

Schedule 15A: Insurance

Part 1 – Required Insurances

Sub-part 1 – Design and Construction Phase

The policies to be taken out by the Contractor, or caused to be taken out by the Major Sub-contractor, and maintained from Financial Close to Works Completion are as follows.

1. Contract Works Insurance (Material Damage)

INSURANCE ELEMENT	MINIMUM REQUIREMENT
Insured	<ol style="list-style-type: none"> 1. The Transport Agency; 2. Contractor; 3. Construction Sub-contractor and its sub-contractors of any tier; 4. Sub-contractor responsible for the delivery of the Operational Services; 5. Senior Lenders; 6. Subordinated Lenders; and 7. consultants - for their TG Project Site activities only, <p>each for their respective rights and interests in the Project.</p>
Insured property	<p>The permanent and temporary works, materials, goods, plant and equipment for incorporation in the TG Project (other than constructional plant, tools, accommodation and equipment belonging to or the responsibility of the Construction Sub-contractor or the Construction Sub-contractor's sub-contractors) and all other property used or for use in connection with Works Provisioning associated with the TG Project.</p> <p>Insurance to include the following coverage subject to sub limits:</p> <ul style="list-style-type: none"> • materials, plant and equipment (including off-site pre-fabrications); • professional fees; • demolition and removal of debris; • expediting expenses; • contract price escalation, including due to variations and/or increased costs following damage; • inland transit, off-site storage; and • temporary works, scaffolding and formwork.
Coverage	"All risks" of physical loss or damage to the insured property unless

INSURANCE ELEMENT	MINIMUM REQUIREMENT
	otherwise excluded.
Sum insured	At all times not less than the full reinstatement or replacement value of the insured property based on the capital cost as nominated by the Contractor for the Project at Financial Close (less non-recurring costs), plus provision to include extensions as appropriate.
Maximum deductible	<ol style="list-style-type: none"> 1. \$ [REDACTED] each and every occurrence arising from faulty design, materials and workmanship (DE5 1995) in respect of bridges, viaducts and other similar civil structures. 2. [REDACTED] % of loss, subject to minimum of \$ [REDACTED] and maximum \$ [REDACTED] each and every occurrence arising from earthquake, tsunami, volcanic eruption or hydrothermal activities. 3. \$ [REDACTED] each and every occurrence arising from faulty design, materials and workmanship (LEG2/96) for all other works including road surfaces, major perils (storm, tempest, flood, named cyclones, water damage, subsidence or collapse) and testing & commissioning. 4. \$ [REDACTED] each and every occurrence all other losses.
Territorial limits	New Zealand, including off-site storage and during inland transit.
Period of Insurance	From the date of Financial Close to Works Completion plus a [REDACTED] month defects liability/maintenance period.
Cover features and extensions subject to sub limits	<ol style="list-style-type: none"> 1. Additional costs of completion clause. 2. Professional fees clause. 3. Demolition and debris removal clause. 4. 72 hour clause. 5. Free issue materials clause. 6. [REDACTED] % escalation clause. 7. Automatic reinstatement of sum insured clause. 8. Loss minimisation. 9. Testing and commissioning. 10. Guarantee maintenance cover. 11. DE5 in respect of bridges, viaducts and other similar civil structures. 12. LEG2 (96) in respect of all other works. <p>Additional sub limits:</p> <ol style="list-style-type: none"> 1. Consultants fees \$ [REDACTED] any one occurrence. 2. Removal of debris \$ [REDACTED] any one occurrence. 3. Expediting expenses [REDACTED] % of normal costs or \$ [REDACTED] any one

INSURANCE ELEMENT	MINIMUM REQUIREMENT
	<p>occurrence whichever is the lesser.</p> <ol style="list-style-type: none"> 4. Mitigation expenses \$ [REDACTED] any one occurrence. 5. Extra cost of reinstatement \$ [REDACTED] any one occurrence. 6. Additional cost of constructing unbuilt works \$ [REDACTED] any one occurrence. 7. Additional cost of working \$ [REDACTED] any one occurrence. 8. Claims preparation costs \$ [REDACTED] any one occurrence. 9. Plans and documents \$ [REDACTED] any one occurrence.
Principal exclusions	<ol style="list-style-type: none"> 1. War and related perils (as per provided contract works wording). 2. Nuclear/radioactive risks (as per provided contract works wording). 3. Pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds. 4. Wear, tear and gradual deterioration. 5. Consequential financial losses. 6. Cyber risks. 7. Design exclusion with write back for resultant damage. 8. Terrorism. 9. Loss or damage due to flood or water damage to prepared but unsealed road or uncompleted erosion control on the side of the road which is greater than [REDACTED] kms per section or workface and [REDACTED] kms in the aggregate. 10. Those exclusions included in the contract works policy provided.

2. Contract Works Insurance (Advance Loss of Profits)

INSURANCE ELEMENT	MINIMUM REQUIREMENT
Insured	<ol style="list-style-type: none"> 1. Contractor; 2. Senior Lenders; and 3. Subordinated Lenders, <p>each for their respective rights and interests in the Project.</p>
Indemnity	<p>In respect of:</p> <ol style="list-style-type: none"> 1. loss of anticipated revenue less any avoidable costs during the indemnity period arising from a delay in the Planned Service Commencement Date as a result of loss or damage covered under the Contractor's Contract Works Insurance (Material Damage) Policy effected in accordance with Item 1 of this Part 1 of this Schedule 15, including physical loss or damage which would be indemnifiable but for the application of any deductible; 2. the economic additional expenditure necessarily and reasonably incurred for the purpose of avoiding or reducing the loss of revenue of the Contractor which without such expenditure would have taken place, during the indemnity period; and 3. the costs associated with collating and quantifying a contract works insurance (advance loss of profits) claim of any kind, being "professional fees and claims preparation costs".
Sum insured	An amount sufficient to cover the sums the subject of the indemnity for the indemnity period.
Maximum excess	██████ days in the aggregate.
Indemnity period	██████ months, from the Scheduled Date of Commencement of the Business (as that term is defined under the Contract Works Insurance (Advance Loss of Profits) Policy, being a date no earlier than ██████) as may be adjusted from time to time in accordance with the terms of that policy.
Period of Insurance	As per the Contractor's Contract Works Insurance (Material Damage) Policy.
Cover features and extensions subject to sub limits	<ol style="list-style-type: none"> 1. Prevention of access - \$██████. 2. Public Utilities - \$██████. 3. Subrogation waiver and non-vitiation clause. 4. Reinstatement of sum insured where possible. 5. Claims preparation costs of \$██████. 6. \$██████ for additional increased cost of working.
Principal exclusions	<ol style="list-style-type: none"> 1. The exclusions under the Contractor's Contract Works Insurance (Material Damage) Policy, other than for consequential financial

INSURANCE ELEMENT	MINIMUM REQUIREMENT
	<p>losses.</p> <p>2. Those exclusions included in the contract works policy provided.</p>

3. Contract Works Insurance (Public and Products Liability)

INSURANCE ELEMENT	MINIMUM REQUIREMENT
Insured	<ol style="list-style-type: none"> 1. Contractor; 2. Construction Sub-contractor and its sub-contractors of any tier; 3. Sub-contractor responsible for the delivery of the Operational Services; 4. Senior Lenders; 5. Subordinated Lenders; and 6. consultants - for their TG Project Site activities only, <p>each for their respective rights and interests in the Project.</p>
Additional insured	The Transport Agency as principal to the Project Agreement.
Interest	<p>To indemnify the insured and additional insured in respect of all sums that they may become legally liable to pay to third parties (including claimant's costs and expenses) as damages in respect of accidental:</p> <ol style="list-style-type: none"> (a) death, bodily injury or illness; (b) physical loss or damage to tangible property; or (c) false arrest, wrongful detention, false imprisonment, wrongful eviction, malicious prosecution, malicious humiliation, libel, slander, invasion of privacy, wrongful entry, wrongful prevention of access, assault or battery not committed by or at the direction of the insured unless committed for the purpose of preventing or eliminating danger to any person or property, or any of them, <p>happening during the period of insurance and arising out of or in connection with the Project.</p>
Limit of indemnity	Not less than ██████████ (\$██████) in respect of any one occurrence, the number of occurrences being unlimited, but in the aggregate in respect of products liability.
Maximum deductible	\$██████ each and every occurrence.
Territorial limits	New Zealand and Australia.
Jurisdiction	New Zealand or Australia at the sole discretion of the Insured.
Period of Insurance	As per the Contractor's Contract Works Insurance (Material Damage)

INSURANCE ELEMENT	MINIMUM REQUIREMENT
	Policy.
Cover features and extensions subject to sub limits	<ol style="list-style-type: none"> 1. Cross liability clause. 2. Legal defence costs. 3. Pollution liability but only if caused by a sudden, accidental, unexpected and unintended occurrence. 4. Expenses incurred by an insured for first aid to others for bodily injury at the time of an occurrence. 5. Mobile plant and equipment. 6. Vibration and removal of support. 7. Crane operators/goods on hook liability. 8. Subrogation waiver and non-vitiating clause. 9. Professional liability "write back" in respect of property damage and/or personal injury. 10. Liability under the Forest and Rural Fires Act 1977.
Principal exclusions	<ol style="list-style-type: none"> 1. Liability for death, illness, disease or bodily injury sustained by employees of the insured. 2. Liability arising out of the use of any vehicle required to be registered under the Land Transport Act 1998. 3. Liability in respect of predetermined penalties or liquidated damages imposed under any contract entered into by the insured. 4. Events more properly covered under a professional indemnity policy. 5. Liability arising from the ownership, possession or use of any aircraft or marine vessel, or from any product that is incorporated into the structure or control of any aircraft. 6. Liability arising from seepage and pollution unless caused by a sudden, unintended and unexpected occurrence. 7. Losses indemnified under the Contractor's Contract Works Insurance (Material Damage) Policy or the Contractor's Contract Works Insurance (Advance Loss of Profits) Policy. 8. Punitive and exemplary damages. 9. Those exclusions listed in the Project Specific Public Liability Insurance and Umbrella Liability Insurance policies.

4. D&C Professional Indemnity Insurance

INSURANCE ELEMENT	MINIMUM REQUIREMENT
Insured	<ol style="list-style-type: none"> 1. Contractor; 2. Construction Sub-contractor, 3. Design Joint Venture; and 4. any named sub-consultant.
Coverage	Coverage to indemnify any Insured against civil liability the Insured incurs in respect of a Claim arising from the performance of Professional Services in respect of the Project.
Limit of Indemnity	██████████ (\$██████████) in the aggregate for the policy period.
Maximum deductible	██████████ each and every claim (with regard to the Single Project Professional Indemnity Policy).
Territorial limits	New Zealand and Australia.
Jurisdictional limits	New Zealand or Australia at the sole discretion of the Insured.
Retroactive Date	6 th May 2013.
Period of insurance	Single Project Professional Indemnity ██████████ years from Financial Close, and in the event of a delay to the Planned Service Commencement Date, extension of Single Project Professional Indemnity and/or annual professional indemnity policies until the date that is ██████████ ██████████ after Works Completion.
Cover features and extensions	<ol style="list-style-type: none"> 1. Loss of documents – Sub limit \$██████████. 2. Intellectual Property infringement. 3. Contractual Liability Extension. 4. Related Parties Write back Endorsements. 5. Principals Indemnity. 6. The Insurer will indemnify the Insured in respect of the vicarious liability arising out of any act, error or omission by designers, consultants, sub-contractors, agents or peer reviewers of the Insured in connection with their professional activities and duties provided that this policy will not extend to indemnify any such designers, consultants, sub-contractors, agents or peer reviewers (except where such parties are a listed Insured).
Exclusions	As per normal market expectations.
Additional requirements	In the event that this coverage is provided under the group Professional Indemnity insurance programmes of the Construction Subcontractor, Design Joint Venture, and the named sub consultants on expiry of the Project Specific Policy, the Contractor will be insured for its vicarious liability under such group Professional Indemnity insurance policies with regards to the Performance of the Professional Services of the

INSURANCE ELEMENT	MINIMUM REQUIREMENT
	Construction Sub-contractor, Design Joint Venture, and the named sub-consultants.

5. Motor Vehicle Insurance

INSURANCE ELEMENT	MINIMUM REQUIREMENT
Insured	Contractor.
Coverage	Third party property damage in respect of all vehicles used in connection with the Works Provisioning or Services.
Sum insured	██████████ (\$██████████).
Maximum deductible	██████████ (\$██████████).
Territorial limits	Anywhere in New Zealand.
Period of insurance	As per the Contractor's Contract Works Insurance (Material Damage) Policy, in each and every period that the Contractor is using any Motor Vehicles in connection with the Works Provisioning or Services.
Principal exclusions	Those exclusions listed in the Contractor's Sub-Contractor's motor vehicle insurance policy.

Sub-part 2 – Services Phase

The policies to be taken out by the Contractor, or caused to be taken out by the Major Sub-contractor, and maintained from Works Completion for the remainder of the Contract Term are as follows:

6. Public and Products Liability Insurance

INSURANCE ELEMENT	MINIMUM REQUIREMENT
Insured	Contractor Major Sub-contractor responsible for the delivery of the Operational Services Security Trustee and/or Agent SPV Manager The cover is Project Specific single annual placement.
Additional insured	1. Transport Agency (as principal under the Project Agreement); 2. the Major Sub-contractor responsible for the delivery of the Operational Services' sub-contractors; 3. Senior Lenders; and

INSURANCE ELEMENT	MINIMUM REQUIREMENT
	<p>4. Subordinated Lenders,</p> <p>each for their vicarious liability caused by the negligence of the Contractor.</p>
Interest	<p>To indemnify the insured and additional insured in respect of all sums that they may become legally liable to pay to third parties (including the claimant's costs and expenses) as damages in respect of accidental:</p> <ol style="list-style-type: none"> 1. death, bodily injury or illness, including resultant economic loss; 2. physical loss, destruction or damage to real or personal property including resultant economic loss; or 3. false arrest, wrongful detention, false imprisonment, wrongful eviction, malicious prosecution, malicious humiliation, libel, slander, invasion of privacy, wrongful entry, wrongful prevention of access, assault or battery not committed by or at the direction of the insured unless committed for the purpose of preventing or eliminating danger to any person or property, or any of them, <p>happening during the period of insurance and arising out of or in connection with the Project and the provision of the Services.</p>
Limit of indemnity	<p>Not less than ██████████ (\$██████) (escalated periodically in accordance with the Base Agreement) in respect of any one occurrence, the number of occurrences being unlimited, but in the aggregate in respect of pollution and products liability.</p> <p>But with respect to the SPV Manager, cover is limited to ██████████ ██████████ (AUD██████) in respect of any one occurrence, the number of occurrences being unlimited, but in the aggregate in respect of pollution and products liability.</p>
Maximum deductible	<p>\$██████ for each and every occurrence of property damage (escalated periodically in accordance with the Base Agreement).</p>
Territorial limits	<p>New Zealand.</p>
Jurisdiction	<p>New Zealand or Australia at the sole discretion of the Insured.</p>
Period of Insurance	<p>From Works Completion or as otherwise specified in the Base Agreement for the Contract Term and renewable on an annual basis unless agreed otherwise.</p>
Cover features and extensions subject to sub limits	<ol style="list-style-type: none"> 1. Munitions of war. 2. Cross liability clause. 3. Legal defence costs. 4. Subrogation waiver and non-vitiating clause. 5. Mobile plant and equipment. 6. Professional liability "write back" in respect of property damage and/or personal injury.

INSURANCE ELEMENT	MINIMUM REQUIREMENT
	7. Liability under the Forest and Rural Fires Act 1977 with a sub-limit of not less than \$██████.
Principal exclusions	<ol style="list-style-type: none"> 1. Liability for death, illness, disease or bodily injury sustained by employees of the insured. 2. Liability arising from use of any vehicle required to be registered by Law. 3. Liability in respect of predetermined penalties or liquidated damages imposed under any contract entered into by the insured. 4. Liability arising out of professional advice other than in respect of death or bodily injury to persons or damage to third party property. 5. Liability arising from the ownership, possession or use of any aircraft or marine vessel. 6. Liability arising from seepage and pollution unless caused by a sudden, unintended and unexpected occurrence. 7. Liability assumed by agreement except to the extent that the liability would have applied notwithstanding that agreement. 8. Liability consequent upon damage to that part of any property which is being worked upon provided the damage is caused directly by that work. 9. Punitive and exemplary damages. 10. Liability directly or indirectly caused by the existence or exposure to asbestos and/or asbestos containing materials. 11. Caused by war, invasion, act or foreign enemy etc. 12. Liability resulting from or in connection with any act of terrorism. 13. Standard market exclusions as agreed at time of placement of policy.

7. Motor Vehicle Insurance

INSURANCE ELEMENT	MINIMUM REQUIREMENT
Insured	Contractor.
Coverage	Third party property damage in respect of all vehicles used by the Contractor in connection with the Works Provisioning or Services.
Sum insured	██████████ (\$██████) (escalated periodically in accordance with the Base Agreement).
Maximum deductible	██████████ (\$██████) (escalated periodically in accordance with the Base Agreement).

INSURANCE ELEMENT	MINIMUM REQUIREMENT
Territorial limits	Anywhere in New Zealand.
Period of insurance	From Works Completion for the Contract Term in each and every period that the Contractor is using any Motor Vehicles in connection with the Works Provisioning or Services.
Principal exclusions	Standard market exclusions as agreed at time of placement of policy.

8. Statutory Fines and Penalties Liability

INSURANCE ELEMENT	MINIMUM REQUIREMENT
Insured	<ol style="list-style-type: none"> 1. the Major Sub-contractor responsible for the delivery of the Operational Services; and 2. the Major Sub-contractor responsible for the delivery of the Operational Services' sub-contractors, <p>each for their respective rights and interests in the Project.</p> <p>The cover is Project Specific single annual placement.</p>
Additional insured	Contractor for its vicarious liability caused by the act or omission of the Major Sub-contractor responsible for the delivery of the Operational Services or the Major Sub-contractor responsible for the delivery of the Operational Services' sub-contractors.
Interest	<p>To indemnify the insured and additional insured under any Act of Parliament other than an excluded Act, where any liability arises in relation to:</p> <ol style="list-style-type: none"> 1. any fine payable by the insured upon the insured's conviction for an offence (excluding fines under the Health and Safety in Employment Amendment Act 2002, but including reparations orders in connection with this Act); 2. defence legal costs incurred in the defence of prosecutions or threatened prosecutions for any offence; 3. defence legal costs incurred in the defence of a prosecution of the insured for any offence where it is alleged that the insured has knowingly, wilfully or intentionally taken an action or failed to take an action where the insured is subsequently acquitted by a Court; and 4. civil defence legal costs incurred by the insured in being represented at or in relation to: <ol style="list-style-type: none"> a. an inquiry into the cause; and/or b. an inquiry or settlement conference proceedings before a complaints review tribunal. <p>Policy extends to cover for breaches of the Resource Management Act 1991.</p>

INSURANCE ELEMENT	MINIMUM REQUIREMENT
Limit of indemnity	Not less than ██████████ (\$██████) in respect of any one occurrence and in the annual aggregate (escalated periodically in accordance with the Base Agreement).
Deductible	Not less than ██████████ (\$██████) for each and every claim (escalated periodically in accordance with the Base Agreement).
Retroactive Date	Execution Date of the Major Sub-contract for the delivery of the Operational Services.
Period of Insurance	From the date of Works Completion for the term of the relevant Major Sub-contract (as may be replaced over the balance of the Contract Term).
Principal exclusions	<ol style="list-style-type: none"> 1. Arms Act 1983. 2. Aviation Crimes Act 1972. 3. Crimes Act 1961. 4. Criminal Proceeds (Recovery) Act 2009. 5. Summary Offences Act 1981. 6. The investigation of and defence of any action, proceeding, inquiry, investigation or prosecution taken against the Insured by the New Zealand Police. However this exclusion does not apply to the Sale and Supply of Alcohol Act 2012. 7. Standard market exclusions as agreed at time of placement of policy.

9. Professional Indemnity Insurance

INSURANCE ELEMENT	MINIMUM REQUIREMENT
Insured	<p>A policy covering the Major Sub-contractor responsible for the delivery of the Operational Services and its consultants for their respective rights and interests.</p> <p>The cover is Project Specific single annual placement.</p>
Coverage	Coverage against any civil liability arising from breach of professional duty arising under or in connection with the Project and this Agreement in relation to the Operating Term.
Limit of Indemnity	██████████ (\$██████), in the annual aggregate (escalated periodically in accordance with the Base Agreement).
Deductible	\$██████ (escalated periodically in accordance with the Base Agreement).
Territorial limits	Worldwide
Jurisdiction	New Zealand or Australia at the sole discretion of the Insured.
Retroactive Date	Execution Date of the Major Sub-contract for the delivery of the

INSURANCE ELEMENT	MINIMUM REQUIREMENT
	Operational Services.
Period of insurance	To be maintained from Works Completion to ■■■ years after the end of the term of the relevant Major Sub-contract (as may be replaced over the balance of the Contract Term) renewed annually.
Cover extensions	<ol style="list-style-type: none"> 1. Extended reporting period. 2. Loss of documents. 3. Intellectual Property infringement. 4. Continuous cover. 5. Representations and warranties (limited to Professional Duty and Common Law). 6. Vicarious liability attaching to the Major Sub-contractor responsible for the delivery of the Operational Services and its consultants arising out of acts or omission of the Major Sub-contractor's sub-contractors.
Exclusions	Standard market exclusions as agreed at time of placement of policy.

Part 2 - Endorsements

Parties should endeavour to obtain cover in accordance with the principles below where relevant to the specific insurance policy but excluding motor vehicle. If wordings consistent with the following principles are not in practice available, the parties should obtain the best terms reasonably available in the market at the time. The principles expressed below may be met by multiple endorsements.

Endorsement 1

Cancellation

- (a) The policy is not cancellable unless from non-payment of premium; and
- (b) 30 days prior written notice is to be provided to the Transport Agency and the Security Trustee by the insurer for such cancellations where the Transport Agency and the Security Trustee (as applicable) is an insured or an additional insured on the policy.

Endorsement 2

Multiple Insured/Non-Vitiation Clause

- (a) Each Insured is treated as if each has a separate policy. However, the total policy sum insured or limit will not be exceeded;
- (b) Innocent breach of non disclosure will not affect the policy;
- (c) Breach by one insured party will not affect another insured party; and
- (d) Insurers will not recover from the insured breaching the policy unless from fraud, misrepresentation, nondisclosure, breach of warranty or condition.

Endorsement 3

Communications

- (a) 30 days prior written notice to be provided to the Transport Agency and the Security Trustee by the insurer for proposed adverse change in the insurance terms (except at renewal), where the Transport Agency and the Security Trustee (as applicable) is an insured or an additional insured on the policy; and
- (b) Notification of loss by one insured party is understood to be from all insured parties.

Endorsement 4

Loss Payee (applicable only to the Physical Damage Policies)

All claims are to be paid into the Joint Insurance Account or as directed by the Contractor, the Transport Agency or the Security Trustee (as applicable).

Endorsement 5

Primary and Non-contributory Insurance

These policies are to be in priority to other insurance policies held by the insured parties.

Part 3 – Insurance Premium Sharing

1. Establishment of Base Insurance Premium

1.1 Setting of Base Insurance Premium

No later than two months (nor earlier than four months) before Works Completion, the Contractor shall:

- (a) obtain and provide copies to the Transport Agency of three independent quotes (or two such quotes if the Contractor is unable to obtain three such quotes by reason of capacity constraints in such markets at the relevant time, which quotes shall be inclusive of any brokerage and other fees payable and GST) from separate Reputable Insurers with respect to the premium cost for the Shared Operating Insurances for the first Insurance Year, under insurance policies with terms and conditions that comply with the requirements of this Agreement;
- (b) provide such documentation or information as the Transport Agency reasonably requires to confirm the Contractor's compliance with paragraph 1.1(a) in obtaining those quotations; and
- (c) notify the Transport Agency in writing of the Contractor's preferred quotation and Reputable Insurer, and the reasons why.

1.2 Agreement on insurances

- (a) Within 10 Business Days after receiving the information given under paragraph 1.1, the Transport Agency shall advise the Contractor whether it agrees with the Contractor's preferred insurance package and, if not, the reasons why.
- (b) If the Transport Agency and the Contractor, each acting reasonably, do not reach agreement on the matters referred to in paragraph 1.2(a), either party may refer the matter to be determined under the Accelerated Dispute Resolution Procedures, and the insurance policies will be taken out with the insurer either agreed by the parties or determined under the Accelerated Dispute Resolution Procedures to be the most suitable.

1.3 Outcome

The premium cost for the Shared Operating Insurances agreed between the parties under paragraph 1.2(a) or determined under paragraph 1.2(b):

- (a) will establish the Base Insurance Premium, as defined in and for the purposes of Schedule 14 (Payment Mechanism); and
- (b) will establish the premium for the Shared Operating Insurances for the first Insurance Year.

2. Procurement of Shared Operating Insurances

2.1 Procurement of insurances

No later than two months (nor earlier than four months) before the start of each Insurance Year (excluding the first Insurance Year), the Contractor shall:

- (a) obtain and provide copies to the Transport Agency of three independent quotes (or two such quotes if the Contractor is unable to obtain three such quotes by reason of capacity constraints in such markets at the relevant time, which quotes shall be inclusive of any brokerage and other fees payable and GST) from separate Reputable Insurers with respect to the premium cost for the Shared Operating Insurances for the relevant Insurance Year, under insurance policies with terms and conditions that comply with the requirements of this Agreement;
- (b) provide a detailed written report, prepared in consultation with its insurance brokers, on the reasons for any substantial increases in insurance premiums (if applicable); and
- (c) notify the Transport Agency in writing of the Contractor's preferred quotation and Reputable Insurer, and the reasons why.

2.2 Agreement on insurances

- (a) Within 10 Business Days after receiving the information given under paragraph 2.1, the Transport Agency shall advise the Contractor whether it agrees with the Contractor's preferred insurance package and, if not, the reasons why.
- (b) If the Transport Agency and the Contractor, each acting reasonably, do not reach agreement on the matters referred to in paragraph 2.2(a), either party may refer the matter to be determined under the Accelerated Dispute Resolution Procedures, and the insurance policies will be taken out with the insurer either agreed by the parties or determined under the Accelerated Dispute Resolution Procedures to be the most suitable.

2.3 Outcome

The premium cost for the Shared Operating Insurances agreed between the parties under paragraph 2.2(a) or determined under paragraph 2.2(b) will establish the premium for the Shared Operating Insurances for the relevant Insurance Year.

3. Insurance rebate payment

If:

- (a) the Expiry Date does not coincide with an anniversary of the Service Commencement Date; or
- (b) the Actual Termination Date does not coincide with an anniversary of the Service Commencement Date,

the Contractor shall use its best endeavours to procure receipt of a rebate from the relevant insurance provider as a result of the early termination of the Shared Operating Insurances and shall, within five Business Days of receipt of any such rebate, refund the amount of that rebate to the Transport Agency.

Part 4: Determination of Jurisdiction

The Insured Party making the claim under the Required Insurance Policy will determine the jurisdiction under which any dispute between the Insurer and the Insured, with regards to coverage under that Required Insurance Policy, will be heard.

Where both the Transport Agency and Contractor are jointly making a claim on a Required Insurance Policy, and there is a dispute with the Insurer in relation to the coverage under that Policy, the Transport Agency and the Contractor shall agree the applicable jurisdiction for the Required Insurance Policy in respect to that claim.

Any Dispute regarding the applicable jurisdiction in respect to that Required Insurance Policy and that claim may be referred by either party to the Dispute Resolution Procedures.