- (b) The Recipient acknowledges that it is making an independent assessment of the Confidential Information and that it will:
 - (1) carry out, and rely solely on, its own investigation and analyses in relation to the Confidential Information; and
 - (2) verify all information on which it intends to rely to its own satisfaction.
- (c) The Recipient acknowledges that reliance by the Recipient, or any Specified Person, on any Confidential Information, or any use of any Confidential Information, is solely at its own risk.

10 Governing law and jurisdiction

- (a) This deed poll is governed by the laws of Queensland.
- ~~(b) The Recipient irrevocably submits to the exclusive jurisdiction of the courts of Queensland.~~

11 Waivers

- (a) Waiver of any right, power, authority, discretion or remedy arising on default under this deed poll must be in writing and signed by the party granting the waiver.
- ~~(b) A failure or delay in exercise, or partial exercise, of a right, power, authority, discretion or remedy created or arising on default under this deed poll does not result in a waiver of that right, power, authority, discretion or remedy.~~

Signing page

Executed as a deed poll

Signed sealed and delivered by
[Trading SCB]
By:

sign here ▶

Director/Secretary

print name

sign here ▶

Director/Secretary

print name

Signed sealed and delivered by
DBCT Management Pty Ltd
By:

sign here ▶

Director/Secretary

print name

sign here ▶

Director/Secretary

print name

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Document comparison by Workshare Compare on Friday, 9 October 2015
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Input:	
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Description	2010 Final Access Undertaking
Document 2 ID	file://C:\Users\reeces\Documents\DBCTM - from 19 September (temp)\2016 DBCT Access Undertaking – DAU submission version.DOCX
Description	2016 DBCT Access Undertaking – DAU submission version
Rendering set	Standard

Legend:	
Insertion	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	1865
Deletions	765
Moved from	53
Moved to	53
Style change	0
Format changed	0
Total changes	2736