

## MASTER AGREEMENT ADDENDUM FOR NON-DELIVERABLE FORWARDS

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The Foreign Exchange Committee recognizes that electronic confirmation matching is the most reliable method of confirming foreign exchange transactions. Electronic confirmations decrease market risk, minimize settlement errors and compensation payments, and decrease operational overhead costs. Currently, counterparties confirm most non-deliverable forward (NDF) transactions by exchanging a four-page fax with the economic and non-economic terms of each transaction. To help minimize operational risks, the Committee encourages market participants to streamline and automate the confirmation process for NDF trades by adopting the following process changes for trades between interbank foreign exchange dealers who use the standard ISDA, IFEMA or other Master Agreements:

- **Adopt the attached addendum to the ISDA Master Agreement.** This document establishes agreement of the non-economic terms and definitions related to NDF transactions.
- **Use confirmation messaging to electronically match the economic terms of the NDF trade.** As part of the SWIFT MT300 confirmation message, use Field 77D to free format the valuation date. **EXAMPLE: /VALD/YYYYMMDD/.**

**Master Agreement Supplement for Non-Deliverable Forward Transactions**

The purpose of this Master Agreement Supplement (the "Supplement") is to set forth certain terms, conditions, and definitions that will apply to any forward foreign exchange transaction (a "Transaction" or an "NDF Transaction") identified in a confirmation as a non-deliverable forward transaction which is entered into from time to time between [Enter Institution's Name] ("Party A") and [Enter Counterparty Name] ("Party B") with respect to any of the currency pairs identified in the attached Exhibit.; provided, however, that nothing herein shall be deemed to obligate the parties to enter into Transactions with each other on these or any other terms. The parties shall confirm NDF Transactions between each other using market-standard methodologies (which may include confirmations through electronic messaging systems, such as the relevant MT 300 SWIFT Message Type) (each such confirmation referred to herein as a "Transaction Details Confirmation"). Each Transaction Details Confirmation, regardless of its form or its manner of delivery, shall be subject to, and shall be deemed to include, the terms of this Supplement; in the event of any inconsistency between this Supplement and any such Transaction Details Confirmation, the terms of the Transaction Details Confirmation will control. Each Transaction Details Confirmation relating to a Transaction, including the terms of this Supplement incorporated by reference into such Transaction Details Confirmation, is referred to in this Supplement as the "Confirmation" of that Transaction and constitutes a Confirmation under the Relevant Master Agreement specified below. Absent a written agreement, the noneconomic terms as stated in the supplement will prevail. Any economic terms in the applicable transaction detail confirmation will prevail as stated.

The definitions and provisions contained in the 1998 FX and Currency Option Definitions (as published by the International Swaps and Derivatives Association, Inc., EMTA Inc. and The Foreign Exchange Committee) (the "Definitions") are incorporated into each Confirmation of an NDF Transaction. In the event of any inconsistency between the Relevant Master Agreement (as defined below) and the Definitions, the Relevant Master Agreement shall govern. In the event of any inconsistency between the Relevant Master Agreement or the Definitions and a Confirmation, the Confirmation shall govern.

Each Confirmation (comprising the Transaction Details Confirmation and the terms of this Supplement incorporated by reference into such Transaction Details Confirmation) will supplement, form part of, and be subject to, and each NDF Transaction shall be a Transaction or FX Transaction under, the Relevant Master Agreement. The term "Relevant Master Agreement" shall mean (i) if the parties have entered into a Master Agreement in a form published by the International Swaps and Derivatives Association, Inc., such Master Agreement, including any schedules or annexes constituting a part thereof, (ii) if the parties have entered into an International Foreign Exchange Master Agreement, such Master Agreement, including any schedules or annexes constituting a part thereof, or (iii) if the parties have entered into an agreement in a different form contemplating that the parties may from time to time enter into foreign exchange transactions and setting out the terms of such transactions (subject to the specific terms of any confirmation of such transactions), such agreement.

The terms of each NDF Transaction to which this Supplement relates are as follows:

**1. Trade terms:**

Trade Date:	As specified in the Transaction Details Confirmation.
Reference Currency:	The Currency specified in the Transaction Details Confirmation that is not the Settlement Currency.
Reference Currency Notional Amount:	As specified in the Transaction Details Confirmation.
Notional Amount:	As specified in the Transaction Details Confirmation.
Forward Rate:	As specified in the Transaction Details Confirmation.

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Reference Currency Buyer:	As specified in the Transaction Details Confirmation.
Reference Currency Seller:	As specified in the Transaction Details Confirmation.
Settlement Currency:	USD
Settlement Date:	As specified in the Transaction Details Confirmation; provided, however, that if the Scheduled Valuation Date is adjusted in accordance with the Following Business Day Convention, then the Settlement Date shall be as soon as practicable after the Valuation Date, but in no event later than two Business Days after such date.
Settlement:	Non-Deliverable.
Settlement Rate Option:	For each Reference Currency, the applicable Settlement Rate Option specified in the attached Exhibit.
Valuation Date:	As specified in the Transaction Details Confirmation, ("Scheduled Valuation Date"), subject to adjustment in accordance with the Preceding Business Day Convention, and, in the event of an Unscheduled Holiday (as defined below), subject to adjustment in accordance with the Following Business Day Convention.
Unscheduled Holiday:	"Unscheduled Holiday" shall mean for the purposes of such Transaction, that a day is not a Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 am local time in the Principal Financial Center of the Reference Currency two Business Days prior to the Scheduled Valuation Date.
Business Days applicable to the Valuation Date:	As specified in the attached Exhibit.
Business Days applicable to the Settlement Date:	New York
<b>2. Disruption Events and Fallbacks:</b>	As specified in the attached Exhibit.
<b>3. Calculation Agent:</b>	Party A and Party B. If the parties are unable to agree on a determination within one Business Day, each party agrees to be bound by the determination of an independent leading dealer in Reference Currency/Settlement Currency Transactions not located in the Reference Currency jurisdiction ("independent leading dealer"), mutually selected by the parties, who shall act as the substitute Calculation Agent, with the fees and expenses of such substitute Calculation Agent (if any) to be met equally by the parties. If the parties are unable to agree on an independent leading dealer to act as substitute Calculation Agent, each party shall select an independent leading dealer and such

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independent dealers shall agree on an independent third party who shall be deemed to be the substitute Calculation Agent.

[Note – The foregoing may be used in the case of an inter-dealer agreement. In agreements with other counterparties, it may be preferable simply to designate Party A the Calculation Agent.]

### 4. Account Details

Account for payments to Party A: [Enter Institution's Information]

Account for payments to Party B: Please Advise

### 5. Representations:

Each party represents to the other party as of the date that it enters into each Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for such Transaction):

- (i) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into such Transaction and as to whether the Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into such Transaction, it being understood that information and explanations related to the terms and conditions of such Transaction shall not be considered to be investment advice or a recommendation to enter into the Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of such Transaction.
- (ii) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and risks of such Transaction. It is also capable of assuming, and assumes, the risks of the Transaction.
- (iii) **Status of Parties.** The other party is not acting as a fiduciary for or adviser to it in respect of such Transaction.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Supplement enclosed for that purpose and returning it to us.

Yours faithfully,  
for and on behalf of  
**[ENTER INSTITUTION'S NAME]**

By: \_\_\_\_\_  
Name:  
Title:

Confirmed as of the date first above written:  
**[ENTER COUNTERPARTY NAME]**

By: \_\_\_\_\_  
Name:  
Title:

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### EXHIBIT

#### ***Argentine Peso (ARS)***

Settlement Rate Option:	EMTA ARS Industry Survey Rate (ARS03)
Disruption Events:	Price Source Disruption: Applicable
Disruption Fallbacks:	Valuation Postponement Fallback Reference Price: EMTA ARS Indicative Survey Rate (ARS04) Calculation Agent Determination of Settlement Rate
Deferral Period for Unscheduled Holiday	In the event the Scheduled Valuation Date becomes subject to the Following Business Day Convention after the occurrence of an Unscheduled Holiday, and if the Valuation Date has not occurred on or before the 30th consecutive day after the Scheduled Valuation Date (any such period being a “Deferral Period”), then the next day after the Deferral Period that would have been a Business Day but for the Unscheduled Holiday, shall be deemed to be the Valuation Date.
Definition of “Valuation Postponement” for Price Source Disruption	“Valuation Postponement” means, for purposes of obtaining a Settlement Rate, that the Spot Rate will be determined on the Business Day first Succeeding the day on which the Price Source Disruption ceases to exist, unless the Price Source Disruption continues to exist (measured from the date that, but for the occurrence of the Price Source Disruption, would have been the Valuation Date) for consecutive number of calendar days equal to the Maximum Days of Postponement. In such event, the Spot Rate will be determined on the next Business Day after the Maximum Days of Postponement in accordance with the next applicable Disruption Fallback
Cumulative Events:	Notwithstanding anything herein to the contrary, in no event shall the total number of consecutive calendar days during which either (i) valuation is deferred due to an Unscheduled Holiday, or (ii) a Valuation Postponement shall occur or any combination of (i) and (ii)), exceed 30 consecutive calendar days in the aggregate. Accordingly, (x) if, upon the lapse of any such 30-day period, an Unscheduled Holiday shall have occurred or be continuing on the day following such period, then such day shall be deemed to be a Valuation Date, and (y) if, upon the lapse of any such 30-day period, a Price Source Disruption shall have occurred or be continuing on the day following such period, then Valuation Postponement shall not apply and the Spot Rate shall be determined in accordance with the next Disruption Fallback.

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Maximum Days of Postponement: 30 calendar days

Relevant Cities for Business Day for Valuation Date: Buenos Aires and New York

### ***Brazilian Real (BRL)/USD***

Settlement Rate Option: BRL PTAX (BRL09)

Disruption Events: Price Source Disruption

Disruption Fallbacks: Fallback Reference Price: BRL Industry Survey Rate (BRL11)  
Calculation Agent Determination of Settlement Rate

"Drop-dead Date" for Unscheduled Holiday

In the event the Scheduled Valuation Date becomes subject to the Following Business Day Convention and if the Valuation Date has not occurred on or before the eighth consecutive day after the Scheduled Valuation Day, then such eighth day, if a Business Day but for the Unscheduled Holiday or the next day that would have been a Business Day but for the Unscheduled Holiday shall be deemed to be the Valuation Date

Relevant Cities for Business Day for Valuation Date: Sao Paolo, Brasilia or Rio de Janeiro]

### **Chinese Renminbi (CNY)**

Settlement Rate Option: CNY SAEC (CNY01)

Disruption Events: Price Source Disruption: Applicable

"Drop-dead Date" for Unscheduled Holiday

In the event the Scheduled Valuation Date becomes subject to the Following Business Day Convention and if the Valuation Date has not occurred on or before the eighth consecutive day after the Scheduled Valuation Day, then such eighth day, if a Business Day but for the Unscheduled Holiday or the next day that would have been a Business Day but for the Unscheduled Holiday shall be deemed to be the Valuation Date

Disruption Fallbacks: Fallback Reference Price: Currency Reference Dealers (CURA4)  
Calculation Agent Determination of Settlement Rate

[Specified Rate: Official fixing rate reported by the State Administration of Foreign Exchange]

Relevant City for Business Day

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for Valuation Date: Beijing

### **Indian Rupee (INR)/USD**

Settlement Rate Option: INR RBIB (INR01)  
Disruption Events: Price Source Disruption  
Disruption Fallbacks: Fallback Reference Price: Currency Reference Dealers  
(CURA4)  
Calculation Agent Determination of Settlement Rate

“Drop-dead Date” for  
Unscheduled Holiday

In the event the Scheduled Valuation Date becomes subject to the Following Business Day Convention and if the Valuation Date has not occurred on or before the eighth consecutive day after the Scheduled Valuation Day, then such eighth day, if a Business Day but for the Unscheduled Holiday or the next day that would have been a Business Day but for the Unscheduled Holiday shall be deemed to be the Valuation Date

[Specified Rate: Reference rate reported by the Reserve Bank of India]

Relevant City for Business Day  
for Valuation Date: Mumbai

### **Korean Won (KRW)/USD**

Settlement Rate Option: KRW KFTC18  
Disruption Events: Price Source Disruption  
Disruption Fallbacks: Fallback Reference Price: Currency Reference Dealers  
(CURA4)  
Calculation Agent Determination of Settlement Rate

“Drop-dead Date” for  
Unscheduled Holiday

In the event the Scheduled Valuation Date becomes subject to the Following Business Day Convention and if the Valuation Date has not occurred on or before the eighth consecutive day after the Scheduled Valuation Day, then such eighth day, if a Business Day but for the Unscheduled Holiday or the next day that would have been a Business Day but for the Unscheduled Holiday shall be deemed to be the Valuation Date

[Specified Rate: Market average tom rate reported by the Korea Financial Telecommunications and Clearing Corporation]

Relevant City for Business Day  
for Valuation Date: Seoul

### **Philippine Peso (PHP)/USD**

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Settlement Rate Option: PHP PHPESO  
Disruption Events: Price Source Disruption  
Disruption Fallbacks: Currency Reference Dealers  
Calculation Agent Determination of Settlement Rate

“Drop-dead Date” for  
Unscheduled Holiday

In the event the Scheduled Valuation Date becomes subject to the Following Business Day Convention and if the Valuation Date has not occurred on or before the eighth consecutive day after the Scheduled Valuation Day, then such eighth day, if a Business Day but for the Unscheduled Holiday or the next day that would have been a Business Day but for the Unscheduled Holiday shall be deemed to be the Valuation Date

[Specified Rate:

Morning weighted average rate reported by the Philippine Dealing system.]

Relevant City for Business Day  
for Valuation Date:

Manila

### **Taiwan Dollar (TWD)/USD**

Settlement Rate Option: TWD TAIFX1(TWD03)  
Disruption Events: Price Source Disruption

Disruption Fallbacks:

Fallback Reference Price: TWD TAIFX1 rate which appears on the Reuters Screen TAIFX1 Page under the heading “Spot” at the next succeeding 15 minute interval after 11:00 a.m., Taipei time, up to and including 12:00 noon, Taipei time. If no rate appears as of 12:00 noon, it will be deemed that no rate may be determined using the Settlement Rate Option TWD TAIFX1

Currency Reference Dealers (CURA4)  
Calculation Agent Determination of Settlement Rate

“Drop-dead Date” for  
Unscheduled Holiday

In the event the Scheduled Valuation Date becomes subject to the Following Business Day Convention and if the Valuation Date has not occurred on or before the eighth consecutive day after the Scheduled Valuation Day, then such eighth day, if a Business Day but for the Unscheduled Holiday or the next day that would have been a Business Day but for the Unscheduled Holiday shall be deemed to be the Valuation Date

[Specified Rate:

The spot rate as of 11:00 a.m., Taipei time, reported by the Taipei Forex, Inc.]

Relevant City for Business Day  
for Valuation Date:

Taipei