



22nd February 2018

Mr. David Metcalf  
General Manager  
Glamorgan Spring Bay Council

By Email: david@freycinet.tas.gov.au

Tassal Group Limited  
ABN 15 106 067 270  
Tassal Operations Pty. Ltd.  
ABN 38 106 324 127  
De Costi Seafoods Pty. Ltd.  
ABN 81 606 307 804  
GPO Box 1645, Hobart  
Tasmania, AUSTRALIA 7001  
email: tassal@tassal.com.au  
website: www.tassal.com.au

Dear Mr Metcalf,

### **Prosser Plains Raw Water Scheme LETTER OF COMMITMENT**

The purpose of this letter is to confirm certain commitments and undertakings given by Tassal Operations Pty Ltd ("Tassal") to Glamorgan Spring Bay Council ("Council") regarding the above-named project ("the Project").

As contemplated by the Memorandum of Understanding and the previous Letter of Commitment dated 19<sup>th</sup> January 2017, there will be a Project Committee (comprising one representative from the Council and one from Tassal) who will be responsible for the successful execution of the Project.

As part of their responsibilities, the Project Committee will be required (including but not limited) to manage: approval, construction, commissioning and sign-off on all commitments and/or expenditure howsoever associated or connected with the Project.

Tassal requests Council proceed with the construction of the Project (subject always to the approval of the Project Committee), including the planned undersea pipelines to Tassal's marine operations site in Spring Bay.

Subject to execution of binding commercial agreements between Tassal, Council and any other relevant parties, Tassal agrees the following:

1. If Council reasonably decides to discontinue with the Project prior to construction, Tassal will reimburse Council for any and all costs associated with the investigation and design of the Project on condition that Council assigns and/or transfers to Tassal any and all its rights, benefits, grants, title and interest in all leases, licences, proprietary and/or access rights, and any other documentation or matters howsoever associated with the Project.
2. If the Project does not proceed at any stage for any reason, Tassal indemnifies Council for all outgoing costs of the Project, provided that:
  - a. Council produces evidence of expenditure and all relevant tax invoices;
  - b. The Project Committee had agreed to and signed off on all outgoing costs; and

- c. Should Tassal wish to continue with the Project, Council assigns or transfers to Tassal all its right, benefit, grants, title and interest in all infrastructure, leases, licence, proprietary and or access rights and any other equipment and documentation howsoever associated with the Project.
3. Tassal indemnifies Council in relation to maintenance costs, interest, capital and any other consultancy costs that relate to the Project prior to construction, subject to the Project Committee's approval of those costs.
4. TasWater is entitled to 200ML per annum of water from the Project at no charge to TasWater if and when required by Tassal.
5. Tassal commits to transfer all its right, benefit and interest to the Hobbs Lagoon water supply being water licence number 9230 with an allocation of 3,325ML. to Council.
6. Tassal commits to pay Council for the annual maintenance, financing (capital plus interest), electricity, licensing and other associated operating costs of the Project subject to the Project Committee's approval of those costs.

Tassal makes this commitment on the understanding that the Project will be self-funding inclusive of all design and approved construction costs, grants, water usage charges and operating costs, and on the principle that Council ratepayers are not to be financially burdened by the Project. It is a condition of this commitment that Council take proactive and all reasonable steps required to secure additional water users of the Project and all agreements with additional users are approved by the Project Committee, and are on fair and reasonable commercial terms.

Signed by Tassal Operations Pty Ltd by its authorised representative:



**Mark Ryan**  
Managing Director and CEO