

TELECOM OPERATIONAL SEPARATION

Charter of the Independent Oversight Group

As adopted by the Telecom Board on 10 April 2008

TABLE OF CONTENTS

1	INTERPRETATION	1
1.1	Defined terms.....	1
1.2	Construction.....	2
2	ROLE OF THE IOG	2
2.1	Purpose	2
2.2	Functions and powers	3
2.3	Information	3
2.4	Request process.....	3
2.5	Powers and obligations	3
3	MEMBERS	3
3.1	Number of Members	3
3.2	Independence.....	3
3.3	Appointment.....	4
3.4	Nomination of Chairperson	4
3.5	Removal by Telecom.....	4
3.6	Suspension by Telecom Board.....	4
3.7	Telecom to give notice of suspension	5
3.8	Resignation	5
3.9	Vacation of office of Member.....	5
3.10	Validity of acts	6
3.11	Delegation and alternates.....	6
4	REPORTING, INFORMATION AND ANNOUNCEMENTS.....	6
4.1	Required reports	6
4.2	Timing of reports	6
4.3	Reports to be available on internet website	7
4.4	Reports containing confidential or commercially sensitive information.....	7
4.5	Ownership of documents and confidentiality	7
4.6	Announcements	7
4.7	Chairperson to present to Telecom Board	7
5	DISCLOSURE OF INTERESTS.....	8
5.1	Disclosure	8
5.2	Interests register	8
6	MEETINGS	8
6.1	Meetings	8
6.2	Schedule of meetings	8
6.3	Notice of meeting.....	9
6.4	Waiver of irregularities in notice.....	9
6.5	Methods of holding meetings	9
6.6	Chairperson.....	9
6.7	Quorum	9
6.8	Voting	9

6.9	Minutes	10
6.10	Written resolutions	10
6.11	Other proceedings	10
7	SUPPORT OFFICE	10
7.1	Establishment and role of Support Office	10
7.2	Funding for the Support Office	10
7.3	Support Office Employees	10
8	AUDITORS	11
8.1	Auditors to audit IOG annual report	11
8.2	Additional audit requirements	11
9	MISCELLANEOUS	11
9.1	Amendments	11
9.2	Notices	11
	SCHEDULE 1 – AGREEMENTS AND ARRANGEMENTS BETWEEN REQUIRED TELECOM BUSINESS UNITS AND OTHER PARTS OF TELECOM	13
	SCHEDULE 2 – INFORMATION AND ACCESS	15
	APPENDIX – TERMS OF REFERENCE	18

1 INTERPRETATION

1.1 Defined terms

In this Charter, unless the context otherwise requires:

Chairperson means the Member appointed by Telecom from time to time as chairperson of the IOG in accordance with clause 3.4;

Charter means this charter, as may be amended by the Telecom Board from time to time in accordance with clause 9.1;

Commission has the same meaning as in the Telecommunications Act 2001;

Establishment Date means the date on which the IOG is established by Telecom in accordance with the Undertakings;

Independent in relation to a Member, means a person who does not fall within any of the categories set out in clause 3.2;

Independent Member means a Member appointed as a person who is Independent;

Independent Oversight Group or *IOG* means the group established by Telecom in accordance with the Undertakings to monitor, report and advise on Telecom's compliance with the Undertakings;

Information Sharing Protocol means the information sharing protocol agreed between Telecom and the IOG from time to time to aid in maintaining the status and confidentiality of information that may be provided to the IOG;

Member means a member of the IOG appointed and continuing to hold office in accordance with this Charter;

Minister has the same meaning as in the Telecommunications Act 2001;

Support Office means the support office (by whatever name called) established by Telecom in accordance with the Undertakings to assist the IOG in the performance of its functions;

Support Office Employee means any person employed or contracted by Telecom to work exclusively in the Support Office;

Telecom means Telecom Corporation of New Zealand Limited;

Telecom Member means any Member other than an Independent Member;

Terms of Reference means the document required by the Undertakings, attached as an Appendix to this Charter, which sets out the functions and powers, and the key requirements and responsibilities, of the IOG; and

Undertakings means the undertakings given to the New Zealand Government by Telecom on 31 March 2008 pursuant to Part 2A of the Telecommunications Act 2001.

1.2 **Construction**

In this Charter:

- (a) unless the context otherwise requires:
 - (i) expressions which are defined in the Undertakings have the meanings given to them in the Undertakings;
 - (ii) the singular includes the plural and vice versa, and words importing one gender include the other genders;
 - (iii) a reference to an enactment or regulations is a reference to that enactment or those regulations as amended from time to time, or to any enactment or regulations substituted therefor;
 - (iv) a reference to any document, including this Charter, includes a reference to that document as amended or replaced from time to time; and
 - (v) a reference to a clause is a reference to a clause in this Charter;
- (b) headings appear as a matter of convenience and do not affect the interpretation of this Charter;
- (c) in the event of any conflict or inconsistency between this Charter and the Undertakings, the Undertakings shall prevail to the extent of that conflict or inconsistency.

2 **ROLE OF THE IOG**

2.1 **Purpose**

The purpose of the IOG is to monitor, report and advise on Telecom's compliance with the Undertakings in accordance with the provisions of this Charter.

2.2 **Functions and powers**

The IOG has the functions and the powers expressly set out in Part A of the Terms of Reference.

2.3 **Information**

The IOG will receive:

- (a) written copies of each of the agreements and arrangements between a Required Telecom Business Unit and another part of Telecom referred to in Schedule 1 to this Charter, as soon as practicable after those agreements or arrangements are entered into or materially changed; and
- (b) the documentation, certificates, notices, evidence, reports, plans, statements, registers, policies, access and information referred to in Schedule 2 to this Charter.

2.4 **Request process**

Any reports, information and access to which the IOG is entitled under this Charter will be requested by the IOG in accordance with the process agreed by Telecom and the IOG in order to ensure that requests are directed to the most appropriate contact person within Telecom who can best facilitate the provision of correct information in a timely manner.

2.5 **Powers and obligations**

The IOG has the powers and obligations expressly set out in this Charter, the Terms of Reference and the letters of appointment of each Member (the *Constitutional Documents*). In performing its functions and obligations and exercising its powers, the IOG will act strictly in accordance with the Constitutional Documents.

3 **MEMBERS**

3.1 **Number of Members**

The IOG will consist of five Members, at least three of whom must be Independent Members.

3.2 **Independence**

A person is not eligible to be appointed as an Independent Member if:

- (a) that person works for Chorus, the Wholesale Unit or a Retail Unit;
- (b) in the opinion of the Telecom Board, that person has a material conflict of interest, or would have such a conflict if appointed as a Member, having regard to whether that person is:
 - (i) an Employee or has recently been an Employee;

- (ii) a director or senior executive of another telecommunications provider;
 - (iii) a partner or senior executive of any firm, company or other organisation providing services to Telecom or another telecommunications provider;
 - (iv) an employee of the Commission; or
 - (v) a material shareholder in Telecom or another telecommunications provider; and/or
- (c) the Telecom Board otherwise determines he or she is not independent.

3.3 **Appointment**

Subject to clauses 3.1 and 3.2, Telecom may appoint any person as a Member. When appointing Members, Telecom will consult with the Commission on the appropriate skills mix for the IOG and also before appointing each Independent Member.

3.4 **Nomination of Chairperson**

Telecom will appoint one of the Independent Members as chairperson of the IOG. The Chairperson holds that office until he or she ceases to be a Member or Telecom appoints another Independent Member as a Chairperson in his or her place. Telecom will consult with the Commission before appointing each Chairperson.

3.5 **Removal by Telecom**

The Telecom Board may remove any Member from office by giving written notice to that Member and the IOG. Telecom will consult with the Commission before removing any Member.

3.6 **Suspension by Telecom Board**

The Telecom Board may suspend an Independent Member by giving written notice to that Member and the IOG if:

- (a) the Member is:
 - (i) disqualified from acting as a director under the Companies Act 1993;
 - (ii) declared bankrupt;
 - (iii) convicted of an offence punishable by imprisonment for a term of two years or more, or sentenced to imprisonment for any other offence; or
 - (iv) disciplined by a professional body exercising powers granted by statute or regulation;

- (b) the Telecom Board has reasonable grounds to suspect that the Member has:
 - (i) acted fraudulently; or
 - (ii) engaged in serious misconduct in the course of his or her role as an IOG Member;
- (c) the Member has ceased to be Independent;
- (d) the Member fails to keep the IOG fully informed of the existence, nature and extent of any material conflict of interest under clause 5.1; and/or
- (e) the Telecom Board considers (acting reasonably) that the Member's performance of his or her role as a Member has been materially deficient, having regard to non-attendance at meetings of the IOG, the report of an auditor appointed under clause 8.2(a) and such other matters as the Telecom Board considers relevant.

The suspension will continue for such period as the Telecom Board may reasonably require for the purpose of consulting with the Commission on the Telecom Board's decision whether to remove that Member from office. No Member suspended pursuant to this clause will have (or purport to exercise) any powers as a Member of the IOG during any such suspension and will not be taken into account for the purposes of assessing whether the quorum required by clause 6.7 has been met.

3.7 **Telecom to give notice of suspension**

Telecom will notify the Commission within 48 hours of the suspension of any Member under clause 3.6. The notice must be in writing and set out the reasons for the suspension.

3.8 **Resignation**

A Member may resign from office by delivering a signed notice of resignation in writing to the chairperson of the Telecom Board (delivered to the Telecom Group Company Secretary). The notice is effective when it is received by Telecom or at a later time specified in the notice.

3.9 **Vacation of office of Member**

The office of Member is vacated if the person holding that office:

- (a) dies; or
- (b) is removed from office under clause 3.5; or
- (c) resigns that office in accordance with clause 3.8.

3.10 **Validity of acts**

Subject to clause 3.6, the acts of a person appointed as a Member are valid until such time as he or she vacates office pursuant to clause 3.9, even if that person's appointment was defective and/or he or she is not eligible for that appointment.

3.11 **Delegation and alternates**

No Member will be entitled to delegate any of the powers set out or referred to in this Charter except to the extent expressly permitted by this Charter. No Member will be entitled to appoint an alternate to act as a Member in his or her place.

4 **REPORTING, INFORMATION AND ANNOUNCEMENTS**

4.1 **Required reports**

The IOG must report:

- (a) to the Telecom Board:
 - (i) as soon as reasonably practicable after becoming aware of any act or omission of Telecom that (in the opinion of the IOG) may become an issue of concern in terms of Telecom's compliance with the Undertakings;
 - (ii) annually, in an annual review of the performance of the IOG against the requirements of the Terms of Reference, this Charter and such other matters as Telecom determines; and
- (b) to the Telecom Board and the Commission:
 - (i) as soon as reasonably practicable after becoming aware of any non-trivial breach of the Undertakings by Telecom;
 - (ii) on a regular basis, at times agreed with Telecom, on Telecom's compliance with the Undertakings; and
 - (iii) annually, in an annual review of Telecom's compliance with the Undertakings.

In addition, the IOG shall provide to Telecom such other reports and information as the Telecom Board may reasonably require.

4.2 **Timing of reports**

The IOG must ensure that each report provided to the Commission or the Minister is simultaneously provided to the Telecom Board and in accordance with the Information Sharing Protocol.

4.3 **Reports to be available on internet website**

The IOG must make available on an Internet website that is available to the public at all reasonable times (subject to clause 4.4) each of its annual reports, and any other report or document that the IOG chooses to make available to the public in accordance with the Information Sharing Protocol.

4.4 **Reports containing confidential or commercially sensitive information**

In accordance with the Information Sharing Protocol, Telecom or the IOG may remove any information that the IOG agrees is confidential or commercially sensitive information that can be removed from each report published by the IOG, but the IOG must ensure that a complete version of each such report is made available to the Commission and the Minister.

4.5 **Ownership of documents and confidentiality**

- (a) All reports, documents and information generated or compiled by the IOG (or the Support Office on behalf of the IOG), or provided by Telecom to the IOG, the Commission or the Minister in relation to the Undertakings, are the property of Telecom.
- (b) All reports, documents and information received, generated or compiled by the IOG (or the Support Office on its behalf) may only be used by the IOG or Support Office for the purposes of performing the IOG's functions in accordance with this Charter.
- (c) All reports, documents and information containing commercially sensitive information received from third parties or generated or compiled by the IOG (or the Support Office on its behalf) using such information may only be disclosed by the IOG or Support Office to a person outside the IOG or Support Office to the extent necessary for the IOG to perform its functions in accordance with this Charter.

4.6 **Announcements**

Neither the IOG nor any Member will make any public announcement or statement relating directly or indirectly to the IOG or the performance of functions, except that the Chairperson may make such an announcement after having consulted with Telecom (through the Telecom Group Company Secretary) to the extent reasonably practicable in the circumstances.

4.7 **Chairperson to present to Telecom Board**

The Chairperson will give presentations at meetings of the Telecom Board as reasonably required by the Telecom Board from time to time, so long as the Telecom Board has given the Chairperson at least five working days' notice of that requirement. Where the Telecom Board agrees, the Chairperson may delegate responsibility for that presentation to another Member or a Support Office Employee.

5 DISCLOSURE OF INTERESTS

5.1 Disclosure

Each Member must ensure that the IOG and the Telecom Board (through the Telecom Group Company Secretary) are kept fully informed of the existence, nature and extent of that Member's interests which have the potential to influence or be seen to influence the performance of his or her role as a Member.

5.2 Interests register

The IOG will ensure that the Support Office maintains a register recording the disclosures made by each Member pursuant to clause 5.1.

6 MEETINGS

6.1 Meetings

The IOG will meet in accordance with a schedule of meetings determined in accordance with clause 6.2, provided that the Chairperson (or, in his or her absence from New Zealand, any other Member) may call an urgent meeting and/or amend the schedule of meetings by giving notice in accordance with clause 6.3.

6.2 Schedule of meetings

- (a) Subject to clause 6.2(b), on or before 31 December each year the IOG will determine a schedule of meetings for the following year.
- (b) At the first meeting of the IOG, the IOG will determine a schedule of meetings for the period between the Establishment Date and 31 December of that year.
- (c) The IOG will ensure that the schedules of meetings determined under clauses 6.2(a) and 6.2(b):
 - (i) set out the date, time and place of each meeting which the IOG then proposes to hold during the period to which the schedule relates; and
 - (ii) provide for the IOG to meet at least six times in the first 12 month period following the Establishment Date, and at least four times in any calendar year.
- (d) The IOG will ensure that the Support Office supplies a copy of each schedule of meetings determined under this clause 6.2:
 - (i) to each Member as soon as reasonably practicable after the schedule is determined; and
 - (ii) to each new Member as soon as reasonably practicable after his or her appointment.

6.3 Notice of meeting

- (a) The schedule of meetings supplied to each Member in accordance with clause 6.2 will be deemed to constitute valid notice of each meeting scheduled therein, and no further notice will be required, except that at least 10 working days' notice must be given of any change to the scheduled date, time or place of a scheduled meeting.
- (b) The Chairperson may call an urgent meeting on not less than 24 hours' notice, so long as the Chairperson reasonably believes such urgency is necessary, and the business discussed at the meeting is limited to the matters giving rise to that urgency.

6.4 Waiver of irregularities in notice

An irregularity in the notice of a meeting is waived if all Members entitled to receive notice of the meeting attend the meeting without protest as to the irregularity or if all Members entitled to receive notice of the meeting agree to the waiver.

6.5 Methods of holding meetings

A meeting of the IOG may be held either:

- (a) by a number of the Members who constitute a quorum, being assembled together at the place, date, and time appointed for the meeting; or
- (b) by means of audio, or audio and visual, communication by which all Members participating and constituting a quorum can simultaneously hear each other throughout the meeting.

6.6 Chairperson

The Chairperson of the Board will chair all meetings of the IOG at which he or she is present. If at any meeting of the IOG there is no Chairperson holding office under clause 3.4, or the Chairperson is unavailable for the meeting or is not present within 30 minutes after the time appointed for the commencement of the meeting, the Members present may choose an Independent Member to chair that meeting.

6.7 Quorum

A quorum for a meeting of the IOG is four Members, at least two of whom are Independent Members and at least one of whom is a Telecom Member. No business may be transacted at a meeting of the IOG unless a quorum is present.

6.8 Voting

- (a) Each Member has one vote.
- (b) A resolution of the IOG is passed if a majority of the Members present vote in favour of it. Any Member who abstains from voting on a resolution will not be treated as having voted on that resolution (whether in favour or against) for the purposes of this Charter.

- (c) If the number of votes cast in favour of any resolution is equal to the number of votes cast against that resolution, the Chairperson (or any person appointed under clause 6.6 to chair the relevant meeting) will have a second or casting vote.
- (d) A Member present at a meeting of the IOG is presumed to have agreed to, and to have voted in favour of, a resolution of the IOG unless he or she expressly dissents from, votes against, or abstains from voting on, the resolution at the meeting.

6.9 **Minutes**

The IOG must ensure that minutes are kept of all proceedings at meetings of the IOG. Minutes which have been signed as correct by the Chairperson of the meeting are evidence of the proceedings at the meeting unless they are shown to be inaccurate.

6.10 **Written resolutions**

- (a) A resolution in writing, signed or assented to by all Members (other than any Member who has been suspended under clause 3.6), is as valid and effective as if it had been passed at a meeting of the IOG duly convened and held.
- (b) Any such resolution may consist of several documents (including facsimile or other similar means of communication) in like form each signed or assented to by one or more Members.
- (c) A copy of any such resolution must be entered in the minute book of IOG proceedings.

6.11 **Other proceedings**

Except as provided in this Charter, the IOG may regulate its own procedures.

7 **SUPPORT OFFICE**

7.1 **Establishment and role of Support Office**

Telecom will establish the Support Office. The IOG will obtain the resources and support it reasonably requires to carry out its functions from and through the Support Office.

7.2 **Funding for the Support Office**

Funding for the Support Office will be set by Telecom at a level that enables the Support Office to meet the reasonable requirements of the IOG and to operate with a sufficient level of independence from Telecom.

7.3 **Support Office Employees**

For the avoidance of doubt, Support Office Employees are employees of, or contractors to, Telecom.

8 AUDITORS

8.1 Auditors to audit IOG annual report

Telecom will appoint independent external auditors and pay for an independent external audit of the IOG's annual report. The appointment of the auditor and the terms of reference for the auditor are subject to the approval of the Commission, and the terms of appointment will place the auditor under a duty of care to the Commission.

8.2 Additional audit requirements

The Telecom Board may also appoint auditors (who may be, but are not required to be, the same auditors as those appointed under clause 8.1) to report on:

- (a) the performance of the IOG and its Members (and identifying any material inadequacies with that performance);
- (b) such other matters as the Telecom Board may reasonably require,

and the IOG shall cooperate, and ensure that the Support Office cooperates, with any of the auditors' reasonable requirements in relation to any such report.

9 MISCELLANEOUS

9.1 Amendments

- (a) This Charter may be amended by the Telecom Board from time to time by giving at least 30 days' written notice of the change to each Member and the Commission, provided that any change must be consistent with the robust operational separation of Telecom contemplated by the Undertakings.
- (b) The IOG may propose amendments to this Charter by notice in writing to the chairperson of the Telecom Board (delivered to the Telecom Group Company Secretary).

9.2 Notices

- (a) A notice contemplated in this Charter may be served:
 - (i) on any Member by email, facsimile or prepaid post to that Member's last known postal address, email address or facsimile number, or by delivery to that Member in person in a meeting of the IOG;
 - (ii) on the IOG by email, facsimile or prepaid post to the Support Office at the following address (whichever applies):

IOG Support Office
PO Box 570
Wellington
E-mail: iog@telecom.co.nz
Facsimile: 04 471 1099

- (iii) on Telecom or the Telecom Board by email, facsimile or prepaid post to the Telecom Group Company Secretary at the following address (whichever applies):

Telecom Group Company Secretary
PO Box 570
Wellington
E-mail: craig.mulholland@telecom.co.nz
Facsimile: 04 471 0076

- (b) A notice served by facsimile will be deemed to have been served on the day following the complete transmission thereof.
- (c) A notice sent by post will be deemed to have been served:
 - (i) in New Zealand in the case of a person whose last known address is in New Zealand, at the expiration of 48 hours after the envelope or package containing the same was duly posted in New Zealand; and
 - (ii) outside New Zealand in the case of a person whose last known address is outside New Zealand, at the expiration of seven days after the envelope or wrapper containing the same was duly posted in New Zealand.
- (d) In proving service by post it shall be sufficient to prove that the envelope or package containing the notice was properly addressed and posted with all attached postal charges paid. In proving service by facsimile, it shall be sufficient to prove that the document was properly addressed and sent by facsimile.

SCHEDULE 1 – AGREEMENTS AND ARRANGEMENTS BETWEEN REQUIRED TELECOM BUSINESS UNITS AND OTHER PARTS OF TELECOM

The agreements and arrangements between a Required Telecom Business Unit and another part of Telecom which the IOG is entitled to receive as soon as practicable after those agreements or arrangements are entered into or materially changed (referred to in clause 2.3(a)) are:

- 1 all arrangements between Chorus and other parts of Telecom or other persons that provide for Chorus to control the Access Network and the operation of that network;
- 2 all arrangements between Chorus and other parts of Telecom entered into for the purpose of allowing Chorus to use a Telecom Fixed Wireless Access System (Cellular) as an alternative to or substitute for Telecom's Local Access Network, in order to offer local access services in an area where there is no Telecom Local Access Network or where Chorus wishes to use the Fixed Wireless Access System (Cellular) as a substitute for the Local Access Network;
- 3 all arrangements between Chorus and other parts of Telecom entered into for the purpose of ensuring that Chorus has sufficient influence over Telecom network assets that are not under its control but are used to provide Relevant Network Access Services to the extent required to provide those services in accordance with the Undertakings;
- 4 all arrangements between Chorus and any other Telecom Business Unit governing the supply of any Relevant Network Access Service by Chorus to that Telecom Business Unit;
- 5 all arrangements between the Wholesale Unit and any other Telecom Business Unit or other persons that provide for the Wholesale Unit to have influence over Telecom network assets;
- 6 all arrangements between the Wholesale Unit and any Retail Unit governing the supply of any Relevant Wholesale Service by the Wholesale Unit to that Retail Unit;
- 7 any written agreements between Chorus and other parts of Telecom providing for Chorus to do technical or operational work for that other part of Telecom;
- 8 any written agreements between the Wholesale Unit and any Retail Unit providing for the Wholesale Unit to do technical or operational work for that Retail Unit;
- 9 any written agreements between a Retail Unit and any Telecom Fixed Network Business Unit providing for that Retail Unit to do technical or operational work for that Telecom Fixed Network Business Unit; and

- 10 any written agreements between a Telecom Fixed Network Business Unit and a Retail Unit providing for that Telecom Fixed Network Business Unit to do technical or operational work for that Retail Unit.

SCHEDULE 2 – INFORMATION AND ACCESS

Where reasonably requested by the IOG, Telecom will provide the IOG with reports and information relating to Telecom's compliance with the Undertakings and with access to Telecom Employees, any independent contractor performing the role of an Employee, and information. In addition, Telecom will use its best endeavours to provide whatever other assistance the IOG may reasonably require in the performance of its functions.

The IOG will also receive:

- 1 the documentation, certificates and reports which the Undertakings require the Board or CEO (as applicable) to provide to the IOG whenever the Board or CEO directs a Telecom Business Unit to act in a way that the Board or CEO reasonably believes the relevant Telecom Business Unit could not, but for that direction, itself resolve to do in accordance with the Undertakings;
- 2 the documentation which the Undertakings require Telecom to provide to the IOG whenever the Board or CEO participates in certain significant decisions of Chorus in respect of a Relevant Network Access Service, or of the Wholesale Unit in respect of a Relevant Wholesale Service;
- 3 the plan for upgrading or migrating Telecom's service configuration systems to prevent specified information being disclosed to or accessed by Telecom Employees in the ordinary course of providing customer service;
- 4 notice from the Board or CEO (as applicable) of each material change by the Board or CEO to Chorus' scope of business;
- 5 written copies of each of the agreements and arrangements between a Required Telecom Business Unit and any other part of Telecom referred to in Schedule 1 to this Charter, as soon as practicable after those agreements or arrangements are entered into or materially changed;
- 6 a copy of the Chorus annual and long term corporate plans and technology plans (or equivalent documents) and the certification from the Board and CEO required by the Undertakings in respect of those plans;
- 7 notice from Telecom of each material change to the delegation of authority to the Chief Executive Officer of Chorus;
- 8 notice from Telecom of any changes to Schedule 5 of the Undertakings (which sets out the extent to which long term incentive and remuneration schemes for Wholesale Unit Employees include Telecom shares);
- 9 every 6 months (commencing on 1 July 2008), an updated register identifying commercial policy of general application across Telecom that could materially impact on the provision of Relevant Services, and where requested by the IOG, a copy of any such commercial policy of general application across Telecom;

- 10 where requested by the IOG, a copy in writing of any information provided by Part A Persons (being the persons or functional groups listed in Part 2 of Schedule 2 of the Undertakings as being permitted to Participate in Policy of Chorus or the Wholesale Unit) to Chorus in response to a request from Chorus for that information, if that information is intended or likely to encourage Chorus to take a materially different approach to a significant matter, or otherwise materially influence the content or shape of the relevant Chorus policy;
- 11 where requested by the IOG, a copy in writing of any information provided by Part A Persons to the Wholesale Unit, if that information is intended or likely to cause the Wholesale Unit to take a materially different approach to a significant matter, or otherwise materially influence the content or shape of the relevant Wholesale Unit policy;
- 12 notice from Telecom of each force majeure event preventing or being likely to prevent Telecom from complying with the Undertakings, and the likely effect of that event;
- 13 evidence provided by TCNZ of the steps TCNZ has taken to establish arrangements to ensure that it and each of its subsidiaries, and all of their officers, Employees, agents and contractors, comply with the Undertakings and with any documents or procedures that are required by, or necessary to give effect to the Undertakings;
- 14 details of any matters reported by Telecom Employees under the "whistleblowing" arrangements established by Telecom in accordance with the Undertakings;
- 15 copies of the statement prepared by Telecom of the assets controlled by Chorus as at 1 July 2008, the independent Expert Auditor's report in relation to that statement, and full information setting out the methodologies used to prepare the statement of assets;
- 16 quarterly reports from Telecom on Telecom's progress in meeting the equivalence migration milestones in Schedule 1 of the Undertakings;
- 17 the additional binding PSTN Migration Plan referred to in Schedule 1 of the Undertakings which must include, among other things, additional Tracking Milestones for the period of 1 January 2013 to 31 December 2015 and must be provided by 30 June 2011;
- 18 the confidential reports referred to in Schedule 1 of the Undertakings setting out Telecom's progress towards meeting the 2012, 2015 and 2020 Enforceable Milestones set out in the PSTN Migration Plan;
- 19 the reports from Telecom referred to in clause 17.2 of Schedule 1 of the Undertakings, relating to decisions by Telecom to consume an alternative input service rather than an input service specified in the migration plans set out in Schedule 1 of the Undertakings, including details of the change, the reasons for

- the change and an explanation to confirm that the alternative is being supplied to the same or a better standard of equivalence;
- 20 the information contemplated by clause 17.9 of Schedule 1 of the Undertakings (which concerns the audit to be completed by Telecom of the Delivery Process for certain specified services in order to identify the specific circumstances where there is a delivery process overlap); and
- 21 reports from Telecom on the details and resolution of all issues raised by Service Providers regarding the application of the Resale Equivalence standard to Resale Services that are Relevant Wholesale Services.

APPENDIX – TERMS OF REFERENCE