

PREPAYMENTS

1. General

As described in clause 7 of each Encumbrance, the Encumbrancer may prepay all Infrastructure Payments owing or that would become owing under this Encumbrance over the Term, in which case it must pay the aggregate of the amounts determined under paragraphs (1) and (2) below (with the final amount as at a specified date to be calculated by Milldale Infrastructure or its agent and notified to the Encumbrancer):

(1) the lesser of a. or b. below:

a. the aggregate of:

- i. any unpaid Infrastructure Payments then due and payable (together with any Additional Payments, enforcement costs, arrears or other amounts due and payable under this Encumbrance); and
- ii. the remaining scheduled Infrastructure Payments for the Term; or

b. the aggregate amount payable by the Encumbrancee to prepay its debt and equity finance arrangements associated with this Encumbrance and the break costs relating to any management contract associated with this Encumbrance (described in more detail below); and

(2) an administration fee to reasonably compensate Milldale Infrastructure for any administrative cost incurred by Milldale Infrastructure in relation to the full early prepayment (described in more detail below).

This means that the Encumbrancer will never need to pay more than any amounts due and payable under the Encumbrance, plus the unpaid scheduled Infrastructure Payments payable under the Encumbrance (and a reasonable administration fee, which is set out below) to prepay its obligations under the Encumbrance in full. The actual amount payable by the Encumbrancer to prepay amounts payable under the Encumbrance in full may be less than this amount.

2. Amount payable to prepay finance arrangements

The amount described in clause 7(a)b of the Final Encumbrance (as set out in 1(b) above) can be calculated as the aggregate of:

- (a) any unpaid Infrastructure Payments then due and payable (together with any Additional Payments, enforcement costs, arrears or other amounts due and payable under this Encumbrance); and

- (b) the net present value of the remaining scheduled Infrastructure Payments for the Term, using a discount rate being the lesser of:
- a. 5.370%; and
 - b. the aggregate of:
 - i. LGFA Bond Margin, being the margin applicable to Local Government Funding Agency bonds currently issued with a duration remaining that most closely approximates the duration of the Term Facility; and
 - ii. Market Swap Rate, being the swap rate implied by the market 3 month forward BKBM-BID rates for the remaining Term (noting that extrapolation may be required for 3 month forward BKBM-BID rates which would occur more than 20 years into the future).

3. Administration fee

Milldale Infrastructure will charge an administration fee to reasonably compensate Milldale Infrastructure for any administrative cost incurred by Milldale Infrastructure in relation to the full early prepayment of an Encumbrance. The administration fee (as at 23 November 2018) is \$500 (plus GST, if any).

4. Partial prepayment

Partial prepayments of Infrastructure Payments cannot be made and will not be accepted by Milldale Infrastructure.

5. Request indicative prepayment figure

To request an indicative prepayment figure, please contact Milldale Infrastructure.