



# Summary of Contract Terms from Fullers Contract

# Summary of Contract Terms from Fullers Contract

The Fullers contract has a number of comprehensive exit provisions. These include clearly defined default events and subsequent cure plan process to correct and prevent the defaults, AT Termination rights and process for a broad range of events (including AT funding or policy constraints), and subsequent Step-in Rights that AT may choose to exercise in case of termination being issued. There are no other termination rights, either for AT or Fullers beyond those specified as above. It is important to note that the 'early termination' provisions of the Bayswater and Birkenhead contract extensions were unique conditions of the extension of those contracts, which formed part of the wider negotiations of the Fullers contract, enabling AT to finalise the longer-term Ferry Procurement Strategy.

## Relief Events

Standard definition included in the contract

AT has the facility to adjust any Performance Indicator to reflect the effect of a Relief Event

Process in the contract around how Notice is given etc., which it is imperative that this is followed by both parties.

An 'Affected Party' does have the ability to seek relief, but this needs to be clearly detailed in writing to the other party as a 'Relief Event Notice'

During a period of suspension, to the extent that the action taken by the Affected Party to mitigate the effect of it being prevented from complying with, or performing the Affected Obligations results in a cost saving arising in relation to items which in the normal course would fall within the scope of services attributable to the Service Payments and/ or is recoverable under any insurance policy held by the Affected Party, that cost saving or equivalent to the insured amount will be passed onto AT.

If a Relief Event affects more than 50% of services for more than 20 Business Days from the date of the relevant Relief Event Notice, then both parties will meet to agree how to mitigate impacts and facilitate continued performance. If such measures can't be agreed within 50 Business Days and more than 50% of services are still being impacted, then AT may terminate the Agreement.

## Default Events

Means:

- Any non-trivial failure by FGL to comply with its obligations
- A Performance Default Event
- Suspension of an Authorisation required to deliver services

FGL must notify AT of the occurrence or likely occurrence of such a Default Event within 24 hours of FGL becoming aware of it

Options open to AT after providing written notice to FGL:

- Require FGL to take temporary measures to mitigate
- Require FGL to provide a Cure Plan within 10 Business Days
- Require FGL to provide information or attend meeting with the Relationship Committee

Cure Plans will include details of what FGL will do, by when, and expected outcome. Cure Plans will be presented to the P&P Committee, AT reviews within 5 Business Days. FGL can request extensions to the Cure Plan

## Termination

Numerous options exist, but main ones are:

- Default Event whereby a Cure Plan does not remedy the issue within the Cure Period
- Persistent or repeated breach
- Misrepresentation
- Termination event under the Access Agreement or Charter Party Agreement
- Material adverse change
- Non-permitted Change of Control
- More than 50% of Ferry Services not delivered for a period of more than 2 weeks for reasons other than due to a Relief Event or a Performance Relief Event

AT retains the ability to terminate the Agreement by giving at least 6 months' prior written notice if there is insufficient funding available requiring a general reduction in PT ferry services or there is a change in Applicable Law resulting in AT being unable to satisfy its legislative objectives, functions and responsibilities through Agreement.

\*\* FGL may suspend services if AT doesn't pay invoices and FGL has provided at least 20 Business Days written notice of any such non-payment and an intent to suspend services but only if the amount is not subject to Dispute Resolution Procedure or any right of AT to make set-off or other deduction for that otherwise unpaid amount