

Addendum to the [International Currency Options Master Agreement][Foreign Exchange and Options Master Agreement] dated [] between Party A and Party B

The Schedule to the Master Agreement is amended by adding the following Part XVII:

The following additional terms shall govern Barrier Options transacted between the Parties.

1. Definitions.

Unless otherwise specified in a Confirmation, the following terms when used in a Confirmation shall have the meanings set forth below.

"Barrier Option" means a Knock-In Option or a Knock-Out Option.

"Barrier Determination Agent" means the Party who determines whether or not a Knock-in Event or Knock-Out Event has occurred and shall be either the Buyer or Seller or a third person as agreed at the time the Barrier Option is entered into.

"Barrier Period" means, unless otherwise agreed, the period commencing on the date and at the time the Barrier Option is entered into and ending at the Expiration Time on the Expiration Date.

"Exercise Time Window" means a period on the Expiration Date commencing one hour prior to the Expiration Time and ending at the Expiration Time, during which exercise of a Knock-Out Option may be made as referred to in paragraph 4.1 below.

"Initial Spot Rate" means the spot rate at the time a Barrier Option is entered into, as evidenced in a Confirmation.

"In-Strike Price" means that Spot Price (for the Currency Pair which is the subject of a Knock-In Option) agreed to as such between the Parties as evidenced in a Confirmation.

"Knock-In Event", with respect to a Knock-In Option, means that, at any time during the Barrier Period, the Spot Exchange Rate is equal to or beyond the In-Strike Price as determined by the Barrier Determination Agent, acting in good faith and in a commercially reasonable manner.

"Knock-In Option" means an Option which may only be exercised in the event that a Knock-In Event has occurred.

"Knock-Out Event", with respect to a Knock-Out Option, means that, at any time during the Barrier Period, the Spot Exchange Rate is equal to or beyond the Out-Strike Price, as determined by the Barrier Determination Agent, acting in good faith and in a commercially reasonable manner

provided that, if an Exercise Time Window is applicable, the Barrier Period shall be deemed to end at the time during the Exercise Time Window when the Option is exercised.

"Knock-Out Option" means an Option which may only be exercised if no Knock-Out Event has occurred.

"Out-Strike Price" means that Spot Price (for the Currency Pair which is the subject of a Knock-Out Option) agreed as such between the Parties as evidenced in a Confirmation.

"Spot Exchange Rate" means the price, at the time at which such price is to be determined, in the Spot Market for foreign exchange transactions involving the Currency Pair which is the subject of the Option determined by reference either to rates for the exchange of the Currencies in such Currency Pair or to cross rates, as the Barrier Determination Agent shall determine acting in good faith and in a commercially reasonable manner.

"Spot Market" means the global spot foreign exchange market, which, for these purposes, shall, unless otherwise agreed, be treated as being open continuously from 6:00 a.m. Sydney time on a Monday in any week to 5:00 p.m. New York time on the Friday of that week.

2. **Designated Offices.** The offices of the Parties through which a Barrier Option has been entered into shall be Designated Offices for the purposes of the Agreement.

3. **Notification of Knock-In/Out Event.** The Barrier Determination Agent shall promptly notify the other Party (or Parties if the Barrier Determination Agent is not a Party) of the occurrence of a Knock-In or Knock-Out Event, as the case may be, in relation to a Barrier Option. A failure to give such notice shall not however prejudice or invalidate the occurrence or effect of the Knock-In Event or Knock-Out Event.

4. **Exercise and Settlement.**

4.1 (a) If an Exercise Time Window is applicable, a Knock-Out Option may be exercised at any time during the Exercise Time Window, provided that no Knock-Out Event has occurred at or prior to exercise.

(b) If an Exercise Time Window is not applicable, a Knock-Out Option may be exercised only on the Expiration Date at the Expiration Time and provided that no Knock-Out Event has occurred at or prior to exercise. Notice of exercise may be given prior to the Expiration Time but shall be effective only as at the Expiration Time and provided that no Knock-Out Event as occurred at or prior to the Expiration Time.

(c) A Knock-In Option may be an American or European Style Option, as agreed by the Parties, as evidenced in a Confirmation. In either event, a Knock-In Option may be exercised only if a Knock-In Event has occurred prior to any such exercise.

4.2 Unless otherwise agreed, an exercised Barrier Option shall be settled on its Settlement Date by the payment by each Party to the other of the full amount of either the Put Currency or Call Currency, as the case may be, subject to the Barrier Option.

4.3 Unless otherwise agreed, Section 4 of the Agreement shall not apply to a Barrier Option.

Accepted and agreed:

PARTY A

By _____

PARTY B

By _____

Example of Confirmation - FX Knock-Out/Knock-In Option

Date: (DD MM YY)

To: Ref No.:

From: Telephone: Reuters Code:
Facsimile: Telex:

We confirm we have entered into the following [Knock-Out][Knock-In] Option with you, as an Option under the [ICOM/FEOMA Agreement between us][dated [date] (the "Master Agreement")]. This Option has features that differ from a standard currency option as a result of which it may only be exercised if [no Knock-Out][a Knock-In] Event has occurred in relation to it.

Trade Date and Time :
Initial Spot Rate :
Buyer :
Seller :
[Out-Strike][In-Strike] Price :
Barrier Determination Agent : [Insert full name]
Exercise Time Window : None/One Hour
[Knock-Outs only]
Option Style : [European][American]
Call Currency and Amount :
Put Currency and Amount :
Strike Price :
Expiration Date :
Expiration Time :
Settlement Date :
Premium :
Premium Payment Date :
Premium Payment Instructions :
Other terms: :

This constitutes a "Confirmation" as referred to in the Master Agreement. Capitalized

terms used herein within definitions have the meanings set forth in the Master Agreement, including any Schedules thereto. In the event of any inconsistency between the Master Agreement and the provisions of this Confirmation, this Confirmation will govern.

Please confirm to us by return telex, mail, facsimile or other electronic transmission that the above details are correct.

[Party A]

By _____

Name:

Title:

Confirmed as of the
date below:

[Party B]

By _____

Name:

Title:

Dated: