



Chorus New Zealand Limited
Chorus House
Chorus House, Level 11, 66 Wyndham Street
Auckland
New Zealand

28th August 2012

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Attn: []

AGREEMENT RELATING TO [] BACKHAUL NETWORK

1. Today Chorus New Zealand Limited (“**CNZ**”) and [] are to sign the Chorus UFB Services Agreement that forms part of the Chorus UFB Reference Offer (“**CUFBSA**”), in respect of certain fibre services referred to as the [] Backhaul Network (the “[] **Services**”). The Effective Date of the CUFBSA is 8 October 2011.
2. The technical architecture and specifications of the [] Services are set out in schedules 1 and 2 to this letter agreement (the “[] **Specifications**”). From 8 October 2011, Telecom New Zealand Limited (“**TNZ**”) and CNZ have delivered, and [] has accepted, the delivery of the [] Services in accordance with the terms of the CUFBSA, as varied by this letter agreement and, in particular, the [] Specifications.
3. The CUFBSA includes the following documents (together, the “**Interim Terms**”):
 - (a) General Terms;
 - (b) Direct Fibre Access Service – Service Description;
 - (c) Voluntary Direct Fibre Access Service – Service Description;
 - (d) Intra-Candidate Area Backhaul Service – Service Description;
 - (e) Direct Fibre Access Services – Service Level Terms;
 - (f) Direct Fibre Access Services – Operations Manual; and
 - (g) Price List.

Capitalised terms used but not defined in this letter agreement have the meaning given to them in the Interim Terms.

4. The parties acknowledge that CNZ is required to publish this letter agreement as a variation to the Chorus UFB Services Agreement, pursuant to clause 8 of the Fibre Deed (subject to consent of the Commerce Commission to withhold information that is commercially sensitive).
5. As consideration for the delivery of the [] Services, but without limit to any obligation under the Interim Terms to pay any amount due for any other Services to be delivered to [] pursuant

to the terms of a subsequent Service Order, [] will pay to CNZ non-recurring installation charges and monthly rental charges in accordance with the Reference Offer.

6. The term of this letter agreement is 3 years from 8 October 2011. On expiry of this letter agreement, [] may choose to:
- (a) terminate the CUFBSA with immediate effect and without penalty; or
 - (b) take Services equivalent to the [] Services under Chorus' then current Reference Offer, by submitting a Service Order; or
 - (c) if [] considers that the then current Reference Offer does not reflect the matters required to properly cater for the services [] requires (being services anticipated in the UFB construct), require that the parties enter into good faith negotiations 90 days prior to the expiry of this letter agreement to determine how to provide for those matters.
7. The parties have agreed that the Service Level in schedule 3 is:
- (a) available for [] to purchase year to year over and above the service levels in the Interim Offer, at a price of \$34,350 per annum (pro-rated for any part year) payable annually in advance within 10 Business Days of receipt of a GST invoice; and
 - (b) a Core Service Level, and the compensation described in schedule 3 is a Core Service Rebate, for the purpose of the Service Level Terms for Direct Fibre Access Services which are deemed amended to the extent necessary to give effect to schedule 3.
- [] has agreed to purchase the Service Level in Schedule 3 for the period from the date of this letter agreement to and including 7 October 2012, being the balance of the first year of the Term.
8. In recognition of the fact that the Chorus Reference Offer is still subject to industry consultation and in some respects is not suited to the [] Services (noting that many of these issues are being addressed in the ongoing industry discussions about the Reference Offer), the parties agree that:
- (a) The Direct Fibre Access Service is deemed to include the provision of fibre to/from [] and such other [] sites as are set out in the [] Specifications. This clarification does not affect the price or any other service attribute of the Direct Fibre Access Service.
 - (b) The Intra-Candidate Area Backhaul Service includes the provision of fibre between originating and destination exchanges, which may go via one or more other exchanges. This clarification does not affect the price or any other service attribute of the Intra-Candidate Area Backhaul Service.
 - (c) []
 - (d) Under the General Terms, and other parts of the Interim Terms, the performance by CNZ of its obligations is conditional upon [] satisfying a number of conditions including, without limitation, the conditions set out in clause 2.2 of the General Terms. CNZ agrees that []:
 - (i) is deemed to have satisfied all such conditions, and CNZ waives any rights or remedies it may have under the CUFBSA (or any part of it) or at law for failure by [] to satisfy such conditions; and
 - (ii) is not obliged to comply with the condition in clause 2.2(d) of the General Terms.
 - (e) For the purposes of clause 9.1(b) of the General Terms, the parties have agreed that certain Services will be used by [] for its own internal purposes and/or to support the

services [] provides to its customers, provided that any Services used for internal purposes do not comprise more than 25% of the Services to be supplied by CNZ to [] in any year.

- (f) CNZ acknowledges that the Backhaul Service is being provided as part of the Services, despite clause 1.1 of the Service Description for the Intra-Candidate Area Backhaul Service.
 - (g) Each of the Service Levels relating to availability of the Services (including any associated Service Level rebate regime) are deemed to apply from 8 October 2011, despite any service level commencement date expressly referred to in the Service Level Terms for Direct Fibre Access Services.
 - (h) Clause 4.4 of the Service Description for the Voluntary Direct Fibre Access Service will be construed as applying only to installations of the Voluntary Direct Fibre Access Service and will not be construed as applying in respect of the availability of the Voluntary Direct Fibre Access Service.
 - (i) [] .
 - (j) CNZ agrees to provide the help desk and fault reporting service, and the fault restoration service, on a 24/7/365 basis, despite anything in the Interim Terms to the contrary. This 24/7/365 service is a requirement of the Service Level in schedule 3 of this letter agreement and will be a feature of Enhanced SLA3 in the Service Level Terms for Direct Fibre Access Service.
 - (k) For the purpose of calculating the liability of each party to the other under the CUFBSA, including under clause 18 of the General Terms and the Core Service Rebates under the Service Level Terms for Direct Fibre Access Services, [] is deemed to have paid 12 months' Charges for the Services.
 - (l) CNZ acknowledges and agrees that [] public liability insurance and property insurance covers are adequate for the purposes of clause 18.6 of the General Terms.
9. In recognition of the fact that the Chorus Reference Offer continues to be subject to industry consultation, the parties agree that [] has the option, at any time during the term of this letter agreement, to require that the General Terms, Interim Terms and this letter agreement be replaced with any subsequent version of the Reference Offer published by Chorus. It is acknowledged that when doing so, a variation or replacement to this letter agreement may be required to cater for any elements of the [] Services that are not adequately captured in the subsequent Reference Offer.
10. [] payment obligations under the CUFBSA will apply from 8 October 2011. CNZ accepts and assumes all the rights and obligations of TNZ arising from 8 October 2011 in respect of the delivery, performance and support of the [] Services, notwithstanding that the [] Services were delivered, managed and supported by TNZ between that date and 1 December 2011, when CNZ demerged from TNZ.
11. Please indicate [] agreement to the terms of this letter agreement by signing, dating and returning a copy of this letter agreement and the CUFBSA.
12. This letter agreement is governed by the laws of New Zealand. Each of the parties irrevocably submits to the non-exclusive jurisdiction of the courts of New Zealand, and courts hearing appeals from those courts.
13. Despite anything to the contrary in the Interim Terms, a variation to any term of this letter agreement (including, without limitation, the Interim Terms) must be in writing and signed by the parties.

Yours faithfully

for and on behalf of **Chorus New Zealand Limited**

I agree to the above terms for and on behalf of []:

Title: [], CEO

Date: 2012

SCHEDULE 1: SPECIFIED FIBRE NETWORK

Withheld from publication

SCHEDULE 2: SPECIFICATIONS AND SERVICES

Withheld from publication

[].

1 Route Description

The Routes are described in schedule 1.

2 Fibre Characteristics

The specifications:

2.1 General description

This describes building-to-building single mode fibre optic links. The specification describes the minimum requirements and CNZ agrees, consistent with its usual business practices, to use commercially reasonable efforts to produce links with the best performance practicable in all the circumstances (including in the light of the age, location and environment of the link) which exceed the minimum requirements.

2.2 Optical fibre

All optical fibre used shall be single mode and be manufactured and tested to ITU-U G652 D for fibre building to building and to ITU-U G657 A for fibre within buildings.

2.3 Typical values

The fibres must meet the following end-to-end values:

Cable/Fibre Characteristic	Specification
Maximum Measured Attenuation:	
i) @ 1310nm	< 0.40 dB/km
ii) @ 1550 nm	< 0.30 dB/km
iii) @ 1625 nm	< 0.23 dB/km
Cabled cut-off Wavelength λ_c	1110 – 1250 nm
Core Diameter	8.3 μm
Mode Field Diameter @ 1310	9.3 \pm 0.5 μm
Mode Field Diameter @ 1550	10.5 \pm 1.0 μm
Zero Dispersion	1300 – 1324 nm
Maximum Dispersion Slope	0.092 ps/nm ² km
Nominal Cladding Diameter	125 \pm 1.0 μm

2.4 Connectors

All connectors in the fibres shall be of the LC type. Where connectors of other types are required a conversion patch cord shall be used. LC Connectors can be either simplex or duplex types.

2.5 Connector Loss values

- (a) Insertion Loss Max 0.3 dB typical 0.1 dB
- (b) Return Loss Min 26 dB typical > 40 dB
- (c) The maximum average connector loss on any link must be ≤ 0.2 dB.

2.6 Cleaning connectors

Connectors must be inspected and cleaned every time they are connected using a process based on IEC 61300-3-35 standard.

2.7 Splicing requirements

The maximum splice loss for any splice should not exceed 0.4 dB and the maximum average splice loss for any length (between two connectorised points) must be ≤ 0.2 dB.

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SCHEDULE 3: SERVICE LEVELS

Service that is additional to the current UFB reference offer	Compensation	Charge
<p>Fibre service restore service level of 8 hours on a rolling 12 month measure across each fibre ring i.e. once outages on a ring that isolate a site or sites on that ring exceed 8 hours down time in a rolling 12 month period [] will be entitled to compensation for further outages on that ring.</p>	<p>For an outage that isolates a site or sites on a fibre ring that has exceeded (or will because of the outage exceed) the maximum allowed 8 hours down time in a rolling 12 month period;</p> <p>9 to 12 clock hours - \$1,100 13 to 16 clock hours - \$2,200 17 or more clock hours - \$3,300,</p>	<p>\$34,350 per annum payable annually in advance</p>
<p>Fully integrated reporting service for performance and outages / faults will be provided from and including 1 April 2012. Until then, CNZ will provide basic reporting.</p>	<p>all per hour plus GST. Compensation is capped at \$52,000 per ring in a rolling 12 month period (the total cap per rolling 12 months being \$104,000).</p> <p>If there is a single fault but no site is isolated (because of the ring structure or fibre diversity) then [] can only recover under the standard UFB Enhanced Service Level 3.</p> <p>For clarity, so long as [] requires the Service Level described in this Schedule 3, CNZ will provide [] Enhanced Service Level 3 for single faults for no additional charge.</p>	