

User's Guide:
2004 ASIAN CURRENCY
Non-deliverable
Foreign Exchange
Documentation

Effective as of December 1, 2004

Singapore Foreign Exchange Market Committee
10 Shenton Way
Singapore 079117

EMTA, Inc.
360 Madison Avenue
18th Floor
New York, NY 10017

Foreign Exchange Committee
33 Liberty Street
9th Floor
New York, NY 10045



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Introduction

The Singapore Foreign Exchange Market Committee (SFEMC), EMTA, Inc. (EMTA), and the Foreign Exchange Committee (FXC) have cosponsored the publication of updated template terms for non-deliverable foreign exchange transactions for six Asian currencies (the "2004 Templates"). The Tokyo Foreign Exchange Market Committee and the Treasury Markets Forum of Hong Kong support the cosponsors in their publication of the updated documentation for the benefit of market participants.

The 2004 Templates are intended for use with the 1998 *FX and Currency Option Definitions* (including Annex A thereto) published by ISDA, Inc., EMTA, and the FXC (the "1998 Definitions"). The six Asian currencies that the 2004 Templates address are the Chinese Renminbi (CNY), the Indonesian Rupiah (IDR), the Indian Rupee (INR), the Korean Won (KRW), the Philippine Peso (PHP), and the Taiwan Dollar (TWD). In conjunction with the 2004 Templates, the cosponsors have published related survey methodologies (the "Methodologies") and amendments to the rate source definitions in Annex A of the 1998 Definitions. The 2004 Templates provide suggested contract terms to which market participants may agree on a bilateral basis in order to reduce documentation and settlement risk, generally promote sound market practice, and contribute to overall efficiency of the non-deliverable FX marketplace. Notwithstanding, the SFEMC, EMTA, and FXC recognize each market participant's need to develop standards for contractual relationships that reflect its



own policies, procedures, and tolerance for risk. Each market participant is encouraged to use the 2004 Templates in their entirety or in part, in light of individual considerations.

In 2001, EMTA introduced to the industry standardized terms for the above currencies (the “2001 Templates”) (excluding the Indonesian Rupiah, for which final template terms were never published) that reflected then-current market practice and helped to promote market efficiencies and reduce documentation risk. Since 2001, significant developments have taken place in the non-deliverable FX markets, and in particular in several of the Latin American markets. Substantial efforts have been made to improve the documentation architecture for these markets to better address concerns regarding the possibility of an extended closure of a local market and to improve valuation options and procedures in the event of such an occurrence. In large part, this effort has involved a move away from reliance on Calculation Agent Determination and the introduction of intermediate, market-based valuation alternatives.

The 2004 Templates extend the documentation improvements made in the Latin American markets into the Asian non-deliverable FX markets, modified as appropriate to take account of regional differences in market practices and conventions. Among other differences, while the templates for Latin American currencies are tailored to each market, a single standard for all six of the Asian currencies was deemed appropriate. As a result, all of the 2004 Templates and the six related Methodologies are substantially the

same, with only very minor differences among them. These differences include the currency addressed by the template terms, the Settlement Rate Option, the Valuation City for Valuation Date purposes and, in the case of one of the Methodologies, the start time for the fallback survey. Accordingly, it is possible to discuss the 2004 Templates and the Methodologies generically in this User’s Guide, while noting these minor differences, where relevant. A more detailed description of the key terms in the 2004 Templates follows.

Capitalized terms in this User’s Guide have the meanings ascribed to them in the 1998 Definitions, the 2004 Templates, and the Methodologies.

The 2004 Template Terms

Overview of Key Amendments to the 2001 Templates

The key characteristics of the 2001 Templates were inclusion of Price Source Disruption as the sole Disruption Event, a first Disruption Fallback of Currency Reference Dealers (CURA4) (a Calculation Agent poll of four dealers in the relevant currency), and a final Disruption Fallback of Calculation Agent Determination, as well as reliance on an eight-day Drop-dead Date following an Unscheduled Holiday. For purposes of the 2001 Templates, an Unscheduled Holiday would occur if the market failed to open for business and the market had less than 48 hours’ notice of this occurrence.

In the 2004 Templates, the definition of Unscheduled Holiday has been retained, but



the 2001 Template concept of an eight-day Drop-dead Date has been replaced with a 14-calendar-day Deferral Period. In addition, the 2004 Templates alter the “waterfall” of Disruption Fallbacks to provide for a new first Disruption Fallback of Valuation Postponement for Price Source Disruption (a period of up to 14 calendar days) and the new SFEMC Indicative Survey (the “Indicative Survey”). For the third Disruption Fallback, a second valuation postponement period of three days (Fallback Survey Valuation Postponement) will apply if the Indicative Survey fails, before a final reliance on Calculation Agent Determination.

The sole Disruption Event in the 2004 Templates continues to be Price Source Disruption. A few additional new terms (*e.g.*, Cumulative Events and Maximum Days of Postponement) also are added to facilitate operation of the new Disruption Fallbacks.

Adding a 14-Day Deferral Period for Unscheduled Holiday

The term Drop-dead Date included in the 2001 Templates has been deleted and a new term, Deferral Period for Unscheduled Holiday, appears in the 2004 Templates. This change was made first in the updated EMTA 2002 Amended ARS NDF Documentation.¹ A Deferral Period of 14 calendar days is adopted in Asia as more market-appropriate, as compared to a 30-day Deferral Period adopted for the Latin American currencies. The 2004 Templates provide that, upon the occurrence of an Unscheduled Holiday, the Deferral

Period will commence on the Scheduled Valuation Date for the transaction. If the Unscheduled Holiday continues, valuation of the transaction may be deferred for up to 14 consecutive calendar days. The Valuation Date will occur on the earlier of (i) the first Business Day after the Unscheduled Holiday ceases to exist and (ii) the first day after the Deferral Period lapses (the 15th calendar day, assuming it would have been a Business Day but for the Unscheduled Holiday). At that time, a Spot Rate may be determined for the contract based on the next available Disruption Fallback.

With respect to certain Latin American currencies, the market has developed consensus on a 30-day Deferral Period, based on its experience with closures in countries such as Argentina and Venezuela that have lasted for several weeks and resulted from systemic political or economic events. In Asia, foreign exchange markets generally have experienced shorter-term closures, more often in response to the occurrence of a natural disaster. For the 2004 Templates, agreement was reached on lengthening the period of time that valuation would be deferred from eight days to 14 days, which was considered a sufficient time period in the context of Asia to allow the market opportunity to reopen. Allowing the market adequate time to resume normalcy enhances the opportunity for transparent, open-market pricing, which market participants deemed to be preferable to a forced close-out of contracts at a time when price discovery is more difficult.

¹ See EMTA's *User's Guide to Revised ARS NDF Documentation*, effective as of January 2, 2003.



Valuation Postponement as the New First Disruption Fallback

Valuation Postponement is set forth as the first Disruption Fallback following a Price Source Disruption. In the 2004 Templates, Valuation Postponement for Price Source Disruption operates in a parallel fashion to a Deferral Period in the event of an Unscheduled Holiday. Under the 1998 Definitions, a Price Source Disruption occurs when it becomes impossible to obtain the Settlement Rate on the Valuation Date. The 2004 Templates continue to rely on the Settlement Rate Option originally identified for each currency in the 2001 Templates, many of which are official rates. Accordingly, if the Settlement Rate Option is unavailable on the Valuation Date for the contract, Valuation Postponement for Price Source Disruption operates to postpone its valuation until the earlier to occur of (i) the availability of the Settlement Rate Option and (ii) the lapse of the Maximum Days of Postponement. The Maximum Days of Postponement for the 2004 Templates is 14 consecutive calendar days (paralleling the length of the Deferral Period). Upon reaching the Maximum Days of Postponement after a Price Source Disruption, the next Business Day will be deemed to be the Valuation Date for purposes of the contract, and a Spot Rate may be determined for the contract based on the next applicable Disruption Fallback.

Current market practice is to use a “rolling” approach to deferring or postponing valuation of non-deliverable FX contracts. That is, the Deferral Period or Valuation Postponement commences on the Scheduled Valuation Date of each contract. Under this

approach, valuation of each contract is rolled forward until the 14-day time period for deferral or postponement has been completed for that contract. The Indicative Survey would continue to be conducted throughout the time that the Unscheduled Holiday or Price Source Disruption continues, which may extend well beyond any initial deferral or postponement period, unless the SFEMC discontinues it due to Insufficient Responses (see page 10 below). This approach has been adopted in the 2004 Templates to be consistent with market practice for certain Latin American currencies. It also enhances the integrity of the Settlement Rate by maximizing the circumstances in which contracts can be valued based on the primary settlement rate, given the potential for the market to reopen and normalize over time.

SFEMC Indicative Survey Rate as the New Second Disruption Fallback

In the event the primary rate source is not available and the Deferral Period or the Maximum Days of Postponement, as the case may be, have lapsed, the 2004 Templates now provide for a more market-based pricing mechanism in the form of an indicative survey of active market participants. The SFEMC will sponsor, and a service provider will administer, the Indicative Survey. It is designed to operate the same way for each of the Asian currencies, and is intended to provide the market with a rate quotation that potentially could function for long periods of time even in the event of significant market dislocation, illiquidity, or other disruption. The Indicative



Survey is specifically designed to be market-based and obtained from active, offshore participants in the relevant non-deliverable FX market and to produce an indicative rate quotation that may be obtained in times of market closure or disruption when a spot or a real dealing rate otherwise is not available. The Indicative Survey would be conducted pursuant to a Methodology specific to the currency, and the resulting rate would be published on the websites of the SFEMC and the Association of Banks in Singapore (ABS), as well as on the screens of Telerate.

Fallback Survey Valuation Postponement as the New Third Disruption Fallback

If the Indicative Survey is commenced but ultimately fails to result in the posting of a rate, the new Disruption Fallback, Fallback Survey Valuation Postponement, will operate to postpone valuation of the transaction for up to three additional Business Days. If the Indicative Survey fails on the first Business Day, the SFEMC will attempt the Indicative Survey for up to two additional Business Days. If the Indicative Survey fails on the third Business Day, the non-deliverable FX contract will be valued on that day pursuant to the next Disruption Fallback, which is Calculation Agent Determination.

Given the significance of the Indicative Survey as a fallback mechanism for valuing non-deliverable FX contracts, it was considered important to provide a reasonable opportunity for the Indicative Survey to begin to function properly. For this reason, the 2004 Templates build in an additional three days of valuation

postponement. Failure of the Indicative Survey to result in the posting of a rate for three consecutive days may signal that the market has been severely compromised. At that point, market participants may decide to initiate a close-out of outstanding contracts on a bilateral basis. The SFEMC intends to abandon the Indicative Survey after a failure to obtain a rate for three consecutive polling days, although the Methodology allows the SFEMC flexibility and discretion to initiate and/or continue to operate the Indicative Survey if the circumstances warrant.

Calculation Agent Determination as the Final Disruption Fallback

The industry has recognized in recent years the inherent frailties in relying on Calculation Agent Determination in a closed or disrupted market. The concern over significant, systemic basis risk for market participants in such situations was a motivating factor in addressing this contract term in EMTA's revised (and now current) template terms for Argentina and Brazil non-deliverable FX transactions. These initiatives responded to the FXC's recommendation that EMTA work with market participants to develop valuation methodologies that would be more dependable and effective in the event of unscheduled market holidays.

While the 2004 Templates introduce intermediary Disruption Fallbacks in order to make more remote the likelihood that a Calculation Agent Determination actually will be needed, it ultimately is necessary to rely on Calculation Agent Determination for valuation when no other attempt to derive a rate source has succeeded. Accordingly, the



2004 Templates retain this as the final Disruption Fallback.

Limiting the Deferral Period or the Maximum Days of Postponement

A new term, Cumulative Events, eliminates the possibility that valuation could be deferred or postponed for unreasonably long periods of time by the interaction or overlapping of the Deferral Period for Unscheduled Holiday and the Maximum Days of Postponement. The Cumulative Events paragraph operates to limit the amount of time that valuation may be deferred or postponed under such circumstances to a maximum of 14 calendar days.

The EMTA Latin America confirmation templates introduced this paragraph, and it is used in the 2004 Templates with some additional language to make a clarification consistent with its operation in the Latin America templates. For purposes of the operation of Cumulative Events, this added language clarifies that the transaction will be valued not later than the day after 14 calendar days have lapsed if the Unscheduled Holiday or Price Source Disruption is continuing on that day. The Unscheduled Holiday or Price Source Disruption is treated as not continuing on any day that is a weekend day or otherwise is not a scheduled Business Day

(*e.g.*, a national holiday). In such a case, valuation of the transaction will be further postponed or deferred until Monday or the next Business Day (or day that would have been a Business Day but for an Unscheduled Holiday). In addition, it should be noted that the Cumulative Events paragraph will not operate to limit the application of Fallback Survey Valuation Postponement. That is, valuation may be postponed for up to an additional three consecutive polling days beyond the 14 calendar days of a Deferral Period or the Maximum Days of Postponement, despite the proscription contained in the Cumulative Events paragraph.²

Specifying the Maximum Days of Postponement

As noted above, the 2004 Templates also incorporate the new term, Maximum Days of Postponement, for purposes of Valuation Postponement. This is the same number of calendar days as the Deferral Period in order to achieve consistent treatment in the time periods for deferral or postponement of a contract following occurrence of either an Unscheduled Holiday or a Price Source Disruption. The Maximum Days of Postponement operates to limit the number of days valuation of a contract will be deferred following the occurrence of a Price Source Disruption.

² To illustrate, if a Price Source Disruption occurs on September 1st (Monday in the local market) and an Unscheduled Holiday occurs on September 10th (Wednesday), Cumulative Events ensures that deferral/postponement of valuation is limited to September 15th (Monday). The SFEMC will attempt the Survey on September 15th and, if it fails on September 15th due to insufficient responses, will re-attempt the Survey on September 16th and September 17th. Valuation of non-deliverable FX contracts with an original Scheduled Valuation Date of September 1st may be postponed to no later than September 17th. If the Survey fails on September 17th, the next applicable Disruption Fallback will apply. This example assumes that September 15, 16, and 17 would have been Business Days in the local market but for a continuing Unscheduled Holiday.



Specifying the Valuation City

All of the 2004 Templates, with the exception of the IDR Template, refer exclusively to the local currency market to determine whether it is a Business Day for Valuation Date purposes. Thus, the 2004 Templates specify a Valuation City of Beijing for CNY, Mumbai for INR, Seoul for KRW, Manila for PHP, and Taipei for TWD, which is consistent with current market practice in Asia. For IDR, however, market practice is to observe holidays in both Jakarta and Singapore, given the importance of the Singapore-based trading community to the offshore market, and both are specified as Valuation Cities in the 2004 IDR Template.

Endnotes

The 2004 Templates include endnotes that incorporate references to the new Methodologies. Also provided is an optional provision that dealers who participate in the relevant SFEMC Indicative Survey may include at their discretion, to alert counterparties to the possibility that their rate quotation as a Survey Participant for any Valuation Date may affect the calculation of the Settlement Rate for the specific non-deliverable FX contract.

Revisions to Annex A Rate Source Definitions

Together with the publication of the 2004 Templates and the related Methodologies, ISDA, EMTA, and the FXC have adopted revisions to Annex A of the 1998 Definitions, in order to add a new SFEMC Indicative Survey Rate definition for each currency and to make certain other revisions. Annex A now includes rate source definitions for the new SFEMC

Indicative Survey Rate for each Asian currency:

- (1) *CNY* - SFEMC CNY INDICATIVE SURVEY RATE or CNY02,
- (2) *IDR* - SFEMC IDR INDICATIVE SURVEY RATE or IDR02,
- (3) *INR* - SFEMC INR INDICATIVE SURVEY RATE or INR02,
- (4) *KRW* - SFEMC KRW INDICATIVE SURVEY RATE or KRW04,
- (5) *PHP* - SFEMC PHP INDICATIVE SURVEY RATE or PHP05, and
- (6) *TWD* - SFEMC TWD INDICATIVE SURVEY RATE or TWD04.

They each contemplate a rate published by the SFEMC based on bid and offer quotes solicited from dealers in the offshore markets for the relevant currency and are pegged to the underlying Methodology (see below).

In addition to the above amendments, a new rate source definition for IDR has been added to Annex A. Previously, Annex A had no rate source definition for IDR, and the market by informal consensus referred to a rate reported by the Association of Banks in Singapore (derived from a poll of offshore banks based on their perception of onshore rates) as the primary fixing rate for IDR. This rate is now formally included in Annex A as IDR ABS or IDR01 and is used as the Primary Settlement Rate Option in the new IDR 2004 Template.

Second, the TWD Rate Source definitions in Annex A (TWD Telerate 6161 or TWD01 and TWD TAIFX1 or TWD03) have been revised to permit a limited delay in reporting the spot

rate of the first trade that takes place through the Taipei Forex Inc. without triggering a Price Source Disruption. The first trade usually takes place through Taipei Forex Inc. at 11 a.m. Taipei time, and its spot rate is posted in the first 15-minute segment. However, the first trade could take place and its spot rate could be posted at a later 15-minute interval. The 2001 TWD Template treated failure to report the spot rate of the first trade by 11 a.m. Taipei time as a Price Source Disruption but also provided, in the first Disruption Fallback, that the first spot rate posted at any succeeding 15-minute interval after 11 a.m., up to and including 12 Noon Taipei time, would be used to value the transaction. The 2004 Templates eliminate this provision as the first Disruption Fallback and no longer treat delayed reporting of the spot rate as a Price Source Disruption. Instead, Annex A's TWD Rate Source Definitions incorporate the possibility of publication of the first spot rate in any 15-minute interval between 11 a.m. and 12 Noon Taipei time. 12 Noon Taipei time was deemed to be an appropriate cut-off point before resorting to the SFEMC TWD Indicative Survey Rate, because failure of a trade to take place through Taipei Forex Inc. by this time would indicate a disruption in the local market.

SFEMC Indicative Survey Methodology

The Methodology related to each of the 2004 Templates is the same, with one exception for INR noted below, in order to both reflect and promote a consistent approach to valuation of Asia non-deliverable FX currencies in the event of local market closures or disruptions.

The Methodologies require the polling to commence for the SFEMC Indicative Survey Rate after any 14-day Deferral Period or after the Maximum Days of Postponement have lapsed. SFEMC (through a service provider) will poll offshore financial institutions that are active participants in the relevant currency market and included in a list of Participating Banks published on the SFEMC's website. Although multiple offices of financial institutions in different regions will be included in the poll, only one office of each financial institution (the first to submit a quote) will be included as a Participating Bank in each Indicative Survey. The Indicative Survey is limited to offshore offices of Participating Banks in order to increase the chances of receiving reliable rate quotes under adverse market conditions that can impede the ability of onshore offices to provide them.

As an example of the way the Methodologies work, to generate a rate quotation for the KRW Indicative Survey, Participating Banks will be asked to provide their reasonable judgment of what is (or, in the case of an Unscheduled Holiday, would be) the current prevailing free market KRW spot rate (bid-offer pair) for a standard size KRW/U.S. Dollar wholesale financial transaction for same-day settlement in the Seoul marketplace on the Valuation Date. In arriving at this indicative quotation, Participating Banks are asked to consider all relevant available rates, whether expressed or implied, as well as the historical relationships between such rates and the free market KRW/USD wholesale financial spot rate. Listed below are some of the types of rates that may be taken into



consideration in the determination of this indicative rate:

- ❧ the spot rate(s) implied in the offshore non-deliverable foreign exchange market for KRW/U.S. Dollar transactions;
- ❧ the spot rate implied by any other financial market transactions (to the extent open for business);
- ❧ the spot rate used in connection with any commercial transactions for goods or services from offshore suppliers and providers;
- ❧ any existing rate for trade finance transactions; and
- ❧ any other existing, unofficial rate for KRW/U.S. Dollar transactions (commercial or otherwise).

The factors are intended to be non-exclusive factors that could, in the dealer's discretion under the prevailing circumstances, be taken into consideration in arriving at its rate quotation.

For all of the Asian currencies except INR, the Indicative Survey will commence at 11 a.m. Singapore time (or as soon as practicable thereafter) through an automated process by which Survey Participants will submit quotes. To better accommodate the opening of the market in India, the Indicative Survey will commence at 12 Noon Singapore time (or as soon as practicable thereafter) for the INR. The SFEMC, ABS, and Telerate will publish on their websites the SFEMC Indicative Survey Rate at 3:30 p.m. Singapore time (or as soon as practicable thereafter).

The SFEMC Indicative Survey Rate will be derived by averaging the mid-point of each bid-offer pair, with highs and lows discarded according to the Methodology, resulting in a single Settlement Rate for all contracts with that Valuation Date. A minimum of five responses was deemed prudent to ensure the integrity of the SFEMC Indicative Survey Rate while also recognizing that, compared to non-deliverable FX markets in other regions such as Latin America, the Asia currency non-deliverable FX markets are smaller and involve fewer participants. To further ensure the integrity of the Indicative Survey and to increase transparency to the market, SFEMC will publish individual rate quotations comprising survey responses the Business Day following publication of the SFEMC Indicative Survey Rate. Individual rate quotations (with attribution to the quoting dealers) that are subsequently published will be stale information and not representative of an actual dealing rate by the time they are published. This practice follows that of EMTA in its administration of industry and indicative surveys, and experience has indicated that this practice confers significant benefit on the marketplace by directly promoting transparency.

The SFEMC will discontinue the Indicative Survey when the primary rate source again becomes available or when, for three consecutive polling days, no SFEMC Indicative Survey Rate is obtained due to Insufficient Responses. The SFEMC retains discretion to continue or re-initiate the Indicative Survey based on its judgment of market conditions at the time. The Methodology addresses situations in which the SFEMC Indicative

Survey Rate has successfully commenced and been conducted for some period of time, but has begun to fail. Abandonment of the Indicative Survey due to Insufficient Responses from Survey Participants would signal a lack of need of such institutions for a continuing rate quotation, due to natural attrition in the marketplace as contracts mature or are settled bilaterally by market participants. Nonetheless, the mechanics of

the Indicative Survey are structured to ensure that polling can continue and a rate can be quoted for long periods of time during market disruption (and theoretically indefinitely) if the parameters of the Methodology can be observed. In addition, the SFEMC has discretion to make appropriate changes to the Methodology to ensure its continued operation and integrity.



Appendix A – Chinese Renminbi

2004 Template Terms Annex A Rate Source Definitions SFEMC Indicative Survey Methodology

2004 SFEMC, EMTA & FXC Template Terms for CNY/USD Non-Deliverable FX Transaction

General Terms:

Trade Date:

[Date of Annex A]¹:

Reference Currency: CNY

[Notional Amount]²:

[Forward Rate]²:

[Reference Currency
Notional Amount]²:

Reference Currency Buyer:

Reference Currency Seller:

Settlement Currency: U.S. Dollars

Settlement Date: [DATE CERTAIN], *provided, however*, that if the Scheduled Valuation Date is adjusted in accordance with the Following Business Day Convention, then the Settlement Date shall be as soon as practicable after the Valuation Date, but in no event later than two Business Days after such date.

Settlement: Non-Deliverable

Settlement Rate Option: CNY SAEC (CNY01)³

Valuation Date: [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.

Disruption Events:

Price Source Disruption: Applicable

Disruption Fallbacks:

1. Valuation Postponement

2. Fallback Reference Price: SFEMC CNY Indicative Survey Rate (CNY02)^{4,5}

3. Fallback Survey Valuation Postponement

4. Calculation Agent Determination of Settlement Rate

Other Terms:

“Unscheduled Holiday”:
“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.

“Deferral Period” for
Unscheduled Holiday:
In the event the Scheduled Valuation Date becomes subject to the Following Business Day Convention, and if the Valuation Date has not occurred on or before the 14th 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.

“Valuation Postponement”
for Price Source Disruption:
“Valuation Postponement” means, for purposes of obtaining a Settlement Rate, that the Spot Rate will be determined on the Business Day first succeeding the day on which the Price Source Disruption ceases to exist, unless the Price Source Disruption continues to exist (measured from the date that, but for the occurrence of the Price Source Disruption, would have been the Valuation Date) for a consecutive number of calendar days equal to the Maximum Days of Postponement. In such event, the Spot Rate will be determined on the next Business Day after the Maximum Days of Postponement in accordance with the next applicable Disruption Fallback.

“Fallback Survey Valuation
Postponement”:
“Fallback Survey Valuation Postponement” means that, in the event that the Fallback Reference Price is not available on or before the 3rd Business Day (or day that would have been a Business Day but for an Unscheduled Holiday) succeeding the end of either (i) Valuation Postponement for Price Source Disruption, (ii) Deferral Period for Unscheduled Holiday, or (iii) Cumulative Events, then the Settlement Rate will be determined in accordance with the next applicable Disruption Fallback on such day. For the avoidance of doubt, Cumulative Events, if applicable, does not preclude postponement of valuation in accordance with this provision.



Cumulative Events: Except as provided below, 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 14 consecutive calendar days in the aggregate. Accordingly, (x) if, upon the lapse of any such 14 day period, an Unscheduled Holiday shall have occurred or be continuing on the day following such period that otherwise would have been a Business Day, 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 on which the Spot Rate otherwise would be determined, then Valuation Postponement shall not apply and the Spot Rate shall be determined in accordance with the next Disruption Fallback.

Maximum Days of Postponement: 14 calendar days

Relevant City for Business Day
for Valuation Date: Beijing

Relevant City for Business Day
for Settlement Date: New York

Calculation Agent:⁶

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. The CNY SAEC (CNY01) Rate is published at approximately 5:00 p.m. Beijing time on the Valuation Date.
4. The SFEMC CNY Indicative Survey Rate is determined pursuant to the SFEMC CNY Indicative Survey Rate Methodology dated December 1, 2004.
5. A party may wish to include the following additional provision if such party is or may be a participant in the SFEMC CNY 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 SFEMC CNY Indicative Survey Rate and such quotation may affect, materially or otherwise, the settlement of the Transaction.

6. 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.

Amended Chinese Renminbi Rate Source Definition

Effective as of December 1, 2004, Annex A of the 1998 FX and Currency Option Definitions (the “1998 Definitions”) is amended to add a new section, Section 4.5(a)(i)(B), as follows:

(B) “SFEMC CNY INDICATIVE SURVEY RATE” or “CNY02” each means that the Spot Rate for a Rate Calculation Date will be the Chinese Renminbi/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Chinese Renminbi per one U.S. Dollar, for settlement in two Business Days, as published on SFEMC’s website (www.sfemc.org) at approximately 3:30 p.m. (Singapore time), or as soon thereafter as practicable, on such Rate Calculation Date. The Spot Rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC CNY Indicative Survey Methodology (which means a methodology, dated as of December 1, 2004, as amended from time to time, for a centralized industry-wide survey of financial institutions that are active participants in the Chinese Renminbi/U.S. Dollar markets for the purpose of determining the SFEMC CNY Indicative Survey Rate).

Practitioner’s Note:

☞ *Parties that specify in confirmations that a particular version of Annex A applies to their trades should reference Annex A effective as of December 1, 2004, if they desire to incorporate the new Chinese Renminbi rate source definition into their trades. If parties do not specify in their confirmations a particular version of Annex A, the above Chinese Renminbi rate source definition will apply to trades that incorporate the 1998 Definitions and have a trade date on or after December 1, 2004.*



Singapore Foreign Exchange Market Committee (“SFEMC”) CNY Indicative Survey Rate Methodology Dated as of December 1, 2004

Capitalized terms not defined below are defined in the 1998 FX and Currency Option Definitions as published by the International Swaps and Derivatives Association, EMTA, Inc. and the Foreign Exchange Committee, or in the 2004 SFEMC, EMTA & FXC Template Terms for CNY/USD Non-Deliverable FX Transaction.

I. The SFEMC CNY Indicative Survey

~ Commencing the CNY Indicative Survey:

SFEMC (itself or through a service provider SFEMC will select in its sole discretion) will conduct a survey of financial institutions for the purpose of determining the SFEMC CNY Indicative Survey Rate, beginning at 11:00 a.m. (Singapore time) or as soon thereafter as practicable on a Business Day in Beijing (or a calendar day that would have been a Business Day but for an Unscheduled Holiday), following any 14 calendar day period during which valuation is deferred or postponed (or both).

~ **Polled Banks:** For purposes of determining the CNY Indicative Survey Rate for a Valuation Date, SFEMC (itself or through a service provider) will survey financial institutions that are active participants in the CNY/U.S. Dollar market (each, a “Participating Bank”) and included in a current list of Participating Banks published on the SFEMC’s website (*www.sfemc.org*) (the “Publication Site”). Only one office of each financial institution will be included

as a Participating Bank in each CNY Indicative Survey.

~ **Survey Question:** Each Participating Bank will be asked to provide its reasonable judgment of what is (or, in the case of an Unscheduled Holiday, would be) the current prevailing free market CNY spot rate (bid-offer pair) for a standard size CNY/U.S. Dollar wholesale financial transaction for same-day settlement in the Beijing marketplace on the Valuation Date. In arriving at this indicative quotation, each Participating Bank will be directed to take such factors into consideration as it deems appropriate, which factors may (but need not) include any or all of the following: the spot rate(s) implied in the offshore non-deliverable foreign exchange market for CNY/U.S. Dollar transactions; the spot rate implied by any other financial market transactions (to the extent that such other financial markets are open for business); the spot rate used in connection with any commercial transactions for goods or services from offshore suppliers or providers; any existing rate for trade finance transactions; and any other existing unofficial rate for CNY/U.S. Dollar transactions (commercial or otherwise).

II. Use of Survey Results

~ SFEMC (itself or through a service provider) will determine the mid-point of each bid-offer pair. The arithmetic mean of the mid-points will be used to deter-

mine the CNY Indicative Survey Rate, rounded to the fourth decimal point as described below.

- ⌘ If the CNY Indicative Survey results in 21 or more responses, then the 4 highest and 4 lowest mid-points will be eliminated, and the arithmetic mean of the remaining mid-points will be computed and will constitute the CNY Indicative Survey Rate for such Valuation Date. For purposes of eliminating the 4 highest and 4 lowest mid-points, if more than 4 mid-points have the same highest value or lowest value, then only 4 such mid-points will be eliminated.
- ⌘ If the CNY Indicative Survey results in less than 21 but 11 or more responses, then the 2 highest and 2 lowest mid-points will be eliminated, and the arithmetic mean of the remaining mid-points will be computed and will constitute the CNY Indicative Survey Rate for such Valuation Date. For purposes of eliminating the 2 highest and 2 lowest mid-points, if more than 2 mid-points have the same highest value or lowest value, then only 2 such mid-points will be eliminated.
- ⌘ If the CNY Indicative Survey results in less than 11 but 8 or more responses, then the highest and the lowest mid-points will be eliminated and the arithmetic mean of the remaining mid-points will be computed and will constitute the CNY Indicative Survey Rate for such Valuation Date. For purposes of eliminating the highest and lowest mid-points, if more than 1 mid-point has the same highest value or lowest value, then only 1 such mid-point will be eliminated.

- ⌘ If the CNY Indicative Survey results in less than 8 but 5 or more responses, then no mid-points will be eliminated and the arithmetic mean of all mid-points will be computed and will constitute the CNY Indicative Survey Rate for such Valuation Date.
- ⌘ Quotes will be provided to the fourth decimal point (*e.g.*, 1.0000).

III. Insufficient Responses

- ⌘ If the CNY Indicative Survey results in less than 5 responses from Participating Banks (“Insufficient Responses”), no CNY Indicative Survey Rate will be available for the relevant Valuation Date. The next CNY Indicative Survey will take place on the next succeeding Business Day in Beijing (or calendar day that would have been a Business Day but for an Unscheduled Holiday), subject to Section V below.

IV. CNY Indicative Survey Rate Publication

- ⌘ The CNY Indicative Survey Rate will be published on the Publication Site at 3:30 p.m. (Singapore time), or as soon thereafter as practicable.
- ⌘ As soon as it is determined that the CNY Indicative Survey will result in Insufficient Responses, a notice that no CNY Indicative Survey Rate is available for the Valuation Date will be published on the Publication Site.
- ⌘ The response of each Participating Bank to the Indicative Survey (bid-offer pair) will be available on the Publication Site at



9:00 a.m. (Singapore time) on the first Business Day in Beijing (or calendar day that would have been a Business Day but for an Unscheduled Holiday) following the Business Day on which the relevant CNY Indicative Survey Rate is published, or as soon thereafter as practicable.

V. Discontinuing the CNY Indicative Survey

- ⌘ The CNY Indicative Survey will be discontinued (i) on the calendar day first following the Business Day in Beijing on which the CNY SAEC (CNY 01) is available for the determination of a Settlement Rate, or (ii) on the calendar day first following polling for the CNY Indicative Survey that results in Insufficient Responses for three consecutive polling days. Notwithstanding the foregoing, nothing herein will be construed to prevent SFEMC from continuing or re-initiating the CNY Indicative Survey at an appropriate time.

- ⌘ A notice that the CNY Indicative Survey has been discontinued will be published on the Publication Site.

VI. Amendments to the Methodology

- ⌘ SFEMC may, in its discretion, from time to time, make such administrative, procedural or other modifications to this Methodology as are appropriate to ensure the continued operation and integrity of the CNY Indicative Survey.

VII. Disclaimer

- ⌘ SFEMC (and any service provider SFEMC may select) disclaim liability for the CNY Indicative Survey Rate, and no representation or warranty, express or implied, is made concerning the CNY Indicative Survey Rate (including, without limitation, the methodology for determining the CNY Indicative Survey Rate and its suitability for any particular use).



Appendix B – Indonesian Rupiah

2004 Template Terms

Annex A Rate Source Definitions

SFEMC Indicative Survey Methodology

2004 SFEMC, EMTA & FXC Template Terms for IDR/USD Non-Deliverable FX Transaction

General Terms:

Trade Date:

[Date of Annex A]¹:

Reference Currency: IDR

[Notional Amount]²:

[Forward Rate]²:

[Reference Currency
Notional Amount]²:

Reference Currency Buyer:

Reference Currency Seller:

Settlement Currency: U.S. Dollars

Settlement Date: [DATE CERTAIN], *provided, however*, that if the Scheduled Valuation Date is adjusted in accordance with the Following Business Day Convention, then the Settlement Date shall be as soon as practicable after the Valuation Date, but in no event later than two Business Days after such date.

Settlement: Non-Deliverable

Settlement Rate Option: IDR ABS (IDR01)³

Valuation Date: [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.



Disruption Events:

Price Source Disruption: Applicable

Disruption Fallbacks:

1. Valuation Postponement
2. Fallback Reference Price: SFEMC IDR Indicative Survey Rate (IDR02)^{4,5}
3. Fallback Survey Valuation Postponement
4. Calculation Agent Determination of Settlement Rate

Other Terms:

“Unscheduled Holiday”:	“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.
“Deferral Period” for Unscheduled Holiday:	In the event the Scheduled Valuation Date becomes subject to the Following Business Day Convention, and if the Valuation Date has not occurred on or before the 14th 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.
“Valuation Postponement” for Price Source Disruption:	“Valuation Postponement” means, for purposes of obtaining a Settlement Rate, that the Spot Rate will be determined on the Business Day first succeeding the day on which the Price Source Disruption ceases to exist, unless the Price Source Disruption continues to exist (measured from the date that, but for the occurrence of the Price Source Disruption, would have been the Valuation Date) for a consecutive number of calendar days equal to the Maximum Days of Postponement. In such event, the Spot Rate will be determined on the next Business Day after the Maximum Days of Postponement in accordance with the next applicable Disruption Fallback.
“Fallback Survey Valuation Postponement”:	“Fallback Survey Valuation Postponement” means that, in the event that the Fallback Reference Price is not available on or before the 3rd Business Day (or day that would have been a Business Day but for an Unscheduled Holiday) succeeding the end of either (i) Valuation Postponement for Price Source Disruption, (ii) Deferral Period for Unscheduled Holiday, or (iii) Cumulative Events, then the Settlement Rate will be determined in accordance with the next applicable Disruption Fallback on such day. For the avoidance of doubt, Cumulative Events, if applicable, does not preclude postponement of valuation in accordance with this provision.

Cumulative Events: Except as provided below, 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 14 consecutive calendar days in the aggregate. Accordingly, (x) if, upon the lapse of any such 14 day period, an Unscheduled Holiday shall have occurred or be continuing on the day following such period that otherwise would have been a Business Day, 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 on which the Spot Rate otherwise would be determined, then Valuation Postponement shall not apply and the Spot Rate shall be determined in accordance with the next Disruption Fallback.

Maximum Days of Postponement: 14 calendar days

Relevant City for Business Day for Valuation Date: Jakarta and Singapore

Relevant City for Business Day for Settlement Date: New York

Calculation Agent:⁶

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. The IDR ABS (IDR01) Rate is published at approximately 11:00 a.m. Singapore time on the Valuation Date.
4. The SFEMC IDR Indicative Survey Rate is determined pursuant to the SFEMC IDR Indicative Survey Rate Methodology dated December 1, 2004.
5. A party may wish to include the following additional provision if such party is or may be a participant in the SFEMC IDR 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 SFEMC IDR Indicative Survey Rate and such quotation may affect, materially or otherwise, the settlement of the Transaction.

6. 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.



Indonesian Rupiah Rate Source Definition

Effective as of December 1, 2004, Annex A of the 1998 FX and Currency Option Definitions (the “1998 Definitions”) is amended to add new Sections 4.5(a)(vii)(A) and 4.5(a)(vii)(B) as follows:

- (A) “IDR ABS” or “IDR01” each mean that the Spot Rate for a Rate Calculation Date will be the Indonesian Rupiah/U.S. Dollar spot rate, expressed as the amount of Indonesian Rupiah per one U.S. Dollar, for settlement in two Business Days, reported by the Association of Banks in Singapore which appears on the Telerate Page 50157 to the right of the caption “Spot” under the column “IDR” at approximately 11:00 a.m., Singapore time on that Rate Calculation Date.
- (B) “SFEMC IDR INDICATIVE SURVEY RATE” or “IDR02” each means that the Spot Rate for a Rate Calculation Date will be the Indonesian Rupiah/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Indonesian Rupiah per one U.S. Dollar, for settlement in two Business Days, as published on SFEMC’s website (www.sfemc.org) at approximately 3:30 p.m., Singapore time, or as soon thereafter as practicable, on such Rate Calculation Date. The Spot Rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC IDR Indicative Survey Methodology (which means a methodology, dated as of December 1, 2004, as amended from time to time, for a central-

ized industry-wide survey of financial institutions that are active participants in the Indonesian Rupiah/U.S. Dollar markets for the purpose of determining the SFEMC IDR Indicative Survey Rate).

Practitioner’s Notes:

- ❖ “IDR ABS” or “IDR01” refer to a rate reported by the Association of Banks in Singapore, which is derived from a poll of offshore banks based of their perception of onshore rates.
- ❖ Parties that specify in confirmations that a particular version of Annex A applies to their trades should reference Annex A effective as of December 1, 2004, if they desire to incorporate any or all of the new Indonesian Rupiah rate source definitions into their trades. If parties do not specify in their confirmations a particular version of Annex A, the above Indonesian Rupiah rate source definitions will apply to trades that incorporate the 1998 Definitions and have a trade date on or after December 1, 2004.

Singapore Foreign Exchange Market Committee (“SFEMC”) IDR Indicative Survey Rate Methodology Dated as of December 1, 2004

Capitalized terms not defined below are defined in the 1998 FX and Currency Option Definitions as published by the International Swaps and Derivatives Association, EMTA, Inc. and the Foreign Exchange Committee, or in the 2004 SFEMC, EMTA & FXC Template Terms for IDR/USD Non-Deliverable FX Transaction.

I. The SFEMC IDR Indicative Survey

❖ **Commencing the IDR Indicative Survey:**

SFEMC (itself or through a service provider SFEMC will select in its sole discretion) will conduct a survey of financial institutions for the purpose of determining the SFEMC IDR Indicative Survey Rate, beginning at 11:00 a.m. (Singapore time) or as soon thereafter as practicable on a Business Day in both Jakarta and Singapore (or a calendar day that would have been a Business Day but for an Unscheduled Holiday), following any 14 calendar day period during which valuation is deferred or postponed (or both).

- ❖ **Polled Banks:** For purposes of determining the IDR Indicative Survey Rate for a Valuation Date, SFEMC (itself or through a service provider) will survey financial institutions that are active participants in the IDR/U.S. Dollar market (each, a “Participating Bank”) and included in a current list of Participating Banks published on the SFEMC’s website (www.sfemc.org) (the “Publication Site”).

Only one office of each financial institution will be included as a Participating Bank in each IDR Indicative Survey.

- ❖ **Survey Question:** Each Participating Bank will be asked to provide its reasonable judgment of what is (or, in the case of an Unscheduled Holiday, would be) the current prevailing free market IDR spot rate (bid-offer pair) for a standard size IDR/U.S. Dollar wholesale financial transaction for same-day settlement in the Jakarta marketplace on the Valuation Date. In arriving at this indicative quotation, each Participating Bank will be directed to take such factors into consideration as it deems appropriate, which factors may (but need not) include any or all of the following: the spot rate(s) implied in the offshore non-deliverable foreign exchange market for IDR/U.S. Dollar transactions; the spot rate implied by any other financial market transactions (to the extent that such other financial markets are open for business); the spot rate used in connection with any commercial transactions for goods or services from offshore suppliers or providers; any existing rate for trade finance transactions; and any other existing unofficial rate for IDR/U.S. Dollar transactions (commercial or otherwise).



II. Use of Survey Results

- ❖ SFEMC (itself or through a service provider) will determine the mid-point of each bid-offer pair. The arithmetic mean of the mid-points will be used to determine the IDR Indicative Survey Rate, rounded to the fourth decimal point as described below.
- ❖ If the IDR Indicative Survey results in 21 or more responses, then the 4 highest and 4 lowest mid-points will be eliminated, and the arithmetic mean of the remaining mid-points will be computed and will constitute the IDR Indicative Survey Rate for such Valuation Date. For purposes of eliminating the 4 highest and 4 lowest mid-points, if more than 4 mid-points have the same highest value or lowest value, then only 4 such mid-points will be eliminated.
- ❖ If the IDR Indicative Survey results in less than 21 but 11 or more responses, then the 2 highest and 2 lowest mid-points will be eliminated, and the arithmetic mean of the remaining mid-points will be computed and will constitute the IDR Indicative Survey Rate for such Valuation Date. For purposes of eliminating the 2 highest and 2 lowest mid-points, if more than 2 mid-points have the same highest value or lowest value, then only 2 such mid-points will be eliminated.
- ❖ If the IDR Indicative Survey results in less than 11 but 8 or more responses, then the highest and the lowest mid-points will be eliminated and the arithmetic mean of the remaining mid-points will be computed and will constitute the IDR Indicative Survey Rate for such Valuation Date. For purposes of eliminating the highest and lowest mid-points, if more than 1 mid-point has the same highest value or lowest

value, then only 1 such mid-point will be eliminated.

- ❖ If the IDR Indicative Survey results in less than 8 but 5 or more responses, then no mid-points will be eliminated and the arithmetic mean of all mid-points will be computed and will constitute the IDR Indicative Survey Rate for such Valuation Date.
- ❖ Quotes will be provided to the fourth decimal point (*e.g.*, 1.0000).

III. Insufficient Responses

- ❖ If the IDR Indicative Survey results in less than 5 responses from Participating Banks (“Insufficient Responses”), no IDR Indicative Survey Rate will be available for the relevant Valuation Date. The next IDR Indicative Survey will take place on the next succeeding Business Day in both Jakarta and Singapore (or calendar day that would have been a Business Day but for an Unscheduled Holiday), subject to Section V below.

IV. IDR Indicative Survey Rate Publication

- ❖ The IDR Indicative Survey Rate will be published on the Publication Site at 3:30 p.m. (Singapore time), or as soon thereafter as practicable.
- ❖ As soon as it is determined that the IDR Indicative Survey will result in Insufficient Responses, a notice that no IDR Indicative Survey Rate is available for the Valuation Date will be published on the Publication Site.
- ❖ The response of each Participating Bank to the Indicative Survey (bid-offer pair) will be available on the Publication Site at

9:00 a.m. (Singapore time) on the first Business Day in both Jakarta and Singapore (or calendar day that would have been a Business Day but for an Unscheduled Holiday) following the Business Day on which the relevant IDR Indicative Survey Rate is published, or as soon thereafter as practicable.

V. Discontinuing the IDR Indicative Survey

- ❖ The IDR Indicative Survey will be discontinued (i) on the calendar day first following the Business Day in both Jakarta and Singapore on which the IDR ABS (IDR 01) is available for the determination of a Settlement Rate, or (ii) on the calendar day first following polling for the IDR Indicative Survey that results in Insufficient Responses for three consecutive polling days. Notwithstanding the foregoing, nothing herein will be construed to prevent SFEMC from continuing or re-initiating the IDR Indicative Survey at an appropriate time.
- ❖ A notice that the IDR Indicative Survey has been discontinued will be published on the Publication Site.

VI. Amendments to the Methodology

- ❖ SFEMC may, in its discretion, from time to time, make such administrative, procedural or other modifications to this Methodology as are appropriate to ensure the continued operation and integrity of the IDR Indicative Survey.

VII. Disclaimer

- ❖ SFEMC (and any service provider SFEMC may select) disclaim liability for the IDR Indicative Survey Rate, and no representation or warranty, express or implied, is made concerning the IDR Indicative Survey Rate (including, without limitation, the methodology for determining the IDR Indicative Survey Rate and its suitability for any particular use).



Appendix C – Indian Rupee

2004 Template Terms

Annex A Rate Source Definitions

SFEMC Indicative Survey Methodology

2004 SFEMC, EMTA & FXC Template Terms for INR/USD Non-Deliverable FX Transaction

General Terms:

Trade Date:

[Date of Annex A]¹:

Reference Currency: INR

[Notional Amount]²:

[Forward Rate]²:

[Reference Currency
Notional Amount]²:

Reference Currency Buyer:

Reference Currency Seller:

Settlement Currency: U.S. Dollars

Settlement Date: [DATE CERTAIN], *provided, however*, that if the Scheduled Valuation Date is adjusted in accordance with the Following Business Day Convention, then the Settlement Date shall be as soon as practicable after the Valuation Date, but in no event later than two Business Days after such date.

Settlement: Non-Deliverable

Settlement Rate Option: INR RBIB (INR01)³

Valuation Date: [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.

Disruption Events:

Price Source Disruption: Applicable

Disruption Fallbacks:

1. Valuation Postponement

2. Fallback Reference Price: SFEMC INR Indicative Survey Rate (INR02)^{4,5}

3. Fallback Survey
Valuation Postponement

4. Calculation Agent Determination
of Settlement Rate

Other Terms:

“Unscheduled Holiday”:
“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.

“Deferral Period” for
Unscheduled Holiday:
In the event the Scheduled Valuation Date becomes subject to the Following Business Day Convention, and if the Valuation Date has not occurred on or before the 14th 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.

“Valuation Postponement”
for Price Source Disruption:
“Valuation Postponement” means, for purposes of obtaining a Settlement Rate, that the Spot Rate will be determined on the Business Day first succeeding the day on which the Price Source Disruption ceases to exist, unless the Price Source Disruption continues to exist (measured from the date that, but for the occurrence of the Price Source Disruption, would have been the Valuation Date) for a consecutive number of calendar days equal to the Maximum Days of Postponement. In such event, the Spot Rate will be determined on the next Business Day after the Maximum Days of Postponement in accordance with the next applicable Disruption Fallback.

“Fallback Survey Valuation
Postponement”:
“Fallback Survey Valuation Postponement” means that, in the event that the Fallback Reference Price is not available on or before the 3rd Business Day (or day that would have been a Business Day but for an Unscheduled Holiday) succeeding the end of either (i) Valuation Postponement for Price Source Disruption, (ii) Deferral Period for Unscheduled Holiday, or (iii) Cumulative Events, then the Settlement Rate will be determined in accordance with the next applicable Disruption Fallback on such day. For the avoidance of doubt, Cumulative Events, if applicable, does not preclude postponement of valuation in accordance with this provision.



Cumulative Events: Except as provided below, 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 14 consecutive calendar days in the aggregate. Accordingly, (x) if, upon the lapse of any such 14 day period, an Unscheduled Holiday shall have occurred or be continuing on the day following such period that otherwise would have been a Business Day, 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 on which the Spot Rate otherwise would be determined, then Valuation Postponement shall not apply and the Spot Rate shall be determined in accordance with the next Disruption Fallback.

Maximum Days of Postponement: 14 calendar days

Relevant City for Business Day
for Valuation Date: Mumbai

Relevant City for Business Day
for Settlement Date: New York

Calculation Agent:⁶

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. The INR RBIB (INR01) Rate is published at approximately 2:30 p.m. Mumbai time on the Valuation Date.
4. The SFEMC INR Indicative Survey Rate is determined pursuant to the SFEMC INR Indicative Survey Rate Methodology dated December 1, 2004.
5. A party may wish to include the following additional provision if such party is or may be a participant in the SFEMC INR 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 SFEMC INR Indicative Survey Rate and such quotation may affect, materially or otherwise, the settlement of the Transaction.

6. 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.

Amended Indian Rupee Rate Source Definition

Effective as of December 1, 2004, Annex A of the 1998 FX and Currency Option Definitions (the “1998 Definitions”) is amended to add a new section, Section 4.5(a)(ii)(B), as follows:

(B) “SFEMC INR INDICATIVE SURVEY RATE” or “INR02” each means that the Spot Rate for a Rate Calculation Date will be the Indian Rupee/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Indian Rupee per one U.S. Dollar, for settlement in two Business Days, as published on SFEMC’s website (www.sfemc.org) at approximately 3:30 p.m. (Singapore time), or as soon thereafter as practicable, on such Rate Calculation Date. The Spot Rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC INR Indicative Survey Methodology (which means a methodology, dated as of December 1, 2004, as amended from time to time, for a centralized industry-wide survey of financial institutions that are active participants in the Indian Rupee/U.S. Dollar markets for the purpose of determining the SFEMC INR Indicative Survey Rate).

Practitioner’s Note:

❖ *Parties that specify in confirmations that a particular version of Annex A applies to their trades should reference Annex A effective as of December 1, 2004, if they desire to incorporate the new Indian Rupee rate source definition into their trades. If parties do not specify in their confirmations a particular version of Annex A, the above Indian Rupee rate source definition will apply to trades that incorporate the 1998 Definitions and have a trade date on or after December 1, 2004.*



Singapore Foreign Exchange Market Committee (“SFEMC”) INR Indicative Survey Rate Methodology Dated as of December 1, 2004

Capitalized terms not defined below are defined in the 1998 FX and Currency Option Definitions as published by the International Swaps and Derivatives Association, EMTA, Inc. and the Foreign Exchange Committee, or in the 2004 SFEMC, EMTA & FXC Template Terms for INR/USD Non-Deliverable FX Transaction.

I. The SFEMC INR Indicative Survey

❖ **Commencing the INR Indicative Survey:**

SFEMC (itself or through a service provider SFEMC will select in its sole discretion) will conduct a survey of financial institutions for the purpose of determining the SFEMC INR Indicative Survey Rate, beginning at 12:00 Noon (Singapore time) or as soon thereafter as practicable on a Business Day in Mumbai (or a calendar day that would have been a Business Day but for an Unscheduled Holiday), following any 14 calendar day period during which valuation is deferred or postponed (or both).

- ❖ **Polled Banks:** For purposes of determining the INR Indicative Survey Rate for a Valuation Date, SFEMC (itself or through a service provider) will survey financial institutions that are active participants in the INR/U.S. Dollar market (each, a “Participating Bank”) and included in a current list of Participating Banks published on the SFEMC’s website (www.sfemc.org) (the “Publication Site”). Only one office of each financial institu-

tion will be included as a Participating Bank in each INR Indicative Survey.

- ❖ **Survey Question:** Each Participating Bank will be asked to provide its reasonable judgment of what is (or, in the case of an Unscheduled Holiday, would be) the current prevailing free market INR spot rate (bid-offer pair) for a standard size INR/U.S. Dollar wholesale financial transaction for same-day settlement in the Mumbai marketplace on the Valuation Date. In arriving at this indicative quotation, each Participating Bank will be directed to take such factors into consideration as it deems appropriate, which factors may (but need not) include any or all of the following: the spot rate(s) implied in the offshore non-deliverable foreign exchange market for INR/U.S. Dollar transactions; the spot rate implied by any other financial market transactions (to the extent that such other financial markets are open for business); the spot rate used in connection with any commercial transactions for goods or services from offshore suppliers or providers; any existing rate for trade finance transactions; and any other existing unofficial rate for INR/U.S. Dollar transactions (commercial or otherwise).

II. Use of Survey Results

- ❖ SFEMC (itself or through a service provider) will determine the mid-point of each bid-offer pair. The arithmetic mean of the mid-points will be used to deter-

mine the INR Indicative Survey Rate, rounded to the fourth decimal point as described below.

- ❖ If the INR Indicative Survey results in 21 or more responses, then the 4 highest and 4 lowest mid-points will be eliminated, and the arithmetic mean of the remaining mid-points will be computed and will constitute the INR Indicative Survey Rate for such Valuation Date. For purposes of eliminating the 4 highest and 4 lowest mid-points, if more than 4 mid-points have the same highest value or lowest value, then only 4 such mid-points will be eliminated.
- ❖ If the INR Indicative Survey results in less than 21 but 11 or more responses, then the 2 highest and 2 lowest mid-points will be eliminated, and the arithmetic mean of the remaining mid-points will be computed and will constitute the INR Indicative Survey Rate for such Valuation Date. For purposes of eliminating the 2 highest and 2 lowest mid-points, if more than 2 mid-points have the same highest value or lowest value, then only 2 such mid-points will be eliminated.
- ❖ If the INR Indicative Survey results in less than 11 but 8 or more responses, then the highest and the lowest mid-points will be eliminated and the arithmetic mean of the remaining mid-points will be computed and will constitute the INR Indicative Survey Rate for such Valuation Date. For purposes of eliminating the highest and lowest mid-points, if more than 1 mid-point has the same highest value or lowest value, then only 1 such mid-point will be eliminated.

- ❖ If the INR Indicative Survey results in less than 8 but 5 or more responses, then no mid-points will be eliminated and the arithmetic mean of all mid-points will be computed and will constitute the INR Indicative Survey Rate for such Valuation Date.
- ❖ Quotes will be provided to the fourth decimal point (*e.g.*, 1.0000).

III. Insufficient Responses

- ❖ If the INR Indicative Survey results in less than 5 responses from Participating Banks (“Insufficient Responses”), no INR Indicative Survey Rate will be available for the relevant Valuation Date. The next INR Indicative Survey will take place on the next succeeding Business Day in Mumbai (or calendar day that would have been a Business Day but for an Unscheduled Holiday), subject to Section V below.

IV. INR Indicative Survey Rate Publication

- ❖ The INR Indicative Survey Rate will be published on the Publication Site at 3:30 p.m. (Singapore time), or as soon thereafter as practicable.
- ❖ As soon as it is determined that the INR Indicative Survey will result in Insufficient Responses, a notice that no INR Indicative Survey Rate is available for the Valuation Date will be published on the Publication Site.
- ❖ The response of each Participating Bank to the Indicative Survey (bid-offer pair) will be available on the Publication Site at 9:00 a.m. (Singapore time) on the first



Business Day in Mumbai (or calendar day that would have been a Business Day but for an Unscheduled Holiday) following the Business Day on which the relevant INR Indicative Survey Rate is published, or as soon thereafter as practicable.

V. Discontinuing the INR Indicative Survey

- ❖ The INR Indicative Survey will be discontinued (i) on the calendar day first following the Business Day in Mumbai on which the INR RBIB (INR 01) is available for the determination of a Settlement Rate, or (ii) on the calendar day first following polling for the INR Indicative Survey that results in Insufficient Responses for three consecutive polling days. Notwithstanding the foregoing, nothing herein will be construed to prevent SFEMC from continuing or re-initiating the INR Indicative Survey at an appropriate time.
- ❖ A notice that the INR Indicative Survey has been discontinued will be published on the Publication Site.

VI. Amendments to the Methodology

- ❖ SFEMC may, in its discretion, from time to time, make such administrative, procedural or other modifications to this Methodology as are appropriate to ensure the continued operation and integrity of the INR Indicative Survey.

VII. Disclaimer

- ❖ SFEMC (and any service provider SFEMC may select) disclaim liability for the INR Indicative Survey Rate, and no representation or warranty, express or implied, is made concerning the INR Indicative Survey Rate (including, without limitation, the methodology for determining the INR Indicative Survey Rate and its suitability for any particular use).

Appendix D – Korean Won

2004 Template Terms

Annex A Rate Source Definitions

SFEMC Indicative Survey Methodology

2004 SFEMC, EMTA & FXC Template Terms for KRW/USD Non-Deliverable FX Transaction

General Terms:

Trade Date:

[Date of Annex A]¹:

Reference Currency: KRW

[Notional Amount]²:

[Forward Rate]²:

[Reference Currency
Notional Amount]²:

Reference Currency Buyer:

Reference Currency Seller:

Settlement Currency: U.S. Dollars

Settlement Date: [DATE CERTAIN], *provided, however*, that if the Scheduled Valuation Date is adjusted in accordance with the Following Business Day Convention, then the Settlement Date shall be as soon as practicable after the Valuation Date, but in no event later than two Business Days after such date.

Settlement: Non-Deliverable

Settlement Rate Option: KRW KFTC18 (KRW02)³

Valuation Date: [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.



Disruption Events:

Price Source Disruption: Applicable

Disruption Fallbacks:

1. Valuation Postponement

2. Fallback Reference Price: SFEMC KRW Indicative Survey Rate (KRW04)^{4,5}

3. Fallback Survey
Valuation Postponement

4. Calculation Agent
Determination of Settlement Rate

Other Terms:

“Unscheduled Holiday”:	“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.
“Deferral Period” for Unscheduled Holiday:	In the event the Scheduled Valuation Date becomes subject to the Following Business Day Convention, and if the Valuation Date has not occurred on or before the 14th 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.
“Valuation Postponement” for Price Source Disruption:	“Valuation Postponement” means, for purposes of obtaining a Settlement Rate, that the Spot Rate will be determined on the Business Day first succeeding the day on which the Price Source Disruption ceases to exist, unless the Price Source Disruption continues to exist (measured from the date that, but for the occurrence of the Price Source Disruption, would have been the Valuation Date) for a consecutive number of calendar days equal to the Maximum Days of Postponement. In such event, the Spot Rate will be determined on the next Business Day after the Maximum Days of Postponement in accordance with the next applicable Disruption Fallback.
“Fallback Survey Valuation Postponement”:	“Fallback Survey Valuation Postponement” means that, in the event that the Fallback Reference Price is not available on or before the 3rd Business Day (or day that would have been a Business Day but for an Unscheduled Holiday) succeeding the end of either (i) Valuation Postponement for Price Source Disruption, (ii) Deferral Period for Unscheduled Holiday, or (iii) Cumulative Events, then the Settlement Rate will be determined in accordance with the next applicable Disruption Fallback on such day. For the avoidance of doubt, Cumulative Events, if applicable, does not preclude postponement of valuation in accordance with this provision.

Cumulative Events: Except as provided below, 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 14 consecutive calendar days in the aggregate. Accordingly, (x) if, upon the lapse of any such 14 day period, an Unscheduled Holiday shall have occurred or be continuing on the day following such period that otherwise would have been a Business Day, 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 on which the Spot Rate otherwise would be determined, then Valuation Postponement shall not apply and the Spot Rate shall be determined in accordance with the next Disruption Fallback.

Maximum Days of Postponement: 14 calendar days

Relevant City for Business Day
for Valuation Date: Seoul

Relevant City for Business Day
for Settlement Date: New York

Calculation Agent:⁶

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. The KRW KFTCI8 (KRW02) Rate is published at approximately 5:30 p.m. Seoul time on the Valuation Date.
4. The SFEMC KRW Indicative Survey Rate is determined pursuant to the SFEMC KRW Indicative Survey Rate Methodology dated December 1, 2004.
5. A party may wish to include the following additional provision if such party is or may be a participant in the SFEMC KRW 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 SFEMC KRW Indicative Survey Rate and such quotation may affect, materially or otherwise, the settlement of the Transaction.

6. 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.



Amended Korean Won Rate Source Definition

Effective as of December 1, 2004, Annex A of the 1998 FX and Currency Option Definitions (the “1998 Definitions”) is amended to add a new section, Section 4.5(a)(iii)(C), as follows:

(C) “SFEMC KRW INDICATIVE SURVEY RATE” or “KRW04” each means that the Spot Rate for a Rate Calculation Date will be the Korean Won/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Korean Won per one U.S. Dollar, for settlement in two Business Days, as published on SFEMC’s website (www.sfemc.org) at approximately 3:30 p.m., Singapore time, or as soon thereafter as practicable, on such Rate Calculation Date. The Spot Rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC KRW Indicative Survey Methodology (which means a methodology, dated as of December 1, 2004, as amended from time to time, for a centralized industry-wide survey of financial institutions that are active participants in the Korean Won/U.S. Dollar markets for the purpose of determining the SFEMC KRW Indicative Survey Rate).

Practitioner’s Note:

❖ *Parties that specify in confirmations that a particular version of Annex A applies to their trades should reference Annex A effective as of December 1, 2004, if they desire to incorporate the new Korean Won rate source definition into their trades. If parties do not specify in their confirmations a particular version of Annex A, the above Korean Won rate source definition will apply to trades that incorporate the 1998 Definitions and have a trade date on or after December 1, 2004.*

Singapore Foreign Exchange Market Committee (“SFEMC”) KRW Indicative Survey Rate Methodology Dated as of December 1, 2004

Capitalized terms not defined below are defined in the 1998 FX and Currency Option Definitions as published by the International Swaps and Derivatives Association, EMTA, Inc. and the Foreign Exchange Committee, or in the 2004 SFEMC, EMTA & FXC Template Terms for KRW/USD Non-Deliverable FX Transaction.

I. The SFEMC KRW Indicative Survey

❖ **Commencing the KRW Indicative Survey:** SFEMC (itself or through a service provider SFEMC will select in its sole discretion) will conduct a survey of financial institutions for the purpose of determining the SFEMC KRW Indicative Survey Rate, beginning at 11:00 a.m. (Singapore time) or as soon thereafter as practicable on a Business Day in Seoul (or a calendar day that would have been a Business Day but for an Unscheduled Holiday), following any 14 calendar day period during which valuation is deferred or postponed (or both).

❖ **Polled Banks:** For purposes of determining the KRW Indicative Survey Rate for a Valuation Date, SFEMC (itself or through a service provider) will survey financial institutions that are active participants in the KRW/U.S. Dollar market (each, a “Participating Bank”) and included in a current list of Participating Banks published on the SFEMC’s website (www.sfemc.org) (the “Publication Site”). Only one office of each financial institution will be included as a

Participating Bank in each KRW Indicative Survey.

❖ **Survey Question:** Each Participating Bank will be asked to provide its reasonable judgment of what is (or, in the case of an Unscheduled Holiday, would be) the current prevailing free market KRW spot rate (bid-offer pair) for a standard size KRW/U.S. Dollar wholesale financial transaction for same-day settlement in the Seoul marketplace on the Valuation Date. In arriving at this indicative quotation, each Participating Bank will be directed to take such factors into consideration as it deems appropriate, which factors may (but need not) include any or all of the following: the spot rate(s) implied in the off-shore non-deliverable foreign exchange market for KRW/U.S. Dollar transactions; the spot rate implied by any other financial market transactions (to the extent that such other financial markets are open for business); the spot rate used in connection with any commercial transactions for goods or services from offshore suppliers or providers; any existing rate for trade finance transactions; and any other existing unofficial rate for KRW/U.S. Dollar transactions (commercial or otherwise).

II. Use of Survey Results

❖ SFEMC (itself or through a service provider) will determine the mid-point of each bid-offer pair. The arithmetic mean of the mid-points will be used to deter-



mine the KRW Indicative Survey Rate, rounded to the fourth decimal point as described below.

- ❖ If the KRW Indicative Survey results in 21 or more responses, then the 4 highest and 4 lowest mid-points will be eliminated, and the arithmetic mean of the remaining mid-points will be computed and will constitute the KRW Indicative Survey Rate for such Valuation Date. For purposes of eliminating the 4 highest and 4 lowest mid-points, if more than 4 mid-points have the same highest value or lowest value, then only 4 such mid-points will be eliminated.
- ❖ If the KRW Indicative Survey results in less than 21 but 11 or more responses, then the 2 highest and 2 lowest mid-points will be eliminated, and the arithmetic mean of the remaining mid-points will be computed and will constitute the KRW Indicative Survey Rate for such Valuation Date. For purposes of eliminating the 2 highest and 2 lowest mid-points, if more than 2 mid-points have the same highest value or lowest value, then only 2 such mid-points will be eliminated.
- ❖ If the KRW Indicative Survey results in less than 11 but 8 or more responses, then the highest and the lowest mid-points will be eliminated and the arithmetic mean of the remaining mid-points will be computed and will constitute the KRW Indicative Survey Rate for such Valuation Date. For purposes of eliminating the highest and lowest mid-points, if more than 1 mid-point has the same highest value or lowest value, then only 1 such mid-point will be eliminated.
- ❖ If the KRW Indicative Survey results in less than 8 but 5 or more responses, then no mid-points will be eliminated and the arithmetic mean of all mid-points will be

computed and will constitute the KRW Indicative Survey Rate for such Valuation Date.

- ❖ Quotes will be provided to the fourth decimal point (*e.g.*, 1.0000).

III. Insufficient Responses

- ❖ If the KRW Indicative Survey results in less than 5 responses from Participating Banks (“Insufficient Responses”), no KRW Indicative Survey Rate will be available for the relevant Valuation Date. The next KRW Indicative Survey will take place on the next succeeding Business Day in Seoul (or calendar day that would have been a Business Day but for an Unscheduled Holiday), subject to Section V below.

IV. KRW Indicative Survey Rate Publication

- ❖ The KRW Indicative Survey Rate will be published on the Publication Site at 3:30 p.m. (Singapore time), or as soon thereafter as practicable.
- ❖ As soon as it is determined that the KRW Indicative Survey will result in Insufficient Responses, a notice that no KRW Indicative Survey Rate is available for the Valuation Date will be published on the Publication Site.
- ❖ The response of each Participating Bank to the Indicative Survey (bid-offer pair) will be available on the Publication Site at 9:00 a.m. (Singapore time) on the first Business Day in Seoul (or calendar day that would have been a Business Day but for an Unscheduled Holiday) following the Business Day on which the relevant KRW Indicative Survey Rate is published, or as soon thereafter as practicable.

V. Discontinuing the KRW Indicative Survey

- ❖ The KRW Indicative Survey will be discontinued (i) on the calendar day first following the Business Day in Seoul on which the KRW KFTC18 (KRW 02) is available for the determination of a Settlement Rate, or (ii) on the calendar day first following polling for the KRW Indicative Survey that results in Insufficient Responses for three consecutive polling days. Notwithstanding the foregoing, nothing herein will be construed to prevent SFEMC from continuing or re-initiating the KRW Indicative Survey at an appropriate time.
- ❖ A notice that the KRW Indicative Survey has been discontinued will be published on the Publication Site.

VI. Amendments to the Methodology

- ❖ SFEMC may, in its discretion, from time to time, make such administrative, procedural or other modifications to this Methodology as are appropriate to ensure the continued operation and integrity of the KRW Indicative Survey.

VII. Disclaimer

- ❖ SFEMC (and any service provider SFEMC may select) disclaim liability for the KRW Indicative Survey Rate, and no representation or warranty, express or implied, is made concerning the KRW Indicative Survey Rate (including, without limitation, the methodology for determining the KRW Indicative Survey Rate and its suitability for any particular use).



Appendix E – Philippine Peso

2004 Template Terms Annex A Rate Source Definitions SFEMC Indicative Survey Methodology

2004 SFEMC, EMTA & FXC Template Terms for PHP/USD Non-Deliverable FX Transaction

General Terms:

Trade Date:

[Date of Annex A]¹:

Reference Currency: PHP

[Notional Amount]²:

[Forward Rate]²:

[Reference Currency
Notional Amount]²:

Reference Currency Buyer:

Reference Currency Seller:

Settlement Currency: U.S. Dollars

Settlement Date: [DATE CERTAIN], *provided, however*, that if the Scheduled Valuation Date is adjusted in accordance with the Following Business Day Convention, then the Settlement Date shall be as soon as practicable after the Valuation Date, but in no event later than one Business Day after such date.

Settlement: Non-Deliverable

Settlement Rate Option: PHP PHPESO (PHP01)³

Valuation Date: [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.

Disruption Events:

Price Source Disruption: Applicable

Disruption Fallbacks:

1. Valuation Postponement

2. Fallback Reference Price: SFEMC PHP Indicative Survey Rate (PHP05)^{4,5}

3. Fallback Survey Valuation Postponement

4. Calculation Agent Determination of Settlement Rate

Other Terms:

“Unscheduled Holiday”:
“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.

“Deferral Period” for
Unscheduled Holiday:
In the event the Scheduled Valuation Date becomes subject to the Following Business Day Convention, and if the Valuation Date has not occurred on or before the 14th 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.

“Valuation Postponement”
for Price Source Disruption:
“Valuation Postponement” means, for purposes of obtaining a Settlement Rate, that the Spot Rate will be determined on the Business Day first succeeding the day on which the Price Source Disruption ceases to exist, unless the Price Source Disruption continues to exist (measured from the date that, but for the occurrence of the Price Source Disruption, would have been the Valuation Date) for a consecutive number of calendar days equal to the Maximum Days of Postponement. In such event, the Spot Rate will be determined on the next Business Day after the Maximum Days of Postponement in accordance with the next applicable Disruption Fallback.

“Fallback Survey
Valuation Postponement”:
“Fallback Survey Valuation Postponement” means that, in the event that the Fallback Reference Price is not available on or before the 3rd Business Day (or day that would have been a Business Day but for an Unscheduled Holiday) succeeding the end of either (i) Valuation Postponement for Price Source Disruption, (ii) Deferral Period for Unscheduled Holiday, or (iii) Cumulative Events, then the Settlement Rate will be determined in accordance with the next applicable Disruption Fallback on such day. For the avoidance of doubt, Cumulative Events, if applicable, does not preclude postponement of valuation in accordance with this provision.



Cumulative Events: Except as provided below, 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 14 consecutive calendar days in the aggregate. Accordingly, (x) if, upon the lapse of any such 14 day period, an Unscheduled Holiday shall have occurred or be continuing on the day following such period that otherwise would have been a Business Day, 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 on which the Spot Rate otherwise would be determined, then Valuation Postponement shall not apply and the Spot Rate shall be determined in accordance with the next Disruption Fallback.

Maximum Days of Postponement: 14 calendar days

Relevant City for Business Day
for Valuation Date: Manila

Relevant City for Business Day
for Settlement Date: New York

Calculation Agent:⁶

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. The PHP PHPESO (PHP01) Rate is published at approximately 12:30 p.m. Manila time on the Valuation Date.
4. The SFEMC PHP Indicative Survey Rate is determined pursuant to the SFEMC PHP Indicative Survey Rate Methodology dated December 1, 2004.
5. A party may wish to include the following additional provision if such party is or may be a participant in the SFEMC PHP 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 SFEMC PHP Indicative Survey Rate and such quotation may affect, materially or otherwise, the settlement of the Transaction.

6. 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.

Amended Philippine Peso Rate Source Definition

Effective as of December 1, 2004, Annex A of the 1998 FX and Currency Option Definitions (the “1998 Definitions”) is amended to add a new section, Section 4.5(a)(iv)(E), as follows:

(E) “SFEMC PHP INDICATIVE SURVEY RATE” or “PHP05” each means that the Spot Rate for a Rate Calculation Date will be the Philippine Peso/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Philippine Pesos per one U.S. Dollar, for settlement in one Business Day, as published on SFEMC’s website (www.sfemc.org) at approximately 3:30 p.m., Singapore time, or as soon thereafter as practicable, on such Rate Calculation Date. The Spot Rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC PHP Indicative Survey Methodology (which means a methodology, dated as of December 1, 2004, as amended from time to time, for a centralized industry-wide survey of financial institutions that are active participants in the Philippine Peso/U.S. Dollar markets for the purpose of determining the SFEMC PHP Indicative Survey Rate).

Practitioner’s Note:

❖ *Parties that specify in confirmations that a particular version of Annex A applies to their trades should reference Annex A effective as of December 1, 2004, if they desire to incorporate the new Philippine Peso rate source definition into their trades. If parties do not specify in their confirmations a particular version of Annex A, the above Philippine Peso rate source definition will apply to trades that incorporate the 1998 Definitions and have a trade date on or after December 1, 2004.*



Singapore Foreign Exchange Market Committee (“SFEMC”) PHP Indicative Survey Rate Methodology Dated as of December 1, 2004

Capitalized terms not defined below are defined in the 1998 FX and Currency Option Definitions as published by the International Swaps and Derivatives Association, EMTA, Inc. and the Foreign Exchange Committee, or in the 2004 SFEMC, EMTA & FXC Template Terms for PHP/USD Non-Deliverable FX Transaction.

I. The SFEMC PHP Indicative Survey

✦ **Commencing the PHP Indicative Survey:**

SFEMC (itself or through a service provider SFEMC will select in its sole discretion) will conduct a survey of financial institutions for the purpose of determining the SFEMC PHP Indicative Survey Rate, beginning at 11:00 a.m. (Singapore time) or as soon thereafter as practicable on a Business Day in Manila (or a calendar day that would have been a Business Day but for an Unscheduled Holiday), following any 14 calendar day period during which valuation is deferred or postponed (or both).

- ✦ **Polled Banks:** For purposes of determining the PHP Indicative Survey Rate for a Valuation Date, SFEMC (itself or through a service provider) will survey financial institutions that are active participants in the PHP/U.S. Dollar market (each, a “Participating Bank”) and included in a current list of Participating Banks published on the SFEMC’s website (www.sfemc.org) (the “Publication Site”). Only one office of each financial institu-

tion will be included as a Participating Bank in each PHP Indicative Survey.

- ✦ **Survey Question:** Each Participating Bank will be asked to provide its reasonable judgment of what is (or, in the case of an Unscheduled Holiday, would be) the current prevailing free market PHP spot rate (bid-offer pair) for a standard size PHP/U.S. Dollar wholesale financial transaction for same-day settlement in the Manila marketplace on the Valuation Date. In arriving at this indicative quotation, each Participating Bank will be directed to take such factors into consideration as it deems appropriate, which factors may (but need not) include any or all of the following: the spot rate(s) implied in the offshore non-deliverable foreign exchange market for PHP/U.S. Dollar transactions; the spot rate implied by any other financial market transactions (to the extent that such other financial markets are open for business); the spot rate used in connection with any commercial transactions for goods or services from offshore suppliers or providers; any existing rate for trade finance transactions; and any other existing unofficial rate for PHP/U.S. Dollar transactions (commercial or otherwise).

II. Use of Survey Results

- ✦ SFEMC (itself or through a service provider) will determine the mid-point of each bid-offer pair. The arithmetic mean of the mid-points will be used to deter-

mine the PHP Indicative Survey Rate, rounded to the fourth decimal point as described below.

- ❧ If the PHP Indicative Survey results in 21 or more responses, then the 4 highest and 4 lowest mid-points will be eliminated, and the arithmetic mean of the remaining mid-points will be computed and will constitute the PHP Indicative Survey Rate for such Valuation Date. For purposes of eliminating the 4 highest and 4 lowest mid-points, if more than 4 mid-points have the same highest value or lowest value, then only 4 such mid-points will be eliminated.
- ❧ If the PHP Indicative Survey results in less than 21 but 11 or more responses, then the 2 highest and 2 lowest mid-points will be eliminated, and the arithmetic mean of the remaining mid-points will be computed and will constitute the PHP Indicative Survey Rate for such Valuation Date. For purposes of eliminating the 2 highest and 2 lowest mid-points, if more than 2 mid-points have the same highest value or lowest value, then only 2 such mid-points will be eliminated.
- ❧ If the PHP Indicative Survey results in less than 11 but 8 or more responses, then the highest and the lowest mid-points will be eliminated and the arithmetic mean of the remaining mid-points will be computed and will constitute the PHP Indicative Survey Rate for such Valuation Date. For purposes of eliminating the highest and lowest mid-points, if more than 1 mid-point has the same highest value or lowest value, then only 1 such mid-point will be eliminated.
- ❧ If the PHP Indicative Survey results in less than 8 but 5 or more responses, then no mid-points will be eliminated and the arith-

metic mean of all mid-points will be computed and will constitute the PHP Indicative Survey Rate for such Valuation Date.

- ❧ Quotes will be provided to the fourth decimal point (*e.g.*, 1.0000).

III. Insufficient Responses

- ❧ If the PHP Indicative Survey results in less than 5 responses from Participating Banks (“Insufficient Responses”), no PHP Indicative Survey Rate will be available for the relevant Valuation Date. The next PHP Indicative Survey will take place on the next succeeding Business Day in Manila (or calendar day that would have been a Business Day but for an Unscheduled Holiday), subject to Section V below.

IV. PHP Indicative Survey Rate Publication

- ❧ The PHP Indicative Survey Rate will be published on the Publication Site at 3:30 p.m. (Singapore time), or as soon thereafter as practicable.
- ❧ As soon as it is determined that the PHP Indicative Survey will result in Insufficient Responses, a notice that no PHP Indicative Survey Rate is available for the Valuation Date will be published on the Publication Site.
- ❧ The response of each Participating Bank to the Indicative Survey (bid-offer pair) will be available on the Publication Site at 9:00 a.m. (Singapore time) on the first Business Day in Manila (or calendar day that would have been a Business Day but for an Unscheduled Holiday) following the Business Day on which the relevant PHP Indicative Survey Rate is published, or as soon thereafter as practicable.



V. Discontinuing the PHP Indicative Survey

- ❖ The PHP Indicative Survey will be discontinued (i) on the calendar day first following the Business Day in Manila on which the PHP PHPESO (PHP 01) is available for the determination of a Settlement Rate, or (ii) on the calendar day first following polling for the PHP Indicative Survey that results in Insufficient Responses for three consecutive polling days. Notwithstanding the foregoing, nothing herein will be construed to prevent SFEMC from continuing or re-initiating the PHP Indicative Survey at an appropriate time.
- ❖ A notice that the PHP Indicative Survey has been discontinued will be published on the Publication Site.

VI. Amendments to the Methodology

- ❖ SFEMC may, in its discretion, from time to time, make such administrative, procedural or other modifications to this Methodology as are appropriate to ensure the continued operation and integrity of the PHP Indicative Survey.

VII. Disclaimer

- ❖ SFEMC (and any service provider SFEMC may select) disclaim liability for the PHP Indicative Survey Rate, and no representation or warranty, express or implied, is made concerning the PHP Indicative Survey Rate (including, without limitation, the methodology for determining the PHP Indicative Survey Rate and its suitability for any particular use).



Appendix F – Taiwanese Dollar

2004 Template Terms Annex A Rate Source Definitions SFEMC Indicative Survey Methodology

2004 SFEMC, EMTA & FXC Template Terms for TWD/USD Non-Deliverable FX Transaction

General Terms:

Trade Date:

[Date of Annex A]¹:

Reference Currency: TWD

[Notional Amount]²:

[Forward Rate]²:

[Reference Currency
Notional Amount]²:

Reference Currency Buyer:

Reference Currency Seller:

Settlement Currency: U.S. Dollars

Settlement Date: [DATE CERTAIN], *provided, however*, that if the Scheduled Valuation Date is adjusted in accordance with the Following Business Day Convention, then the Settlement Date shall be as soon as practicable after the Valuation Date, but in no event later than two Business Days after such date.

Settlement: Non-Deliverable

Settlement Rate Option: TWD TAIFXI (TWD03)³

Valuation Date: [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.



Disruption Events:

Price Source Disruption: Applicable

Disruption Fallbacks:

1. Valuation Postponement

2. Fallback Reference Price: SFEMC TWD Indicative Survey Rate (TWD04)^{4,5}

3. Fallback Survey
Valuation Postponement

4. Calculation Agent Determination
of Settlement Rate

Other Terms:

“Unscheduled Holiday”:
“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.

“Deferral Period” for
Unscheduled Holiday:
In the event the Scheduled Valuation Date becomes subject to the Following Business Day Convention, and if the Valuation Date has not occurred on or before the 14th 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.

“Valuation Postponement”
for Price Source Disruption:
“Valuation Postponement” means, for purposes of obtaining a Settlement Rate, that the Spot Rate will be determined on the Business Day first succeeding the day on which the Price Source Disruption ceases to exist, unless the Price Source Disruption continues to exist (measured from the date that, but for the occurrence of the Price Source Disruption, would have been the Valuation Date) for a consecutive number of calendar days equal to the Maximum Days of Postponement. In such event, the Spot Rate will be determined on the next Business Day after the Maximum Days of Postponement in accordance with the next applicable Disruption Fallback.

“Fallback Survey
Valuation Postponement”:
“Fallback Survey Valuation Postponement” means that, in the event that the Fallback Reference Price is not available on or before the 3rd Business Day (or day that would have been a Business Day but for an Unscheduled Holiday) succeeding the end of either (i) Valuation Postponement for Price Source Disruption, (ii) Deferral Period for Unscheduled Holiday, or (iii) Cumulative Events, then the Settlement Rate will be determined in accordance with the next applicable Disruption Fallback on such day. For the avoidance of doubt, Cumulative Events, if applicable, does not preclude postponement of valuation in accordance with this provision.

Cumulative Events: Except as provided below, 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 14 consecutive calendar days in the aggregate. Accordingly, (x) if, upon the lapse of any such 14 day period, an Unscheduled Holiday shall have occurred or be continuing on the day following such period that otherwise would have been a Business Day, 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 on which the Spot Rate otherwise would be determined, then Valuation Postponement shall not apply and the Spot Rate shall be determined in accordance with the next Disruption Fallback.

Maximum Days of Postponement: 14 calendar days

Relevant City for Business Day
for Valuation Date: Taipei

Relevant City for Business Day
for Settlement Date: New York

Calculation Agent:⁶

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. The TWD TAIFX1 (TWD03) Rate is published at approximately 11:00 a.m. Taipei time on the Valuation Date.
4. The SFEMC TWD Indicative Survey Rate is determined pursuant to the SFEMC TWD Indicative Survey Rate Methodology dated December 1, 2004.
5. A party may wish to include the following additional provision if such party is or may be a participant in the SFEMC TWD 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 SFEMC TWD Indicative Survey Rate and such quotation may affect, materially or otherwise, the settlement of the Transaction.

6. 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.



Amended Taiwanese Dollar Rate Source Definition

Effective as of December 1, 2004, Annex A of the 1998 FX and Currency Option Definitions (the “1998 Definitions”) is amended to add a new section, Section 4.5(a)(v)(D), and to delete Sections 4.5(a)(v)(A) and 4.5(a)(v)(C) in their entirety and replace them as follows:

- (A) “TWD TELERATE 6161” or “TWD01” each mean that the Spot Rate for a Rate Calculation Date will be the Taiwanese Dollar/U.S. Dollar spot rate, expressed as the amount of Taiwanese Dollars per one U.S. Dollar, for settlement in two Business Days, reported by the Taipei Forex Inc. which appears on the Telerate Page 6161 under the heading “Spot” as of 11:00 a.m., Taipei time, on that Rate Calculation Date, or if no rate appears as of 11:00 a.m., Taipei time, the rate that first appears in any of the next succeeding 15 minute intervals after such time, up to and including 12:00 noon, Taipei time, on that Rate Calculation Date.
- (C) “TWD TAIFX1” or “TWD03” each mean that the Spot Rate for a Rate Calculation Date will be the Taiwanese Dollar/U.S. Dollar spot rate, expressed as the amount of Taiwanese Dollars per one U.S. Dollar, for settlement in two Business Days, reported by the Taipei Forex Inc. which appears on the Reuters Screen TAIFX1 Page under the heading “Spot” as of 11:00 a.m. Taipei time, on that Rate Calculation Date, or if no rate appears as of 11:00 a.m., Taipei time, the rate that first appears in any of the next succeeding 15 minute intervals after such time, up to and including 12:00 noon, Taipei time on that Rate Calculation Date.

- (D) “SFEMC TWD INDICATIVE SURVEY RATE” or “TWD04” each means that the Spot Rate for a Rate Calculation Date will be the Taiwanese Dollar/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Taiwanese Dollars per one U.S. Dollar, for settlement in two Business Days, as published on SFEMC’s website (www.sfemc.org) at approximately 3:30 p.m., Singapore time, or as soon thereafter as practicable, on such Rate Calculation Date. The Spot Rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC TWD Indicative Survey Methodology (which means a methodology, dated as of December 1, 2004, as amended from time to time, for a centralized industry-wide survey of financial institutions that are active participants in the Taiwanese Dollar/U.S. Dollar markets for the purpose of determining the SFEMC TWD Indicative Survey Rate).

Practitioner’s Notes:

- ❖ “TWD Telerate 6161” or “TWD01” and “TWD TAIFX1” or “TWD03” have been revised to permit a limited delay in reporting the Spot Rate of the first trade that takes place through the Taipei Forex Inc. The first trade usually takes place at 11 a.m. Taipei Time, and its Spot Rate is posted in the first 15-minute segment. However, the first trade could take place and its Spot Rate could be posted at a later 15-minute interval. The rate source definitions incorporate the possibility of the first appearance of the Spot Rate in

any succeeding 15-minute interval from 11 a.m. up to and including 12 Noon Taipei Time. Noon Taipei Time was deemed to be an appropriate cut-off point, because failure of a trade to take place through Taipei Forex Inc. by this time would indicate a disruption in the local market. If a Spot Rate is not posted by 12 Noon Taipei Time on a Valuation Date, a Price Source Disruption would be triggered as provided in the 1998 Definitions and the relevant confirmation.

- “Parties that specify in confirmations that a particular version of Annex A applies to their trades should reference Annex A effective as of December 1, 2004, if they desire to incorporate any or all of the revised Taiwanese Dollar rate source definitions into their trades. If parties do not specify in their confirmations a particular version of Annex A, the above Taiwanese Dollar rate source definitions will apply to trades that incorporate the 1998 Definitions and have a trade date on or after December 1, 2004.*”



Singapore Foreign Exchange Market Committee (“SFEMC”) TWD Indicative Survey Rate Methodology Dated as of December 1, 2004

Capitalized terms not defined below are defined in the 1998 FX and Currency Option Definitions as published by the International Swaps and Derivatives Association, EMTA, Inc. and the Foreign Exchange Committee, or in the 2004 SFEMC, EMTA & FXC Template Terms for TWD/USD Non-Deliverable FX Transaction.

I. The SFEMC TWD Indicative Survey

❖ **Commencing the TWD Indicative Survey:**

SFEMC (itself or through a service provider SFEMC will select in its sole discretion) will conduct a survey of financial institutions for the purpose of determining the SFEMC TWD Indicative Survey Rate, beginning at 11:00 a.m. (Singapore time) or as soon thereafter as practicable on a Business Day in Taipei (or a calendar day that would have been a Business Day but for an Unscheduled Holiday), following any 14 calendar day period during which valuation is deferred or postponed (or both).

- ❖ **Polled Banks:** For purposes of determining the TWD Indicative Survey Rate for a Valuation Date, SFEMC (itself or through a service provider) will survey financial institutions that are active participants in the TWD/U.S. Dollar market (each, a “Participating Bank”) and included in a current list of Participating Banks published on the SFEMC’s website (www.sfemc.org) (the “Publication Site”). Only one office of each financial institu-

tion will be included as a Participating Bank in each TWD Indicative Survey.

- ❖ **Survey Question:** Each Participating Bank will be asked to provide its reasonable judgment of what is (or, in the case of an Unscheduled Holiday, would be) the current prevailing free market TWD spot rate (bid-offer pair) for a standard size TWD/U.S. Dollar wholesale financial transaction for same-day settlement in the Taipei marketplace on the Valuation Date. In arriving at this indicative quotation, each Participating Bank will be directed to take such factors into consideration as it deems appropriate, which factors may (but need not) include any or all of the following: the spot rate(s) implied in the offshore non-deliverable foreign exchange market for TWD/U.S. Dollar transactions; the spot rate implied by any other financial market transactions (to the extent that such other financial markets are open for business); the spot rate used in connection with any commercial transactions for goods or services from offshore suppliers or providers; any existing rate for trade finance transactions; and any other existing unofficial rate for TWD/U.S. Dollar transactions (commercial or otherwise).

II. Use of Survey Results

- ❖ SFEMC (itself or through a service provider) will determine the mid-point of each bid-offer pair. The arithmetic mean of the mid-points will be used to deter-

mine the TWD Indicative Survey Rate, rounded to the fourth decimal point as described below.

- ❖ If the TWD Indicative Survey results in 21 or more responses, then the 4 highest and 4 lowest mid-points will be eliminated, and the arithmetic mean of the remaining mid-points will be computed and will constitute the TWD Indicative Survey Rate for such Valuation Date. For purposes of eliminating the 4 highest and 4 lowest mid-points, if more than 4 mid-points have the same highest value or lowest value, then only 4 such mid-points will be eliminated.
- ❖ If the TWD Indicative Survey results in less than 21 but 11 or more responses, then the 2 highest and 2 lowest mid-points will be eliminated, and the arithmetic mean of the remaining mid-points will be computed and will constitute the TWD Indicative Survey Rate for such Valuation Date. For purposes of eliminating the 2 highest and 2 lowest mid-points, if more than 2 mid-points have the same highest value or lowest value, then only 2 such mid-points will be eliminated.
- ❖ If the TWD Indicative Survey results in less than 11 but 8 or more responses, then the highest and the lowest mid-points will be eliminated and the arithmetic mean of the remaining mid-points will be computed and will constitute the TWD Indicative Survey Rate for such Valuation Date. For purposes of eliminating the highest and lowest mid-points, if more than 1 mid-point has the same highest value or lowest value, then only 1 such mid-point will be eliminated.
- ❖ If the TWD Indicative Survey results in less than 8 but 5 or more responses, then no mid-points will be eliminated and the

arithmetic mean of all mid-points will be computed and will constitute the TWD Indicative Survey Rate for such Valuation Date.

- ❖ Quotes will be provided to the fourth decimal point (*e.g.*, 1.0000).

III. Insufficient Responses

- ❖ If the TWD Indicative Survey results in less than 5 responses from Participating Banks (“Insufficient Responses”), no TWD Indicative Survey Rate will be available for the relevant Valuation Date. The next TWD Indicative Survey will take place on the next succeeding Business Day in Taipei (or calendar day that would have been a Business Day but for an Unscheduled Holiday), subject to Section V below.

IV. TWD Indicative Survey Rate Publication

- ❖ The TWD Indicative Survey Rate will be published on the Publication Site at 3:30 p.m. (Singapore time), or as soon thereafter as practicable.
- ❖ As soon as it is determined that the TWD Indicative Survey will result in Insufficient Responses, a notice that no TWD Indicative Survey Rate is available for the Valuation Date will be published on the Publication Site.
- ❖ The response of each Participating Bank to the Indicative Survey (bid-offer pair) will be available on the Publication Site at 9:00 a.m. (Singapore time) on the first Business Day in Taipei (or calendar day that would have been a Business Day but for an Unscheduled Holiday) following the Business Day on which the relevant



TWD Indicative Survey Rate is published, or as soon thereafter as practicable.

V. Discontinuing the TWD Indicative Survey

- ❖ The TWD Indicative Survey will be discontinued (i) on the calendar day first following the Business Day in Taipei on which the TWD TAIFX1 (TWD 03) is available for the determination of a Settlement Rate, or (ii) on the calendar day first following polling for the TWD Indicative Survey that results in Insufficient Responses for three consecutive polling days. Notwithstanding the foregoing, nothing herein will be construed to prevent SFEMC from continuing or re-initiating the TWD Indicative Survey at an appropriate time.
- ❖ A notice that the TWD Indicative Survey has been discontinued will be published on the Publication Site.

VI. Amendments to the Methodology

- ❖ SFEMC may, in its discretion, from time to time, make such administrative, procedural or other modifications to this Methodology as are appropriate to ensure the continued operation and integrity of the TWD Indicative Survey.

VII. Disclaimer

- ❖ SFEMC (and any service provider SFEMC may select) disclaim liability for the TWD Indicative Survey Rate, and no representation or warranty, express or implied, is made concerning the TWD Indicative Survey Rate (including, without limitation, the methodology for determining the TWD Indicative Survey Rate and its suitability for any particular use).