

EXHIBIT I  
to the 2005 Barrier Option Supplement to the 1998 FX and Currency Option Definitions

**Provisions for a Letter Agreement Confirming  
a Barrier Currency Option Transaction (Non-Binary)  
that is subject to this Supplement**

[This Exhibit I includes terms from Exhibits I and II-C of the Definitions applicable to a Deliverable Barrier Option and from II-D of the Definitions applicable to a Non-Deliverable Barrier Option, as the case may be. See Exhibit II-E of the Definitions for terms relating to Article 5.]

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*Heading for Letter*

[Letterhead of Party A]

[Date]

**Transaction**

[Name and Address of Party B]

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Dear [ ]:

The purpose of this letter agreement (this “Confirmation”) is to confirm the terms and conditions of the Transaction entered into between us on the Trade Date specified below (the “Transaction”). [This Confirmation constitutes a “Confirmation” as referred to in the Agreement specified below.]<sup>1</sup>

The definitions and provisions contained in the 1998 FX and Currency Option Definitions, as amended by the 2005 Barrier Option Supplement (as published by the International Swaps and Derivatives Association, Inc.; EMTA, Inc.; and the Foreign Exchange Committee) are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.<sup>2</sup>

1. This Confirmation supplements, forms a part of, and is subject to, [describe master agreement] dated as of [date], as amended and supplemented from time to time (the “Agreement”), between [Name of Party A] (“Party A”) and [Name of Party B] (“Party B”). All provisions contained in the Agreement govern this Confirmation except as expressly modified below.<sup>3</sup>

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<sup>1</sup> This statement should be included, if applicable.

<sup>2</sup> If the parties also wish to incorporate the 2000 ISDA Definitions, this paragraph should be replaced with the following: “The definitions and provisions contained in the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (the “Swap Definitions”) and in the 1998 FX and Currency Option Definitions, as amended by the 2005 Barrier Option Supplement, as published by the International Swaps and Derivatives Association, Inc.; EMTA, Inc.; and the Foreign Exchange Committee (the “1998 Definitions”, and together with the Swap Definitions, the “Definitions”) are incorporated into this Confirmation. In the event of any inconsistency between the Swap Definitions and the 1998 Definitions, the 1998 Definitions will govern. In the event of any inconsistency between either set of Definitions and this Confirmation, this Confirmation will govern.”

<sup>3</sup> If the parties have not yet executed, but intend to execute, an Agreement, include instead of the above paragraph the following: “This Confirmation evidences a complete and binding agreement between you and us as to the terms of the Transaction to which this Confirmation relates. In addition, you and we agree to use all reasonable efforts promptly to negotiate, execute, and deliver an agreement in the form of [specify master agreement] (the “Master Form”), with such modifications as you and we will in good faith agree. Upon the execution by you and us of such an agreement, this Confirmation will supplement, form part of, and be subject to that agreement. All provisions contained in or incorporated by reference in that agreement upon its execution will govern this Confirmation except as expressly modified below. Until we execute and deliver that agreement, this Confirmation, together with all other documents referring to the Master Form (each a “Confirmation”) confirming transactions (each a “Transaction”) entered into between

2. The terms of the particular Transaction to which this Confirmation relates are as follows:

(a) General Terms:

Trade Date:

[Date of Annex A:]<sup>4</sup>

[Commencement Date:]<sup>5</sup>

Buyer: [Party A][Party B]

Seller: [Party A][Party B]

Currency Option Style: [European]<sup>6</sup>

Currency Option Type: [[ ] Put/[ ] Call]<sup>7</sup>

[Call Currency and Call Currency Amount:]<sup>8</sup>

[Put Currency and Put Currency Amount:]<sup>8</sup>

[Strike Price:]<sup>8</sup>

[Reference Currency:]<sup>9</sup>

[Settlement Currency:]<sup>9</sup>

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us (notwithstanding anything to the contrary in a Confirmation), shall supplement, form a part of, and be subject to an agreement in the form of the Master Form as if we had executed an agreement in such form [(but without any Schedule except for the election of [English Law][the laws of the State of New York] as the governing law and [specify currency] as the Termination Currency)] on the Trade Date of the first such Transaction between us. In the event of any inconsistency between the provisions of that agreement and this Confirmation, this Confirmation will prevail for the purpose of this Transaction.”

4 Parties should include this date for a Non-Deliverable Barrier Option Type, as well as for a “discrete” Deliverable Barrier Option Type that uses a Settlement Rate Option from Annex A as a Barrier Event Rate Source, if they wish to modify the presumption set forth in Section 4.2 that Annex A is incorporated as amended through the Trade Date of the relevant Currency Option Transaction.

5 Parties should specify a Commencement Date if they wish to modify the presumption in Section 3.5(a) of the Definitions that the Commencement Date will be the Trade Date.

6 “European” is the most common Option Style for a Barrier Option Type, but “American” and “Bermuda” also may be specified, as applicable.

7 Parties should specify the appropriate currency, which will be the same currency as the Put Currency and the Call Currency, respectively.

8 For a Deliverable Barrier Option Type, parties should specify either (i) a Call Currency Amount and a Put Currency Amount or (ii) a Strike Price and either a Call Currency Amount or a Put Currency Amount. For a Non-Deliverable Barrier Option Type, parties should specify either a Call Currency Amount or a Put Currency Amount and a Strike Price. A currency pair should be specified for a Strike Price, if the Strike Price is included.

9 Parties should include the Reference Currency and the Settlement Currency for a Non-Deliverable Barrier Option Type if they wish the In-the-Money Amount to be calculated in accordance with the provisions of Section 3.7(c)(i), and if they wish the provisions of Article 5 to apply to the relevant Currency Option Transaction.

[Settlement Rate:][Settlement Rate Option:]<sup>10</sup>

Expiration Date:

Expiration Time: [ ] [a.m./p.m.] (local time in [ ])

[Latest Exercise Time: [ ] [a.m./p.m.] (local time in [ ])]<sup>11</sup>

[Automatic Exercise: Inapplicable]<sup>12</sup>

[Settlement: Non-Deliverable]<sup>13</sup>

Settlement Date: [Date] / [ ] [ ] Business Days following the occurrence of a Barrier Event]<sup>14</sup>

[Valuation Date:]<sup>15</sup>

[Exercise Period:]<sup>16</sup>

[Specified Exercise Dates:]<sup>17</sup>

Premium:

Premium Payment Date:

(b) Other terms and conditions:

[Barrier Event: Applicable]<sup>18</sup>

Event Type: [Knock-Out/Knock-In/Double Knock-Out/Double Knock-In]

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- 10 For a Non-Deliverable Barrier Option Type, Parties should specify this information if they wish to modify the presumption in Section 1.16(e) of the Definitions that the Calculation Agent will determine the Spot Rate for the relevant Valuation Date.
- 11 Parties should specify the Latest Exercise Time if they wish to modify the presumption in Section 3.5(f) of the Definitions that the Latest Exercise Time will be the Expiration Time.
- 12 Parties should specify that Automatic Exercise is Inapplicable if they wish to modify the presumption in Section 3.6(c) of the Definitions that Automatic Exercise applies to a Currency Option Transaction.
- 13 Parties should specify that Settlement is Non-Deliverable if they wish to modify the presumption in Section 1.7(b) of the Definitions that Deliverable Settlement applies to a Currency Option Transaction.
- 14 Parties should include a specific Settlement Date or a procedure for determining the Settlement Date. If a specific Settlement Date is included, parties should also specify an applicable Business Day Convention.
- 15 For a Non-Deliverable Barrier Option Type, Parties should include a Valuation Date if they wish to modify the presumption in Section 1.16(f) of the Definitions that the Valuation Date will be the Exercise Date.
- 16 Parties should specify an Exercise Period if the Currency Option Transaction is American style, and they wish to modify the Exercise Period presumed for an American style Currency Option Transaction in Section 3.2(a) of the Definitions.
- 17 Parties should include specified Exercise Dates for a Bermuda-style Currency Option Transaction.
- 18 Parties should exclude this bracketed term when a Barrier Event does not apply to the Transaction.

[Spot Exchange Rate Direction: [Greater than or equal to][Less than or equal to] the Barrier Level]<sup>19</sup>

[Barrier Event Rate Source:]<sup>20</sup>

[Initial Spot Price:]<sup>21</sup>

[Barrier Level:]<sup>22</sup>

[Event Period Start Date and Time: [ ] at [ ] [a.m./p.m.] (local time in [ ])]<sup>23</sup>

[Event Period End Date and Time: [ ] at [ ] [a.m./p.m.] (local time in [ ])]<sup>24</sup><sup>25</sup>

[Barrier Event Determination Date:]<sup>26</sup>

[Barrier Determination Agent:]<sup>27</sup>

[3.] [For a Non-Deliverable Barrier Option Type, see Exhibit II-E of the Definitions for terms relating to Article 5.]

[4.] [For a Non-Deliverable Barrier Option Type, see Exhibit II-E of the Definitions for terms relating to Article 5.]

[3][5]. Calculation Agent:

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<sup>19</sup> Parties should exclude a Spot Exchange Rate Direction if a “Double”-level Barrier Event Type applies to the Transaction.

<sup>20</sup> Parties may specify as the Barrier Event Rate Source a Settlement Rate Option from Annex A of the Definitions or another reference rate source, in particular for a “discrete” Barrier Option Type. If the Transaction is a “spot market” Barrier Option Type, a Barrier Event Rate Source should not be specified.

<sup>21</sup> The Initial Spot Price is an optional provision. Parties can include an Initial Spot Price for purposes of determining the direction at which the Spot Exchange Rate has crossed the Barrier Level. If specified, the convention used to state the currency pair for the Initial Spot Price should be the same as that used to state the currency pair applicable to the Barrier Level.

<sup>22</sup> If a “Double”-level Barrier Event Type applies to the Transaction, change the term Barrier Level to Upper Barrier Level and add a line to specify a Lower Barrier Level.

<sup>23</sup> Because the Trade Date is the most common Event Period Start Date for a Barrier Option Type, Section 3.9(i) of this Supplement contains a presumption that, unless otherwise specified, the Event Period Start Date and Time is the Trade Date at the time the Transaction was entered into. Parties should specify the Event Period Start Date and Time if they wish to modify this presumption.

<sup>24</sup> Parties should include Event Period End Date and Time if they wish to modify the presumption in Section 3.9(h) of this Supplement that the Event Period End Date and Time are the Expiration Date at the Expiration Time. Nonetheless, for an at-expiration Currency Option Transaction, parties may wish to specify that the Event Period End Date and Time are the Expiration Time on the Expiration Date.

<sup>25</sup> Event Period Start Date and Time and Event Period End Date and Time may be specified for any Barrier Option Type but are more commonly used to define “Window” Event Periods.

<sup>26</sup> Parties should include this term to specify that only particular days during the Event Period can be a Barrier Event Determination Date (e.g., every Wednesday during the Event Period).

<sup>27</sup> Parties should specify a Barrier Determination Agent if they wish to modify the presumption in Section 3.1(h) of this Supplement that the Barrier Determination Agent is the Calculation Agent.

[[4][6]. Account Details:]

[Account for payments to Party A:]

[Account for payments to Party B:]<sup>28</sup>

[5][7]. Offices:

(a) The Office[s] of Party A for the Transaction is [are] ; and

(b) The Office[s] of Party B for the Transaction is [are]

[6][8]. [Broker/Arranger:]

[[7][9]. Governing Law: [English Law] [the laws of the State of New York (without reference to choice of law doctrine)]<sup>29</sup>

[8][10]. [Business Day:]

[9][11]. [Business Day Convention:]

This Confirmation supersedes and replaces any other confirmation (including a SWIFT MT300 or phone confirmation), if any, sent in connection with this Transaction on or prior to the date hereof.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Confirmation relates and indicates your agreement to those terms.

Yours sincerely,

[PARTY A]

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

Confirmed as of the date  
first above written:

[PARTY B]

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

<sup>28</sup> Account details are not required terms for cash-settled trades. See ISDA Statement on Account Details in Confirmations.

<sup>29</sup> This item should be deleted if this Confirmation is part of a master agreement.

Exhibit II  
to the 2005 Barrier Option Supplement to the 1998 FX and Currency Option Definitions

**Provisions of a Letter Agreement Confirming  
a Binary Currency Option Transaction  
that is subject to this Supplement**

[This Exhibit includes terms from Exhibits I and II-D of the Definitions. See Exhibit II-E of the Definitions for terms relating to Article 5.]

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*Heading for Letter*

[Letterhead of Party A]

[Date]

**Transaction**

[Name and Address of Party B]

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Dear [ ]:

The purpose of this letter agreement (this “Confirmation”) is to confirm the terms and conditions of the Transaction entered into between us on the Trade Date specified below (the “Transaction”). [This Confirmation constitutes a “Confirmation” as referred to in the Agreement specified below.]<sup>1</sup>

The definitions and provisions contained in the 1998 FX and Currency Option Definitions, as amended by the 2005 Barrier Option Supplement (as published by the International Swaps and Derivatives Association, Inc.; EMTA, Inc.; and the Foreign Exchange Committee) are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.<sup>2</sup>

1. This Confirmation supplements, forms a part of, and is subject to, [describe master agreement] dated as of [date], as amended and supplemented from time to time (the “Agreement”), between [Name of Party A] (“Party A”) and [Name of Party B] (“Party B”). All provisions contained in the Agreement govern this Confirmation except as expressly modified below.<sup>3</sup>

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<sup>1</sup> This statement should be included, if applicable.

<sup>2</sup> If the parties also wish to incorporate the 2000 ISDA Definitions, this paragraph should be replaced with the following: “The definitions and provisions contained in the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (the “Swap Definitions”) and in the 1998 FX and Currency Option Definitions, as amended by the 2005 Barrier Option Supplement, as published by the International Swaps and Derivatives Association, Inc.; EMTA, Inc.; and the Foreign Exchange Committee (the “1998 Definitions”, and together with the Swap Definitions, the “Definitions”) are incorporated into this Confirmation. In the event of any inconsistency between the Swap Definitions and the 1998 Definitions, the 1998 Definitions will govern. In the event of any inconsistency between either set of Definitions and this Confirmation, this Confirmation will govern.”

<sup>3</sup> If the parties have not yet executed, but intend to execute, an Agreement, include instead of the above paragraph the following: “This Confirmation evidences a complete and binding agreement between you and us as to the terms of the Transaction to which this Confirmation relates. In addition, you and we agree to use all reasonable efforts promptly to negotiate, execute, and deliver an agreement in the form of [specify master agreement] (the “Master Form”), with such modifications as you and we will in good faith agree. Upon the execution by you and us of such an agreement, this Confirmation will supplement, form part of, and be subject to that agreement. All provisions contained in or incorporated by reference in that agreement upon its execution will govern this Confirmation except as expressly modified below. Until we execute and deliver that agreement, this Confirmation, together with all other documents referring to the

2. The terms of the particular Transaction to which this Confirmation relates are as follows:

(a) General Terms:

Trade Date:

[Date of Annex A:]<sup>4</sup>

[Commencement Date:]<sup>5</sup>

Buyer: [Party A][Party B]

Seller: [Party A][Party B]

Currency Option Type: Binary

[Call Currency and Call Currency Amount:]<sup>6</sup>

[Put Currency and Put Currency Amount:]<sup>6</sup>

[Strike Price:]<sup>6</sup>

Expiration Date:

Expiration Time: [ ] [a.m./p.m.] (local time in [ ])

[Latest Exercise Time: [ ] [a.m./p.m.] (local time in [ ])]<sup>7</sup>

[Automatic Exercise: Inapplicable]<sup>8</sup>

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Master Form (each a “Confirmation”) confirming transactions (each a “Transaction”) entered into between us (notwithstanding anything to the contrary in a Confirmation), shall supplement, form a part of, and be subject to an agreement in the form of the Master Form as if we had executed an agreement in such form [(but without any Schedule except for the election of [English Law][the laws of the State of New York] as the governing law and [specify currency] as the Termination Currency)] on the Trade Date of the first such Transaction between us. In the event of any inconsistency between the provisions of that agreement and this Confirmation, this Confirmation will prevail for the purpose of this Transaction.”

<sup>4</sup> Parties should include this date for a “discrete” Binary Option Type that uses a Settlement Rate Option from Annex A as a Barrier Event Rate Source, if they wish to modify the presumption set forth in Section 4.2 that Annex A is incorporated as amended through the Trade Date of the relevant Currency Option Transaction.

<sup>5</sup> Parties should specify a Commencement Date if they wish to modify the presumption in Section 3.5(a) of the Definitions that the Commencement Date will be the Trade Date.

<sup>6</sup> Parties generally should exclude a Call Currency and Call Currency Amount, a Put Currency and Put Currency Amount, and a Strike Price for a Binary Option Type, although in certain cases (e.g., Binary Double Knock-Out Currency Option Transaction), parties may decide to specify these terms. A currency pair should be specified for the Strike Price, if the Strike Price is included.

<sup>7</sup> Parties should specify the Latest Exercise Time if they wish to modify the presumption in Section 3.5(f) of the Definitions that the Latest Exercise Time will be the Expiration Time.

<sup>8</sup> Parties should specify that Automatic Exercise is Inapplicable if they wish to modify the presumption in Section 3.6(c) of the Definitions that Automatic Exercise applies to a Currency Option Transaction.

Settlement: Non-Deliverable

Settlement Amount:<sup>9</sup>

Settlement Date: [Date] / [ ] Business Days following the occurrence of a Barrier Event]<sup>10</sup>

Premium:

Premium Payment Date:

(b) Other terms and conditions:

[Barrier Event: Applicable]<sup>11</sup>

Event Type: [No-Touch Binary/One-Touch Binary/Double No-Touch Binary/Double One-Touch Binary]

[Spot Exchange Rate Direction: [Greater than or equal to][Less than or equal to] the Barrier Level]<sup>12</sup>

[Barrier Event Rate Source:]<sup>13</sup>

[Initial Spot Price:]<sup>14</sup>

[Barrier Level:]<sup>15</sup>

[Event Period Start Date and Time: [ ] at [ ] [a.m./p.m.] (local time in [ ])]<sup>16</sup>

<sup>9</sup> Parties should specify a Settlement Amount (and the Settlement Currency) for a Binary Option Type. See Section 3.9(m) of this Supplement.

<sup>10</sup> Parties should include a specific Settlement Date (e.g., for an at-expiration Binary Option Type) or a procedure for determining the Settlement Date. If a specific Settlement Date is included, parties should also specify an applicable Business Day Convention.

<sup>11</sup> Parties should exclude this bracketed term when a Barrier Event does not apply to the Transaction.

<sup>12</sup> Parties should exclude a Spot Exchange Rate Direction if a “Double”-level Barrier Event Type applies to the Transaction.

<sup>13</sup> Parties may specify as the Barrier Event Rate Source a Settlement Rate Option from Annex A of the Definitions or another reference rate source, in particular for a “discrete” Binary Option Type. If the Transaction is a “spot market” Binary Option Type, a Barrier Event Rate Source should not be specified.

<sup>14</sup> The Initial Spot Price is an optional provision. Parties can include an Initial Spot Price for purposes of determining the direction at which the Spot Exchange Rate has crossed the Barrier Level. If specified, the convention used to state the currency pair for the Initial Spot Price should be the same as that used to state the currency pair applicable to the Barrier Level.

<sup>15</sup> If a “Double”-level Barrier Event Type applies to the Transaction, change the term Barrier Level to Upper Barrier Level and add a line to specify a Lower Barrier Level. With respect to a Binary Option Type, the currency pair specified as applicable to the Barrier Level (or Upper/Lower Barrier Levels) is the Currency Pair. See Section 1.6 of this Supplement.

<sup>16</sup> Because the Trade Date is the most common Event Period Start Date for a Binary Option Type, Section 3.9(i) of this Supplement contains a presumption that, unless otherwise specified, the Event Period Start Date and Time is the Trade Date at the time that the Transaction was entered into. Parties should specify the Event Period Start Date and Time if they wish to modify this presumption.



[Event Period End Date and Time: [ ] at [ ] [a.m./p.m.] (local time in [ ])17]18

[Barrier Event Determination Date:]19

[Barrier Determination Agent:]20

[3][5]. Calculation Agent:

[[4][6]. Account Details:]

[Account for payments to Party A:]

[Account for payments to Party B:]21

[5][7]. Offices:

(a) The Office[s] of Party A for the Transaction is [are] ; and

(b) The Office[s] of Party B for the Transaction is [are]

[6][8]. [Broker/Arranger:]

[[7][9]. Governing Law: [English Law] [the laws of the State of New York (without reference to choice of law doctrine)]22

[8][10]. [Business Day:]

[9][11]. [Business Day Convention:]

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17 Parties should include Event Period End Date and Time if they wish to modify the presumption in Section 3.9(h) of this Supplement that the Event Period End Date and Time are the Expiration Date at the Expiration Time. Nonetheless, for an at-expiration Binary Option Type, parties may wish to specify that the Event Period End Date and Time are the Expiration Time on the Expiration Date.

18 Event Period Start Date and Time and Event Period End Date and Time may be specified for any Binary Option Type, but they are more commonly used to define “Window Event Periods.”

19 Parties should include this term to specify that only particular days during the Event Period can be a Barrier Event Determination Date (e.g., every Wednesday during the Event Period).

20 Parties should specify a Barrier Determination Agent if they wish to modify the presumption in Section 3.1(h) of this Supplement that the Barrier Determination Agent is the Calculation Agent.

21 Account details are not required terms in cash-settled trades. See ISDA Statement on Account Details in Confirmations.

22 This item should be deleted if this Confirmation is part of a master agreement.

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This Confirmation supersedes and replaces any other confirmation (including a SWIFT MT300 or phone confirmation), if any, sent in connection with this Transaction on or prior to the date hereof.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Confirmation relates and indicates your agreement to those terms.

Yours sincerely,

[PARTY A]

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

Confirmed as of the date  
first above written:

[PARTY B]

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