

EMTA

USER'S GUIDE TO DOCUMENTING NON-DELIVERABLE CROSS CURRENCY FX AND CURRENCY OPTION TRANSACTIONS

- I. INTRODUCTION
- II. THE RECOMMENDED FX AND CURRENCY DERIVATIVES MARKET PRACTICES
- III. NEW RATE SOURCE AND OTHER DEFINITIONS
- IV. A NOTE ON RATE QUOTATION CONVENTIONS AS USED IN NEW SECTION 4.8 OF ANNEX A
- V. APPENDICES
 - Appendix A Supplement to the 1998 FX and Currency Option Definitions (the "Non-Deliverable Cross Currency FX Transactions Supplement") dated May 31, 2011
 - Appendix B Amendments to Annex A of the 1998 FX and Currency Option Definitions dated May 31, 2011
 - Appendix C-1 EMTA Template Terms For Non-Deliverable Cross Currency FX Transactions dated May 31, 2011
 - Appendix C-2 EMTA Template Terms for Non-Deliverable Cross Currency Currency Option Transactions dated May 31, 2011
 - Appendix D-1 SAMPLE: EMTA Template Terms for BRL/EUR Non-Deliverable Cross Currency FX Transactions
 - Appendix D-2 SAMPLE: EMTA Template Terms for RUB/EUR Non-Deliverable Cross Currency Currency Option Transactions

I. INTRODUCTION

This User's Guide is intended to provide a common industry framework for, and to facilitate the confirmation of, non-deliverable forward FX and currency option transactions for settlement in freely convertible or deliverable currencies other than the U.S. Dollar. The documentation architecture described herein is intended to complement and to supplement the work previously done by EMTA in respect of non-deliverable forward FX and currency option transactions with U.S. Dollar settlements. The various provisions of this User's Guide are intended to apply equally to non-deliverable cross currency forward FX transactions and to non-deliverable cross currency currency option transactions which, collectively, shall be referred to herein as "non-deliverable cross currency FX transactions." The User's Guide sets forth the legal, business and operational recommendations of a working group for transacting and documenting non-deliverable cross currency FX transactions, which working group comprised trading, legal and operations personnel from many different industry institutions. In addition, comments and input were solicited from other industry groups to ensure a broad industry acceptance.

First, the recommended FX and Currency Derivatives Market Practices set forth herein (the "Market Practices") are intended to describe various trading, legal and operational recommendations for transacting and documenting non-deliverable cross currency FX transactions. These recommendations are not currency-specific and are intended to apply generally to any non-deliverable cross currency FX transaction. These recommended Market Practices are also published on EMTA's website at www.emta.org.

This User's Guide also includes, in Appendix A, amendments to the 1998 FX and Currency Option Definitions (the "1998 Definitions") which are needed to facilitate the legal and documentation architecture reflected in the Cross Currency Template Terms (as defined below). These include the terms "Cross Currency Settlement Rate," "Reference Currency Spot Rate," "Settlement Currency Spot Rate" and various other amendments to Article 2 and Article 3 of the 1998 Definitions. It should be noted that certain amendments were made to allow for the expression of currency pairs in the inverse. Care should be taken with the various formulas when preparing Confirmations for inverse currency pairs to ensure the proper application of these formulas and the related definitions.

In addition, a new Section 4.8 has been added to Annex A to the 1998 Definitions and is included herein in its entirety as Appendix B. Annex A had previously included, in Section 4.5, definitions for non-deliverable currency/U.S. Dollar rate sources (BRL/USD, for example). New Section 4.8 adds definitions for various deliverable non-U.S. Dollar / U.S. Dollar rate sources (USD/EUR, for example), which definitions are intended to provide the industry with an agreed way to refer to commonly used rate sources and are necessary for the documentation of the Settlement Currency "leg" of any transaction. The amendments to the 1998 Definitions and to Annex A together provide necessary additional terms and

provisions to support documentation of non-deliverable cross currency FX transactions.

The provisions set forth in Appendix A and in Appendix B are contemplated to be adopted and incorporated into the 1998 Definitions and Annex A thereto, and may be amended and supplemented from time to time to reflect additional or revised rate source definitions and other needed terms.

In addition to the Market Practices, the amendments to the 1998 Definitions and the amendments to Annex A, this User's Guide provides a set of recommended terms for inclusion in contracts to document non-deliverable cross currency FX transactions. These are set forth in the *EMTA Template Terms for Non-Deliverable Cross Currency FX Transactions* and the *EMTA Template Terms for Non-Deliverable Cross Currency Currency Option Transactions* (collectively referred to herein as the "Cross Currency Template Terms"). These recommended terms, included, respectively, as Appendix C-1 and Appendix C-2 hereto, are intended to be used by market participants to document non-deliverable cross currency FX transactions for any currency pair with a non-deliverable currency "leg" for which EMTA has developed standard terms and a deliverable currency "leg", excluding U.S. Dollar-settled transactions. Importantly, the Cross Currency Template Terms incorporate and apply the Market Practices; however, in the event of any conflict between the Cross Currency Template Terms and any Market Practice, the Market Practice should prevail. Samples are given, in Appendix D-1 and Appendix D-2, of how to apply the Cross Currency Template Terms to a given currency pair for the preparation of a cross currency FX transaction and to a cross currency currency option transaction. For illustrative purposes, the currency pairs BRL/EUR and RUB/EUR were chosen.

This User's Guide is intended to give direction to market participants on the documentation of non-deliverable cross currency FX transactions where the settlement rate for a transaction ("the Cross Currency Settlement Rate") is derived from a "Reference Currency Spot Rate" and a "Settlement Currency Spot Rate". In particular, this User's Guide and attachments are intended to apply where (i) the Reference Currency is a non-deliverable / emerging market currency for which EMTA has recommended standard terms and (ii) the Settlement Currency is a deliverable currency.

The provisions herein may not be suitable or complete for transactions in which a "direct" settlement rate is used by the parties (e.g. INR/EUR) or for transactions involving two non-deliverable (or functionally non-deliverable) or emerging market currencies (e.g. CNY/BRL). For these transactions, specific guidance on terms such as Disruption Fallbacks and other terms may be needed in the future. For the time being, market participants are advised to consult their counsel in respect of these transactions.

Defined terms used in this User's Guide will, unless specified otherwise herein, have the meanings set forth in the 1998 Definitions and Annex A thereto, and in the Cross Currency Template Terms.

II. THE RECOMMENDED FX AND CURRENCY DERIVATIVES MARKET PRACTICES

The Market Practices are intended to ensure the compatibility of non-deliverable cross currency FX transactions with the existing documentation architecture used by the market for U.S. Dollar-settled non-deliverable forward FX and currency option transactions. The Market Practices are published on EMTA's website at www.emta.org in the FX and Currency Derivatives Documentation area and are numbered sequentially from 56 to 63 and form part of EMTA's series of market practices on FX and currency derivatives matters generally.

Recommended EMTA FX and Currency Derivatives Market Practice No. 56 on Documenting Cross Currency Transactions:

Unless otherwise agreed, non-deliverable cross currency FX transactions should be documented using the 1998 FX and Currency Option Definitions, and Annex A thereto, as amended from time to time, published by the International Swaps and Derivatives Association Inc., EMTA, Inc. and The Foreign Exchange Committee.

Recommended EMTA FX and Currency Derivatives Market Practice No. 57 on Documenting Cross Currency Transactions:

Unless otherwise agreed, non-deliverable cross currency FX transactions should be documented in a manner compatible and consistent with the existing documentation published by EMTA for non-deliverable forward FX and currency option transactions (see www.emta.org for the currency-specific Template Terms for non-deliverable FX and currency option transactions).

Recommended EMTA FX and Currency Derivatives Market Practice No. 58 on Determining Cross Currency Settlement Rates:

Unless otherwise agreed, the settlement rate for a non-deliverable cross currency FX transaction (the "Cross Currency Settlement Rate") should be determined in accordance with, or be derived from, a Reference Currency Spot Rate and a Settlement Currency Spot Rate for the applicable currency pair, using one of the following formulas for such determination:

(Reference Currency Spot Rate) X (Settlement Currency Spot Rate)¹

¹ This formula will be used when (i) the Cross Currency Settlement Rate is quoted in terms of the amount of Reference Currency per one unit of Settlement Currency and (ii) the Reference Currency Spot Rate is quoted in terms of an amount of Reference Currency per one unit of USD and the Settlement Currency Spot Rate is quoted in terms of an amount of USD per one unit of Settlement Currency.

$(\text{Reference Currency Spot Rate}) / (\text{Settlement Currency Spot Rate})^2$

$(\text{Settlement Currency Spot Rate}) / (\text{Reference Currency Spot Rate})^3$,

depending upon the convention used by the parties for rate quotations for the applicable Currency Pair.

Recommended EMTA FX and Currency Derivatives Market Practice No. 59 on Settlement Rate Options:

Unless otherwise agreed, the Settlement Rate Option for the Reference Currency shall be the Settlement Rate Option for that Reference Currency as recommended by EMTA, and as set forth in the current recommended EMTA Template Terms for Non-Deliverable FX Transactions for that Reference Currency. Market counterparties should make a bilateral determination as to the Settlement Rate Option for the Settlement Currency.

Recommended EMTA FX and Currency Derivatives Market Practice No. 60 on Deferring, Postponing or Adjusting Valuation Dates:

Unless otherwise agreed and subject to the Maximum Days of Postponement or the lapse of the Deferral Period, parties to a non-deliverable cross currency FX transaction should (i) treat the occurrence of a Disruption Event with respect to the Settlement Rate for the Reference Currency as postponing the valuation of the contract until the next earliest Valuation Date on which both a Reference Currency Spot Rate and a Settlement Currency Spot Rate can be obtained or determined by the Calculation Agent, as applicable, and (ii) apply a Preceding or a Following Business Day Convention to the Valuation Date for a transaction when a day is not a Business Day for the Reference Currency in the Relevant Cities for Business Day(s) for Valuation Date (as defined in the EMTA Template Terms for Non-Deliverable FX Transactions for such Reference Currency,) notwithstanding that such day may be a good Business Day in the Financial Center for the Settlement Currency, and the Settlement Rate for the transaction shall be determined with reference to the Reference

² This formula will be used when (i) the Cross Currency Settlement Rate is quoted in terms of an amount of the Reference Currency per one unit of the Settlement Currency and (ii) the Reference Currency Spot Rate is quoted in terms of an amount of Reference Currency per one unit of USD and (iii) the Settlement Currency Spot Rate is quoted in terms of an amount of Settlement Currency per one unit of USD.

³ This formula will be used when (i) the Cross Currency Settlement Rate is quoted in terms of an amount of Settlement Currency per one unit of Reference Currency and (ii) the Reference Currency Spot Rate is quoted in terms of an amount of Reference Currency per one unit of USD and (iii) the Settlement Currency Spot Rate is quoted in terms of an amount of Settlement Currency per one unit of USD.

Currency Spot Rate and the Settlement Currency Spot Rate for such Valuation Date, as deferred, postponed or adjusted.

Recommended EMTA FX and Currency Derivatives Market Practice No. 61 on No Disruption Events and Disruption Fallbacks for Settlement Currency:

Unless otherwise agreed, no Disruption Events or Disruption Fallbacks should be included in the contract terms for any Settlement Currency that is not an emerging market/non-deliverable currency. If a Settlement Currency Spot Rate is not published or reported on a date that is otherwise a good Valuation Date for the Reference Currency, then the Calculation Agent, in good faith and in a commercially reasonable manner, shall determine the Settlement Currency Spot Rate as at a time reasonably proximate to the Specified Time identified in the contract terms for the Settlement Rate Option for the Settlement Currency.

Recommended EMTA FX and Currency Derivatives Market Practice No. 62 on Relevant Cities for Business Days For Valuation Dates and Settlement Dates:

Unless otherwise agreed, for non-deliverable cross currency FX transactions, (i) the Relevant Cities for Business Days for Valuation Date should be the cities identified as such in the EMTA Template Terms for the Reference Currency, which for the avoidance of doubt, are intended to include the Principal Financial Center for the Reference Currency, and if applicable, the Financial Center in which the entity that is responsible for quoting, publishing or reporting the Reference Currency Spot Rate is located or does business, and (ii) the Relevant Cities for Business Day for Settlement Date should only be the Principal Financial Center for the Settlement Currency.

Recommended EMTA FX and Currency Derivatives Market Practice No. 63 on Using Standard Terms for Non-Deliverable Cross Currency FX Transactions:

The standard terms for non-deliverable cross currency FX transactions shall be those set forth in the EMTA Template Terms for Non-Deliverable Cross Currency FX Transactions dated May 31, 2011 (the "Cross Currency Template Terms").

The Cross Currency Template Terms are designed to be compatible with all other EMTA-published non-deliverable FX and currency option documentation and are in a form substantially similar to the EMTA Template Terms for Non-Deliverable FX Transactions. Endnotes to the Template Terms indicate which provisions from the Template Terms for the Reference Currency should be incorporated into the documentation for a cross currency transaction. In addition, the Cross Currency Template Terms incorporate various recommended EMTA FX and Currency Derivatives Market Practices into its provisions.

III. NEW RATE SOURCE AND OTHER DEFINITIONS

Several definitions containing additional needed vocabulary to support the documentation architecture for non-deliverable cross currency FX transactions have been added to the 1998 Definitions. These new definitions include “Cross Currency Settlement Rate”, “Reference Currency Spot Rate,” “Settlement Currency Spot Rate”, and a few others. In addition, amendments to provisions in Article 2 and in Article 3 have been made to facilitate the use of an inverse expression of a given currency pair. These new terms and definitions are also separately published as the “*Non-Deliverable Cross Currency FX Supplement to the 1998 Definitions*”.

In addition, a new Section 4.8 is added to Annex A to the 1998 Definitions to provide rate source definitions for certain settlement currencies in order to provide the market with a consistent, standard way of referencing these rate sources and to eliminate documentation backlog caused by market disagreements on these terms.

New Section 4.8 introduces a set of rate source definitions intended to be used by market participants when identifying the Settlement Rate Option for the Settlement Currency for a given transaction. These rate sources include commonly used deliverable non-U.S. Dollar settlement currencies, and reference exchange rates between that currency and the U.S. Dollar. This Section includes rates for currency pairs identified by the working group as commonly used exchange rate sources for non-deliverable cross currency FX transactions at the time of publication of this User’s Guide. It is not an inclusive list of all rate sources and it is anticipated, that, over time, the market will begin to converge on certain rate sources in order to enhance automated processing of non-deliverable cross currency FX transactions. It is also anticipated that, like Section 4.5 of Annex A, Section 4.8 may be amended from time to time to reflect evolving market practice.

Recommended EMTA FX and Currency Derivatives Market Practice No. 59 recommends that market counterparties identify and mutually agree on a Settlement Rate Option in respect of the agreed Settlement Currency for their transactions. The “Settlement Currency Spot Rate” (determined by reference to the Settlement Rate Option chosen for the Settlement Currency) will be used, in conjunction with the “Reference Currency Spot Rate” (determined by reference to the Settlement Rate Option for the Reference Currency), to determine the “Cross Currency Settlement Rate”, which will be the rate used to settle the transaction.

IV. A NOTE ON RATE QUOTATION CONVENTIONS AS USED IN NEW SECTION 4.8 OF ANNEX A

In preparing the rate source definitions for new Section 4.8 of Annex A, efforts were made to reflect prevailing market conventions in rate quotations, but also to maintain a documentary consistency both within these definitions and within the larger industry documentary framework.

Thus, in formulating these definitions, a “European” rate quotation convention is observed with the U.S. Dollar as the base currency, except for Sterling, the Australian Dollar, the New Zealand Dollar and the Euro, which historically have been expressed as the base currency against the U.S. Dollar. This formulation has been followed in (1) the defined terms themselves (e.g., “WM/Reuters CAD/USD” and by way of contrast, “WM/Reuters USD/AUD”, for example) and also (2) the text of the definition (“.....will be the Swiss Franc/U.S. Dollar spot rate.....”), notwithstanding that in oral communications between traders, and in vendor systems, the base currency may be expressed first, followed by the terms currency (e.g., a trader might say “...USD/CHF...”) to mean the number of Swiss Francs such trader is willing to bid for one U.S. Dollar.

This is also roughly consistent with the approach taken in Section 4.5 of Annex A which references rate sources for emerging market currencies quoted against the U.S. Dollar and further, is consistent with the Currency Pair Matrix published in 2005 as Attachment 1 to the Practice Notes to the 2005 Barrier Option Supplement to the 1998 Definitions.

V. APPENDICES

- Appendix A Supplement to the 1998 FX and Currency Option Definitions (the “Non-Deliverable Cross Currency FX Transactions Supplement”) dated May 31, 2011
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- Appendix C-1 EMTA Template Terms For Non-Deliverable Cross Currency FX Transactions dated May 31, 2011
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APPENDIX A

Supplement to
the 1998 FX and Currency Option Definitions
(the “Non-Deliverable Cross Currency FX Transactions Supplement”)
dated May 31, 2011

A. AMENDMENTS TO ARTICLE 1 -- CERTAIN GENERAL DEFINITIONS

Article 1 is amended by adding to Section 1.16 a new subsection (g), subsection (h) and subsection (i), and by amending Section 1.17(b), as follows:

Section 1.16 Certain Definitions Relating to Non-Deliverable FX Transactions and Non-Deliverable Currency Option Transactions

(g) “Cross Currency Settlement Rate” means, for any Rate Calculation Date, the currency exchange rate determined in accordance with, or derived from, the Reference Currency Spot Rate and the Settlement Currency Spot Rate, each as specified (or deemed specified) in the related Confirmation, as determined in good faith and in a commercially reasonable manner by the Calculation Agent, and such rate shall be the Settlement Rate for such Rate Calculation Date.

(h) “Reference Currency Spot Rate” means, for any Rate Calculation Date, the currency exchange rate determined in accordance with the specified (or deemed specified) Settlement Rate Option for the Reference Currency, or if not so specified (or deemed specified), the currency exchange rate as at the time at which such rate is to be determined for foreign exchange transactions for value on the Settlement Date, as determined in good faith and in a commercially reasonable manner by the Calculation Agent.

(i) “Settlement Currency Spot Rate” means, for any Rate Calculation Date, the currency exchange rate determined in accordance with the specified (or deemed specified) Settlement Rate Option for the Settlement Currency, or if not so specified (or deemed specified), the currency exchange rate as at the time at which such rate is to be determined for foreign exchange transactions for value on the Settlement Date, as determined in good faith and in a commercially reasonable manner by the Calculation Agent.

Section 1.17 Notional Amount

Section 1.17(b) is amended by adding at the end of (i) after the word “or” and before the comma, the words “.... equal to the Reference Currency Notional Amount multiplied by the Forward Rate, where the Forward Rate is expressed as an amount of Settlement Currency per one unit of Reference Currency, or....”

B. AMENDMENTS TO ARTICLE 2 -- GENERAL TERMS RELATING TO FX TRANSACTIONS

Section 2.1(a)(i) is amended by adding at the end thereof (but before the word “or”) the following:

“...; provided however, that in the case of a transaction involving a Cross Currency Settlement Rate, the Forward Rate may also be expressed as the amount of Settlement Currency per one unit of Reference Currency.”

Section 2.2(b)(ii) is amended by adding, at the end thereof, the following:

Section 2.2 Terms Relating to Settlement.

“(b)(ii) ...; provided however, that if the Forward Rate and the Settlement Rate are quoted in terms of the amount of Settlement Currency per one unit of Reference Currency, then “Settlement Currency Amount” means an amount expressed in the Settlement Currency calculated on a formula basis as follows:

$$\text{Settlement Currency Amount} = [\text{Notional Amount} \times (1 - \text{Settlement Rate} / \text{Forward Rate})]$$

D. AMENDMENT TO ARTICLE 3 -- GENERAL TERMS RELATING TO CURRENCY OPTION TRANSACTIONS

Section 3.7(c)(i) is amended by adding new subsections (C) and (D) before the word “or” at the end of subsection (B) as follows:

Section 3.7 Terms Relating to Settlement.

(c)(i)(B) “...; and

(C) in the case of a Currency Option Transaction where the Reference Currency is the Put Currency and the Settlement Currency is the Call Currency:

$$\text{In-the-Money Amount} = \text{Call Currency Amount} \times [(1 / \text{Settlement Rate} - 1 / \text{Strike Price}) / (1 / \text{Settlement Rate})]$$

where both the Strike Price and the Settlement Rate are quoted in terms of the amount of Settlement Currency per one unit of Reference Currency; and

(D) in the case of a Currency Option Transaction where the Reference Currency is the Call Currency and the Settlement Currency is the Put Currency:

$$\text{In-the-Money Amount} = \text{Put Currency Amount} \times [(1/\text{Strike Price} - 1/\text{Settlement Rate}) / (1/\text{Settlement Rate})]$$

where both the Strike Price and the Settlement Rate are quoted in terms of the amount of Settlement Currency per one unit of Reference Currency; or ”.

APPENDIX B

Amendments to Annex A to the 1998 FX and Currency Option Definitions

Effective May 31, 2011, Annex A to the 1998 FX and Currency Option Definitions is amended by adding a new Section 4.8 as follows:

Section 4.8. Specified Additional Settlement Rate Options for Cross Currency FX Transactions. Subject to Article 5, for purposes of determining a Spot Rate (it being understood that if any Spot Rate referenced in this Section 4.8 is not published on a Rate Calculation Date as described below, then such Spot Rate shall be determined by the Calculation Agent in good faith and in a commercially reasonable manner as at a time reasonably proximate to the Specified Time in the related Confirmation for the Settlement Rate Option identified for the Settlement Currency):

(a) **AUD Rates.**

- (i) "WM/Reuters USD/AUD" or "AUD1" each means that the Spot Rate for a Rate Calculation Date will be the U.S. Dollar/Australian Dollar spot rate, or closing spot rate, as the case may be, expressed as the amount of U.S. Dollars per one Australian Dollar, for settlement in two Business Days calculated by WM Company which appears on Thomson Reuters Screen WMRSPOT12 Page (or, Thomson Reuters Screen WMRPSPOT12 Page, in the case of the closing rate) under the caption "MID" at the Specified Time on that Rate Calculation Date.
- (ii) "ASFI USD/AUD" or "AUD2" each means that the Spot Rate for a Rate Calculation Date will be the arithmetic average of the U.S. Dollar/Australian Dollar bid and offer rates, expressed as the amount of U.S. Dollars per one Australian Dollar, for settlement in two Business Days which appears on Thomson Reuters Screen ASFI Page under the column "AUD" at the Specified Time on that Rate Calculation Date.
- (iii) "AUDFIX USD/AUD" or "AUD3" each means that the Spot Rate for a Rate Calculation Date will be the U.S. Dollar/Australian Dollar spot rate expressed as the amount of U.S. Dollars per one Australian Dollar for settlement in two Business Days which appears on Thomson Reuters Screen AUDFIX Page at the Specified Time on the Rate Calculation Date.

(b) **CAD Rates.**

- (i) "WM/Reuters CAD/USD" or "CAD1" each means that the Spot Rate for a Rate Calculation Date will be the Canadian Dollar/U.S. Dollar spot rate, or closing spot rate, as the case may be, expressed as the amount of Canadian Dollars per one U.S. Dollar for settlement in one

Business Day calculated by WM Company which appears on Thomson Reuters Screen WMRSPOT09 Page (or Thomson Reuters Screen WMRPSPOT09 Page, in the case of the closing rate) under the caption "MID" at the Specified Time on that Rate Calculation Date.

(c) CHF Rates.

- (i) "WM/Reuters CHF/USD" or "CHF1" each means that the Spot Rate for a Rate Calculation Date will be the Swiss Franc/U.S. Dollar spot rate, or closing spot rate, as the case may be, expressed as the amount of Swiss Francs per one U.S. Dollar for settlement in two Business Days calculated by WM Company which appears on Thomson Reuters Screen WMRSPOT07 Page (or Thomson Reuters Screen WMRPSPOT07 Page, in the case of the closing rate) under the caption "MID" at the Specified Time on that Rate Calculation Date.
- (ii) "TKFE CHF/USD" or "CHF2" each means that the Spot Rate for a Rate Calculation Date will be the arithmetic average of the Swiss Franc/U.S. Dollar bid and offer rates, expressed as the amount of Swiss Francs per one U.S. Dollar for settlement in two Business Days which appears on Thomson Reuters Screen TKFE Page under the column "DLR/SFR" at the Specified Time on that Rate Calculation Date.
- (iii) "TKFE2 CHF/USD" or "CHF3" each means that the Spot Rate for a Rate Calculation Date will be the arithmetic average of the Swiss Franc/U.S. Dollar bid and offer rates, expressed as the amount of Swiss Francs per one U.S. Dollar for settlement in two Business Days which appears on Thomson Reuters Screen TKFE2 Page under the column "DLR/SFR" at the Specified Time on that Rate Calculation Date.

(d) DKK Rates.

- (i) "WM/Reuters DKK/USD" or "DKK1" each means that the Spot Rate for a Rate Calculation Date will be the Danish Krone/U.S. Dollar spot rate, or closing spot rate, as the case may be, expressed as the amount of Danish Krone per one U.S. Dollar for settlement in two Business Days calculated by WM Company which appears on Thomson Reuters Screen WMRSPOT05 Page (or Thomson Reuters Screen WMRPSPOT05 Page, in the case of the closing rate) under the caption "MID" at the Specified Time on that Rate Calculation Date.

(e) EUR Rates.

- (i) "ECB37 USD/EUR" or "EUR1" each means that the Spot Rate for a Rate Calculation Date will be the U.S. Dollar/Euro spot rate expressed as the amount of U.S. Dollars per one Euro for settlement in two Business Days, reported by the European Central Bank which appears

on Thomson Reuters Screen ECB37 Page at approximately 14:15 (Central European Time) on that Rate Calculation Date.

- (ii) “WM/Reuters USD/EUR” or “EUR2” each means that the Spot Rate for a Rate Calculation Date will be the U.S. Dollar/Euro spot rate (or closing spot rate, as the case may be), expressed as the amount of U.S. Dollars per one Euro for settlement in two Business Days calculated by WM Company which appears on Thomson Reuters Screen WMRSPOT05 Page (or Thomson Reuters WMRPSPOT05 Page, in the case of the closing rate) under the caption “MID” at the Specified Time on that Rate Calculation Date.
- (iii) “TKFE USD/EUR” or “EUR3” each means that the Spot Rate for a Rate Calculation Date will be the arithmetic average of the Euro/U.S. Dollar bid and offer rates, expressed as the amount of U.S. Dollars per one Euro for settlement in two Business Days which appears on Thomson Reuters Screen TKFE Page under the column “EUR/DLR” at the Specified Time on that Rate Calculation Date.
- (iv) “TKFE2 USD/EUR” or “EUR4” each means that the Spot Rate for a Rate Calculation Date will be the arithmetic average of the U.S. Dollar/Euro bid and offer rates, expressed as the amount of U.S. Dollars per one Euro for settlement in two Business Days which appears on Thomson Reuters Screen TKFE2 Page under the column “EUR/DLR” at the Specified Time on that Rate Calculation Date.
- (v) “TKYFX USD/EUR” or “EUR5” each means that the Spot Rate for a Rate Calculation Date will be the arithmetic average of the U.S. Dollar/Euro bid and offer rates, expressed as the amount of U.S. Dollars per one Euro for settlement in two Business Days which appears on Thomson Reuters Screen TKYFX Page under the column “EUR/DLR” at the Specified Time on that Rate Calculation Date.

(f) GBP Rates.

- (i) “WM/Reuters USD/GBP” or “GBP1” each means that the Spot Rate for a Rate Calculation Date will be the U.S. Dollar/Sterling spot rate (or closing spot rate, as the case may be) expressed as the amount of U.S. Dollars per one Sterling for settlement in two Business Days calculated by WM Company which appears on Thomson Reuters Screen WMRSPOT07 Page (or Thomson Reuters Screen WMRPSPOT07 Page, in the case of the closing rate) under the caption “MID” at the Specified Time on that Rate Calculation Date.
- (ii) “TKFE USD/GBP” or “GBP2” each means that the Spot Rate for a Rate Calculation Date will be the arithmetic average of the U.S. Dollar/Sterling bid and offer rates, expressed as the amount of U.S. Dollar per one Sterling for settlement in two Business Days which

appears on Thomson Reuters Screen TKFE Page under the column “STG/DLR” at the Specified Time on that Rate Calculation Date.

- (iii) “TKFE2 USD/GBP” or “GBP3” each means that the Spot Rate for a Rate Calculation Date will be the arithmetic average of the U.S. Dollar/Sterling bid and offer rates, expressed as the amount of U.S. Dollars per one Sterling for settlement in two Business Days which appears on Thomson Reuters Screen TKFE2 Page under the column “STG/DLR” at the Specified Time on that Rate Calculation Date.
- (iv) “TKYFX USD/GBP” or “GBP4” each means that the Spot Rate for a Rate Calculation Date will be the arithmetic average of the U.S. Dollar/Sterling bid and offer rates, expressed as the amount of U.S. Dollars per one Sterling for settlement in two Business Days which appears on Thomson Reuters Screen TKYFX Page under the column “STG/DLR” at the Specified Time on that Rate Calculation Date.

(g) HKD Rates.

- (i) “WM/Reuters HKD/USD” or “HKD1” each means that the Spot Rate for a Rate Calculation Date will be the Hong Kong Dollar/U.S. Dollar spot rate (or closing spot rate, as the case may be) expressed as the amount of Hong Kong Dollars per one U.S. Dollar for settlement in two Business Days calculated by WM Company which appears on Thomson Reuters Screen WMRSPOT12 Page (or Thomson Reuters Screen WMRPSPOT12 Page, in the case of the closing rate) under the caption “MID” at the Specified Time on that Rate Calculation Date.
- (ii) “HKDFIX HKD/USD” or “HKD2” each means that the Spot Rate for a Rate Calculation Date will be the Hong Kong Dollar/U.S. Dollar rate expressed as the amount of Hong Kong Dollars per one U.S. Dollar for settlement in two Business Days reported by the Treasury Markets Association which appears on Thomson Reuters Screen HKDFIX Page at the Specified Time on the Rate Calculation Date.

(h) JPY Rates.

- (i) “WM/Reuters JPY/USD” or “JPY1” each means that the Spot Rate for a Rate Calculation Date will be the Yen/U.S. Dollar spot rate (or closing spot rate, as the case may be) expressed as the amount of Yen per one U.S. Dollar for settlement in two Business Days calculated by WM Company which appears on Thomson Reuters Screen WMRSPOT12 Page (or Thomson Reuters Screen WMRPSPOT12 Page, in the case of the closing rate) under the caption “MID” at the Specified Time on that Rate Calculation Date.
- (ii) “TKFE JPY/USD” or “JPY2” each means that the Spot Rate for a Rate Calculation Date will be the arithmetic average of the Yen/U.S. Dollar

bid and offer rates, expressed as the amount of Yen per one U.S. Dollar for settlement in two Business Days which appears on the Thomson Reuters Screen TKFE Page under the column “DLR/YEN” at the Specified Time on that Rate Calculation Date.

- (iii) “TKFE2 JPY/USD” or “JPY3” each means that the Spot Rate for a Rate Calculation Date will be the arithmetic average of the Yen/U.S. Dollar bid and offer rates expressed as the amount of Yen per one U.S. Dollar for settlement in two Business Days which appears on Thomson Reuters Screen TKFE2 Page under the column “DLR/YEN” at the Specified Time on that Rate Calculation Date.
- (iv) “TKYFX JPY/USD” or “JPY4” each means that the Spot Rate for a Rate Calculation Date will be the arithmetic average of the Yen/U.S. Dollar bid and offer rates, expressed as the amount of Yen per one U.S. Dollar for settlement in two Business Days which appears on the Reuters Screen TKYFX Page under the column “DLR/YEN” at the Specified Time on that Rate Calculation Date.

(i) NOK Rates.

- (i) “WM/Reuters NOK/USD” or “NOK1” each means that the Spot Rate for a Rate Calculation Date will be the Norwegian Krone/U.S. Dollar spot rate (or closing spot rate, as the case may be) expressed as the amount of Norwegian Krone per one U.S. Dollar for settlement in two Business Days calculated by WM Company which appears on Thomson Reuters Screen WMRSPOT6 Page (or Thomson Reuters Screen WMRPSPOT06 Page, in the case of the closing rate) under the caption “MID” at the Specified Time on that Rate Calculation Date.

(j) NZD Rates.

- (i) “WM/Reuters USD/NZD” or “NZD1” each means that the Spot Rate for a Rate Calculation Date will be the U.S. Dollar/New Zealand Dollar spot rate (or closing spot rate, as the case may be) expressed as the amount of U.S. Dollars per one New Zealand Dollar for settlement in two Business Days calculated by WM Company which appears on Thomson Reuters Screen WMRSPOT13 Page (or Thomson Reuters Screen WMRPSPOT13 Page, in the case of the closing rate) under the caption “MID” at the Specified Time on that Rate Calculation Date.
- (ii) “ASFI USD/NZD” or “NZD2” each means that the Spot Rate for a Rate Calculation Date will be the arithmetic average of the U.S. Dollar/New Zealand Dollar bid and offer rates expressed as the amount of U.S. Dollars per one New Zealand Dollar for settlement in two Business Days which appears on Thomson Reuters Screen ASFI Page under the column “NZD” at the Specified Time on that Rate Calculation Date.

(k) SEK Rates.

- (i) "WM/Reuters SEK/USD" or "SEK1" each means that the Spot Rate for a Rate Calculation Date will be the Swedish Krona/U.S. Dollar spot rate (or closing spot rate, as the case may be) expressed as the amount of Swedish Krona per one U.S. Dollar for settlement in two Business Days calculated by WM Company which appears on Thomson Reuters Screen WMRSPOT07 Page (or Thomson Reuters Screen WMRPSPOT07 Page, in the case of the closing rate) under the caption "MID" at the Specified Time on that Rate Calculation Date.

(l) SGD Rates.

- (i) "WM/Reuters SGD/USD" or "SGD1" each means that the Spot Rate for a Rate Calculation Date will be the Singapore Dollar/U.S. Dollar spot rate (or closing spot rate, as the case may be) expressed as the amount of Singapore Dollars per one U.S. Dollar for settlement in two Business Days calculated by WM Company which appears on Thomson Reuters Screen WMRSPOT13 Page (or Thomson Reuters Screen WMRPSPOT13 Page, in the case of the closing rate) under the caption "MID" at the Specified Time on that Rate Calculation Date.
- (ii) "ABS SGD/USD" or "SGD2" each means the Spot Rate for a Rate Calculation Date will be the Singapore Dollar/U.S. Dollar spot rate, expressed as the amount of Singapore Dollars per one U.S. Dollar, for settlement in two Business Days reported by the Association of Banks in Singapore which appears on Thomson Reuters Screen ABSIRFIX01 Page under the column "SGD" and in the row "SPOT", at the Specified Time on that Rate Calculation Date.

APPENDIX C-1

EMTA TEMPLATE TERMS
for
Non-Deliverable Cross Currency FX Transactions

General Terms:	
Trade Date:	
[Date of Annex A]: ¹	
Reference Currency:	
[Notional Amount]: ²	
[Forward Rate]: ²	
[Reference Currency Notional Amount]: ²	
Reference Currency Buyer:	
Reference Currency Seller:	
Settlement Currency:	
Settlement Date: ³	[DATE CERTAIN], subject to adjustment if the Scheduled Valuation Date is adjusted in accordance with the Following Business Day Convention or if Valuation Postponement applies, and in each such case, the Settlement Date shall be as soon as practicable, but in no event later than [] ⁴ Business Days after the date on which the Cross Currency Settlement Rate is determined.
Settlement:	Non-Deliverable
Settlement Rate:	Cross Currency Settlement Rate
Cross Currency Settlement Rate:	The Cross Currency Settlement Rate shall be determined for the Valuation Date with reference to the Reference Currency Spot Rate and the Settlement Currency Spot Rate, each as determined for the Valuation Date, <u>provided that,</u> <ol style="list-style-type: none"> 1. the Settlement Rate Option for the Reference Currency shall be [_____] ,^{5,6} 2. the Settlement Rate Option for the Settlement Currency shall be [_____] ⁷; and 3. the Specified Time of the Settlement Rate Option for the

	Settlement Currency shall be [_____].
Valuation Date: ⁸	[DATE CERTAIN], (“Scheduled Valuation Date”), subject to adjustment in accordance with the Preceding Business Day Convention, and in the event of an Unscheduled Holiday, subject to adjustment in accordance with the Following Business Day Convention. ⁹
Disruption Events for Settlement Rate for Reference Currency: ¹⁰	
Disruption Fallbacks for Settlement Rate for Reference Currency: ¹¹	
Other Terms: ¹²	
Calculation Agent: ¹³	

ENDNOTES

- ¹ Include only if the parties wish to modify the presumption that Annex A is incorporated as amended through the Trade Date.
- ² Parties must specify either (a) a Notional Amount and a Reference Currency Notional Amount or (b) a Forward Rate and either a Notional Amount or a Reference Currency Notional Amount.
- ³ A date certain must be specified for the Settlement Date.
- ⁴ Insert the number of Business Days for the market standard settlement cycle as indicated in the EMTA Template Terms for Non-Deliverable FX Transactions for the Reference Currency published on EMTA's website as of the Trade Date, provided however, that, if the market standard settlement cycle for the Settlement Currency is a different number of days, then the parties to the contract shall insert a mutually agreeable term for the settlement cycle in the related Confirmation.
- ⁵ Include the Settlement Rate Option set forth in the EMTA Template Terms for Non-Deliverable FX Transactions for the Reference Currency as published on EMTA's website as of the Trade Date in accordance with EMTA FX and Currency Derivatives Market Practice Nos. 57 and 59.
- ⁶ A party may wish to include the following additional provision if such party is or may be a participant in an EMTA Industry or Indicative Survey, or both:

[Quoting Dealer Disclaimer:]

The parties acknowledge that one or both parties to this Transaction acting directly or through a branch or an affiliate may be requested to provide a quotation or quotations from time to time for the purpose of determining the EMTA [CCY] [Industry / Indicative] Survey Rate and such quotation may affect, materially or otherwise, the settlement of the Transaction.
- ⁷ Include a Settlement Rate Option for the Settlement Currency in accordance with EMTA FX and Currency Derivatives Market Practice No. 59. Settlement Rate Options for the Settlement Currency may be found in Section 4.8 of Annex A, or may be as otherwise agreed between the parties.
- ⁸ A date certain must be specified for the Valuation Date.
- ⁹ In the case of transactions where the Reference Currency is BRL, parties may wish to insert the additional language which is included in the EMTA Template Terms for USD/BRL transactions: *"Notwithstanding the foregoing, if the parties have specified a Scheduled Valuation Date that falls on a date that, as at the Trade Date, is not a scheduled Business Day in New York, no*

adjustment shall be made on account of the fact that such date is not a Business Day in New York.”

- ¹⁰ Insert all Disruption Events from the EMTA Template Terms for the Reference Currency published on EMTA’s website as of the Trade Date by including either (a) the words *“Incorporated in their entirety from the current recommended EMTA Template Terms for [CCY/USD] Non-Deliverable FX Transactions as set forth at www.emta.org as of the Trade Date”* or (b) the full text of the provisions included from Disruption Events in the EMTA Template Terms for the Reference Currency.
- ¹¹ Insert all Disruption Fallbacks from the EMTA Template Terms for the Reference Currency published on EMTA’s website as of the Trade Date by including either (a) the words *“Incorporated in their entirety from the current recommended EMTA Template Terms for [CCY/USD] Non-Deliverable FX Transactions as set forth at www.emta.org as of the Trade Date”* or (b) the full text of the provisions included from Disruption Fallbacks in the EMTA Template Terms for the Reference Currency.
- ¹² Insert all Other Terms from the EMTA Template Terms for the Reference Currency published on EMTA’s website as of the Trade Date by including either (a) the words *“Incorporated in their entirety from the current recommended EMTA Template Terms for [CCY/USD] Non-Deliverable FX Transactions as set forth at www.emta.org as of the Trade Date”* or (b) the full text of the provisions included from Other Events in the EMTA Template Terms for the Reference Currency, provided, however, that (i) the term “Spot Rate” in the provisions for “Valuation Postponement for Price Source Disruption” and “Cumulative Events” should be replaced with the term “Reference Currency Spot Rate” and (ii) the “Relevant Cities for Business Day Settlement Date” should be adjusted to reflect the Financial Center for the Settlement Currency for the transaction.

In particular, if option (a) above is chosen, and a ‘short-form’ confirmation is prepared, the parties must take care to specifically include (a) a term for Relevant Cities for Business Day for Settlement Date in accordance with EMTA FX and Currency Derivatives Market Practice No. 62, which recommends the inclusion of the Financial Center for the Settlement Currency, and (b) a term for “Calculation Agent”, as agreed between the parties.

Also, see Endnote 6 above for optional language on survey participation to be added to Other Terms.

- ¹³ The following may be applicable for inter-dealer trades where parties agree to be Joint Calculation Agents:

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

APPENDIX C-2

EMTA TEMPLATE TERMS

for

Non-Deliverable Cross Currency Currency Option Transactions

General Terms:	
Trade Date:	
[Date of Annex A]: ¹	
Buyer:	
Seller:	
Put Currency and Put Currency Amount:	
Call Currency and Call Currency Amount:	
Option Style:	European
Option Type:	[CURRENCY] Put / [CURRENCY] Call
Reference Currency:	
Settlement Currency:	
Strike Price:	
Settlement Date: ²	[DATE CERTAIN], subject to adjustment if the Scheduled Valuation Date is adjusted in accordance with the Following Business Day Convention or if Valuation Postponement applies, and in each such case, the Settlement Date shall be as soon as practicable, but in no event later than [] ³ Business Days after the date on which the Cross Currency Spot Rate is determined.
Settlement:	Non-Deliverable
Settlement Rate:	Cross Currency Settlement Rate
Cross Currency Settlement Rate:	The Cross Currency Settlement Rate shall be determined for the Valuation Date with reference to the Reference Currency Spot Rate and the Settlement Currency Spot Rate, each as determined for the Valuation Date, <u>provided that,</u> <ol style="list-style-type: none"> 1. the Settlement Rate Option for the Reference Currency shall be [_____];^{4,5} 2. the Settlement Rate Option for the Reference Currency shall be

	[____]; ⁶ and 3. the Specified Time of the Settlement Rate Option for the Settlement Currency shall be [____].
Expiration Date:	Valuation Date (as adjusted from time to time in accordance with its terms).
Valuation Date: ⁷	[DATE CERTAIN], (“Scheduled Valuation Date”), subject to adjustment in accordance with the Preceding Business Day Convention, and in the event of an Unscheduled Holiday, subject to adjustment in accordance with the Following Business Day Convention. ⁸
Expiration Time:	The later of the time of determination or publication (whichever is later) of the Reference Currency Spot Rate and the time of determination or publication (whichever is later) of the Settlement Currency Spot Rate.
Premium:	
Premium Payment Date:	
Disruption Events for Settlement Rate for Reference Currency: ⁹	
Disruption Fallbacks for Settlement Rate for Reference Currency: ¹⁰	
Other Terms: ¹¹	
Relevant City for Business Day for Premium Payment Date:	
Calculation Agent: ¹²	

ENDNOTES

- 1 Include only if parties wish to modify the presumption that Annex A is incorporated as amended through the Trade Date.
- 2 A date certain must be specified for the Settlement Date.
- 3 Insert the number of Business Days for the market standard settlement cycle as indicated in the EMTA Template Terms for Non-Deliverable FX Transactions for the Reference Currency published on EMTA's website as of the Trade Date, provided however, that, if the market standard settlement cycle for the Settlement Currency is a different number of days, then the parties to the contract shall insert a mutually agreeable term for the settlement cycle in the related Confirmation.
- 4 Include the Settlement Rate Option as set forth in the EMTA Template Terms for Non-Deliverable FX Transactions for the Reference Currency as published on EMTA's website as of the Trade Date. See EMTA FX and Currency Derivatives Market Practices Nos. 57 and 59.
- 5 A party may wish to include the following additional provision if such party is or may be a participant in an EMTA Industry or Indicative Survey, or both:

[Quoting Dealer Disclaimer:]

The parties acknowledge that one or both parties to this Transaction acting directly or through a branch or an affiliate may be requested to provide a quotation or quotations from time to time for the purpose of determining the EMTA [CCY] [Industry / Indicative] Survey Rate and such quotation may affect, materially or otherwise, the settlement of the Transaction.
- 6 Include a Settlement Rate Option for the Settlement Currency in accordance with EMTA FX and Currency Derivatives Market Practice No. 59. Settlement Rate Options for the Settlement Currency may be found in Section 4.8 of Annex A, or may be as otherwise agreed between the parties.
- 7 A date certain must be specified for the Valuation Date.
- 8 In the case of transactions where the Reference Currency is BRL, parties may wish to insert the additional language which is included in the EMTA Template Terms for USD/BRL transactions: *"Notwithstanding the foregoing, if the parties have specified a Scheduled Valuation Date that falls on a date that, as at the Trade Date, is not a scheduled Business Day*

in New York, no adjustment shall be made on account of the fact that such date is not a Business Day in New York.”

⁹ Include all Disruption Events from the EMTA Template Terms for the Reference Currency published on EMTA’s website as of the Trade Date by including either (a) the words “*Incorporated in their entirety from the current EMTA Recommended Template Terms for [CCY/USD] Non-Deliverable FX Transactions as set forth at www.emta.org as of the Trade Date*” or (b) the full text of the provisions included for Disruption Events in the EMTA Template Terms for the Reference Currency.

¹⁰ Include all Disruption Fallbacks from the EMTA Template Terms for the Reference Currency published on EMTA’s website as of the Trade Date by including either (a) the words “*Incorporated in their entirety from the current EMTA Recommended Template Terms for [CCY/USD] Non-Deliverable FX Transactions as set forth at www.emta.org as of the Trade Date*” or (b) the full text of the provisions included for Disruption Fallbacks in the EMTA Template Terms for the Reference Currency.

¹¹ Include all Other Terms from the EMTA Template Terms for the Reference Currency published on EMTA’s website as of the Trade Date by including either (a) the words “*Incorporated in their entirety from the current EMTA Recommended Template Terms for [CCY/USD] Non-Deliverable FX Transactions as set forth at www.emta.org as of the Trade Date*” or (b) the full text of the provisions included for Other Terms in the EMTA Template Terms for the Reference Currency, provided however, that (i) the term “Spot Rate” in the provisions for “Valuation Postponement for Price Source Disruption” and “Cumulative Events” should be replaced with the term “Reference Currency Spot Rate” and (ii) the “Relevant Cities for Business Day Settlement Date” should be adjusted to reflect the Financial Center for the Settlement Currency for the transaction.

In particular, if option (a) above is chosen, and a ‘short-form’ confirmation is prepared, the parties must take care to specifically include (a) a term for Relevant Cities for Business Day for Settlement Date in accordance with EMTA FX and Currency Derivatives Market Practice No. 62, which recommends the inclusion of the Financial Center for the Settlement Currency, and (b) a term for “Calculation Agent”, as agreed between the parties.

Also, see Endnote 5 above for optional language to be added to Other Terms.

¹² The following may be applicable for inter-dealer trades where parties agree to be Joint Calculation Agents:

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

APPENDIX D-1

SAMPLE: EMTA TEMPLATE TERMS
for
BRL/EUR Non-Deliverable Cross Currency FX Transactions

General Terms:	
Trade Date:	
[Date of Annex A]: ¹	
Reference Currency:	Brazilian Real (BRL)
[Notional Amount]: ²	
[Forward Rate]: ²	
[Reference Currency Notional Amount]: ²	
Reference Currency Buyer:	
Reference Currency Seller:	
Settlement Currency:	Euro (EUR)
Settlement Date: ³	[DATE CERTAIN], subject to adjustment if the Scheduled Valuation Date is adjusted in accordance with the Following Business Day Convention or if Valuation Postponement applies, and in each such case, the Settlement Date shall be as soon as practicable, but in no event later than two Business Days after the date on which the Spot Rate is determined.
Settlement:	Non-Deliverable
Settlement Rate:	Cross Currency Settlement Rate
Cross Currency Settlement Rate:	<p>The Cross Currency Settlement Rate shall be determined for the Valuation Date with reference to the Reference Currency Spot Rate and the Settlement Currency Spot Rate, each determined for the Valuation Date, <u>provided that</u>,</p> <ol style="list-style-type: none"> 1. the Settlement Rate Option for the Reference Currency shall be BRL PTAX (BRL09); 2. the Settlement Rate Option for the Settlement Currency shall be [____];⁴ and 3. the Specified Time of the Settlement Rate Option for the Settlement Currency shall be [_____].

Valuation Date: ⁵	[DATE CERTAIN], (“Scheduled Valuation Date”) subject to adjustment in accordance with the Preceding Business Day Convention and in the event of an Unscheduled Holiday, subject to adjustment in accordance with the Following Business Day Convention. Notwithstanding the foregoing, if the parties have specified a Scheduled Valuation Date that falls on a date that, as at the Trade Date, is not a scheduled Business Day in New York, no adjustment shall be made on account of the fact that such date is not a Business Day in New York.
Disruption Events for Settlement Rate for Reference Currency:	
Price Source Disruption:	Applicable
Price Materiality	Applicable
Primary Rate:	BRL09
Secondary Rate:	EMTA BRL Industry Survey Rate (BRL 12), ⁶ or EMTA BRL Indicative Survey Rate (BRL13), ⁷ as the case may be. ⁸
Price Materiality Percentage:	3%, provided however, that if there are insufficient responses on the Valuation Date to the EMTA BRL Industry Survey or the EMTA BRL Indicative Survey, as the case may be, the Price Materiality Percentage will also be deemed to have been met.
Disruption Fallbacks for Settlement Rate for Reference Currency:	

<p>1. First Fallback Reference Price:</p> <p>2. Valuation Postponement:</p> <p>3. Second Fallback Reference Price:</p> <p>4. Calculation Agent Determination of Settlement Rate:</p>	<p>EMTA BRL Industry Survey Rate (BRL 12)</p> <p>EMTA BRL Indicative Survey Rate (BRL 13)</p>
<p>Other Terms:</p>	
<p>Unscheduled Holiday:</p>	<p>“Unscheduled Holiday” means 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 a.m. local time in the Principal Financial Center(s) of the Reference Currency two Business Days prior to the Scheduled Valuation Date.</p>
<p>Deferral Period for Unscheduled Holiday:</p>	<p>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 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.</p>
<p>Valuation Postponement for Price Source Disruption:</p>	<p>“Valuation Postponement” means, for purposes of obtaining a Settlement Rate, that the Reference Currency 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 a consecutive number of calendar days</p>

	equal to the Maximum Days of Postponement. In such event, the Reference Currency 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 Reference Currency Spot Rate shall be determined in accordance with the next Disruption Fallback.
Maximum Days of Postponement:	Thirty (30) calendar days
Relevant Cities for Business Day for Valuation Date:	Any of Rio de Janeiro, Brasilia or São Paulo <u>and</u> New York City
Relevant City for Business Day for Settlement Date:	Euro Settlement Date
Calculation Agent: ⁹	

ENDNOTES

¹ Include only if parties wish to modify the presumption that Annex A is incorporated as amended through the Trade Date.

² Parties must specify either (a) a Notional Amount and a Reference Currency Notional Amount or (b) a Forward Rate and either a Notional Amount or a Reference Currency Notional Amount.

³ A date certain must be specified for the Settlement Date.

⁴ Include a Settlement Rate Option for the Settlement Currency in accordance with EMTA FX and Currency Derivatives Market Practice No. 59. Settlement Rate Options for the Settlement Currency may be found in Section 4.8 of Annex A, or may be as otherwise agreed between the parties.

⁵ A date certain must be specified for Valuation Date.

⁶ The EMTA BRL Industry Survey Rate is determined pursuant to the EMTA BRL Industry Survey Rate Methodology dated March 1, 2004.

⁷ The EMTA BRL Indicative Survey Rate is determined pursuant to the EMTA BRL Indicative Survey Rate Methodology dated March 1, 2004.

⁸ A party may wish to include the following additional provision if such party is or may be a participant in either the EMTA BRL Industry Survey or the EMTA BRL Indicative Survey, or both:

[Quoting Dealer Disclaimer:]

The parties acknowledge that one or both parties to this Transaction acting directly or through a branch or an affiliate may be requested to provide a quotation or quotations from time to time for the purpose of determining the EMTA BRL Industry Survey Rate or the EMTA BRL Indicative Survey Rate and such quotation may affect, materially or otherwise, the settlement of the Transaction.

⁹ The following may be applicable for inter-dealer trades where parties agree to be Joint Calculation Agents:

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

APPENDIX D-2

SAMPLE: EMTA TEMPLATE TERMS
for
RUB/EUR Non-Deliverable Cross Currency Currency Option Transactions

General Terms:	
Trade Date:	
[Date of Annex A]: ¹	
Buyer:	
Seller:	
Put Currency and Put Currency Amount:	[RUB][EUR] _____
Call Currency and Call Currency Amount:	[RUB][EUR] _____
Option Style:	European
Option Type:	[CURRENCY] Put / [CURRENCY] Call
Reference Currency:	Russian Ruble (RUB)
Settlement Currency:	Euro (EUR)
Strike Price:	
Settlement Date: ²	[DATE CERTAIN], subject to adjustment if the Scheduled Valuation Date is adjusted in accordance with the Following Business Day Convention or if Valuation Postponement applies, and in each such case, the Settlement Date shall be as soon as practicable, but in no event later than one Business Day after the date on which the Cross Currency Settlement Rate is determined.
Settlement:	Non-Deliverable
Settlement Rate:	Cross Currency Settlement Rate
Cross Currency Settlement Rate:	The Cross Currency Settlement Rate shall be determined for the Valuation Date with reference to the Reference Currency Spot Rate and the Settlement Currency Spot Rate, each as determined for the Valuation Date, <u>provided that,</u> <ol style="list-style-type: none"> 1. the Settlement Rate Option for the Reference Currency shall be RUB CME-EMTA (RUB03);^{3,4} 2. the Settlement Rate Option for

	<p>the Reference Currency shall be [____];⁵ and</p> <p>3. the Specified Time of the Settlement Rate Option for the Settlement Currency shall be [____].</p>
Expiration Date:	Valuation Date (as adjusted from time to time in accordance with its terms).
Valuation Date: ⁶	[DATE CERTAIN], (“Scheduled Valuation Date”), subject to adjustment in accordance with the Preceding Business Day Convention, and in the event of an Unscheduled Holiday, subject to adjustment in accordance with the Following Business Day Convention.
Expiration Time:	The later of the time of determination or publication (whichever is later) of the Reference Currency Spot Rate and the time of determination or publication (whichever is later) of the Settlement Currency Spot Rate.
Premium:	
Premium Payment Date:	
Disruption Events for Settlement Rate for Reference Currency:	
Price Source Disruption	Applicable
Disruption Fallbacks for Settlement Rate for Reference Currency:	
<ul style="list-style-type: none"> 1. Valuation Postponement 2. Fallback Reference Price 3. Calculation Agent Determination of Settlement Rate 	EMTA RUB Indicative Survey Rate (RUB04) ^{7,8}
Other Terms:	

<p>Unscheduled Holiday:</p>	<p>“Unscheduled Holiday” means 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 a.m. local time in the Principal Financial Center(s) of the Reference Currency two Business Days prior to the Scheduled Valuation Date.</p>
<p>Deferral Period for Unscheduled Holiday:</p>	<p>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 14th consecutive calendar 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.</p>
<p>Valuation Postponement for Price Source Disruption</p>	<p>“Valuation Postponement” means, for purposes of obtaining a Settlement Rate, that the Reference Currency 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 a consecutive number of calendar days equal to the Maximum Days of Postponement. In such event, the Reference Currency Spot Rate will be determined on the next Business Day after the Maximum Days of Postponement in accordance with the next applicable Disruption Fallback.</p>
<p>Cumulative Events:</p>	<p>Notwithstanding anything herein to the contrary, in no event shall the total</p>

	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 14 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 14 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 Reference Currency Spot Rate shall be determined in accordance with the next Disruption Fallback.
Maximum Days of Postponement:	Fourteen (14) calendar days
Relevant Cities for Business Day(s) for Valuation Date:	New York City and Moscow
Relevant City for Business Day(s) for Settlement Date	Euro Settlement Date
Relevant City for Business Day for Premium Payment Date:	Euro Settlement Date
Calculation Agent: ⁹	

ENDNOTES

¹ Include only if the parties wish to modify the presumption that Annex A is incorporated as amended through the Trade Date.

² A date certain must be specified for Settlement Date.

³ The RUB CME-EMTA Ruble Reference Rate is determined pursuant to the Chicago Mercantile Exchange / EMTA Inc. Daily Russian Ruble Per U.S. Dollar Reference Rate Methodology Effective June 16, 2005.

⁴ A party may wish to include the following additional provision if such party is or may be a participant in the Chicago Mercantile Exchange / EMTA, Inc. Daily Russian Ruble Per U.S. Dollar Reference Rate Survey Effective June 16, 2005 or the EMTA RUB Indicative Survey.

[Quoting Dealer Disclaimer:]

The parties acknowledge that one or both parties to this Transaction acting directly or through a branch or an affiliate may be requested to provide a quotation or quotations from time to time for the purpose of determining the Chicago Mercantile Exchange / EMTA, Inc. Daily Russian Ruble Per U.S. Dollar Reference Rate Survey or the EMTA RUB Indicative Survey Rate and such quotation may affect, materially or otherwise, the settlement of the Transaction.

⁵ Include a Settlement Rate Option for the Settlement Currency in accordance with EMTA FX and Currency Derivatives Market Practice No. 59. Settlement Rate Options for the Settlement Currency may be found in Section 4.8 of Annex A for the Settlement Currency, or may be as otherwise agreed between the parties.

⁶ A date certain must be specified for Valuation Date.

⁷ The EMTA RUB Indicative Survey Rate is determined pursuant to the EMTA RUB Indicative Survey Methodology Effective June 16, 2005.

⁸ See Endnote 4.

⁹ The following may be applicable for inter-dealer trades where parties agree to be Joint Calculation Agents:

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