

# Master FX Give-Up Agreement

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# Table of Contents

<b>Agreement .....</b>	<b>49</b>
<b>Schedule.....</b>	<b>57</b>
<b>Notice.....</b>	<b>61</b>



# Master FX Give-Up Agreement

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## Agreement

MASTER FX GIVE-UP AGREEMENT (“Agreement”) dated as of \_\_\_\_\_,  
by and between \_\_\_\_\_ (“Prime Broker”)  
and (“Dealer”).

### **I. Construction and Definitions.**

This Agreement includes the Schedule hereto. In the event of any inconsistency between the provisions of the Schedule and the other provisions of Sections 1 through 9 of this Agreement, the Schedule will prevail. In the event of any inconsistency between a Give-Up Agreement Notice (a “Notice”) and the other provisions of this Agreement, the Notice will prevail. In addition to terms defined elsewhere in this Agreement, as amended from time to time, and the applicable Notice, the following terms shall have the meanings specified below. All capitalized terms used herein without definition shall have the meanings set forth in the Master Agreement and the *1998 FX and Currency Option Definitions* (published by the International Swaps and Derivatives Association, Inc., EMTA, Inc. (formerly known as the Emerging Markets Traders Association), and the Foreign Exchange Committee).



*“Accepted Transaction”* has the meaning set forth in Part 5 of the Schedule.

*“Counterparty Transactions”* has the meaning set forth in Section 2.

*“Counterparty FX Transactions”* means Counterparty Transactions that are FX Transactions.

*“Counterparty Option Transactions”* means Counterparty Transactions that are Currency Option Transactions.

*“Dealer Notice”* has the meaning set forth in Section 4(b).

*“Designated Party”* means each entity designated as such in a Notice.

*“Designated Party Notice”* means the notice of the relevant Counterparty Transaction received by Prime Broker from the relevant Designated Party.

*“Dollar Value”* means, with respect to an amount of currency at any time (i) if such currency is U.S. Dollars, such amount and (ii) in all other cases, the amount of U.S. dollars that could be purchased at the market rate prevailing at such time against delivery of such amount of currency on a specified Settlement Date. Such rate shall be determined by Prime Broker (in good faith and in a commercially reasonable manner) to be the midmarket rate available to Prime Broker at such time in the foreign exchange market reasonably selected by Prime Broker. If Prime Broker is unable to obtain a market rate pursuant to the preceding sentence, Prime Broker will determine the rate in good faith and in a commercially reasonable manner.

*“Master Agreement”* has the meaning set forth in the applicable Schedule.

*“Material Terms”* means (i) for Counterparty FX Transactions: Settlement Date, amounts of each currency to be delivered by each party, and any other terms considered material in the market; and (ii) for Counterparty Option Transactions: the amounts of each currency, the type of Currency Option Transaction (e.g., American or European), the Strike Price, Premium, Expiration Date, and any other terms considered material in the market.

*“Net Daily Settlement Amount”* means, with respect to Counterparty Transactions executed by a Designated Party for any Settlement Date, the sum of the Dollar Value for each currency for which the aggregate Dollar Value results in a net amount owed to Prime Broker by Dealer with respect to such Counterparty Transactions, excluding any option premia that may be owed to Prime Broker and assuming (i) in respect of Counterparty Option Transactions, the exercise thereof on the Expiration Date and (ii) in respect of Counterparty FX Transactions that are Non-Deliverable, the actual exchange of the amounts of the relevant currencies.

*“Net Open Position”* means the aggregate amount owed by Dealer to Prime Broker with respect to Counterparty Transactions executed by a Designated Party, calculated as follows:

- (A) for each Counterparty FX Transaction (assuming, in respect of Counterparty FX Transactions that are Non-Deliverable, the actual exchange of the amounts of the relevant currencies), determine the Dollar Value for each currency (including



U.S. dollars) owed by Dealer to Prime Broker or owed by Prime Broker to Dealer under such Counterparty FX Transaction;

- (B) for each currency (including U.S. Dollars), determine the net Dollar Value amount owed by Dealer to Prime Broker or owed by Prime Broker to Dealer by summing the Dollar Values of all long and short positions in such currency as determined in clause (A) above;
- (C) for each Counterparty Option Transaction purchased or sold by Dealer in a Counterparty Transaction executed by such Designated Party, determine the Dollar Value of such Counterparty Option Transaction pursuant to the applicable methodology specified in the Schedule; and
- (D) aggregate (i) the Dollar Value amounts determined pursuant to clause (B) and (ii) the Dollar Value amount or amounts determined pursuant to clause (C) above pursuant to the applicable methodology specified in the Schedule.

*“Netted Option”* means a Counterparty Option Transaction sold by Prime Broker and owned by Dealer which shall, for the purposes of determining the Net Daily Settlement Amount and Net Open Position, be discharged and terminated together with a Counterparty Option Transaction sold by Dealer and owned by Prime Broker upon satisfying the following criteria:

- (i) each Counterparty Option Transaction being with respect to the same Put Currency and Call Currency;
- (ii) each having the same Expiration Date and Expiration Time;

- (iii) each being of the same style, i.e., either both being American Style Options or both being European Style Options;
- (iv) each having the same Strike Price;
- (v) each being transacted by the same pair of Offices of Dealer and Prime Broker;
- (vi) neither of which shall have been exercised by delivery of a Notice of Exercise;
- (vii) each having the same other Material Terms, except that the currency amounts need not be the same in the case of a partial discharge and termination; and
- (viii) each having been executed by the same Designated Party.

In the case of a partial discharge and termination (i.e., where the relevant Counterparty Option Transactions are for different amounts of the Currency Pair), only the portion discharged and terminated shall be considered a Netted Option.

*“Notice”* has the meaning set forth above in this Section.

*“Notice of Barrier Event”* means telex, telephonic, or other electronic notification (excluding facsimile transmission) given by the calculation agent with respect to a Counterparty Option Transaction immediately following a Barrier Event, as agreed to at the time such Counterparty Option Transaction is entered into, as evidenced in a confirmation.

*“Proceedings”* means any suit, action, or other proceedings relating to this Agreement.



## 2. Authorization.

Prime Broker has authorized each party designated as a Designated Party in a Notice to enter into foreign exchange transactions (“Counterparty Transactions”) on its behalf with Dealer. Such Counterparty Transactions shall be limited to the types, maximum tenors, currencies, and Specified Offices of Dealer and Prime Broker, as specified in such Notice. No Designated Party may make or receive deliveries of currencies on behalf of Prime Broker, or give any directions in respect of deliveries of currencies, in connection with any Counterparty Transaction.

Notices shall be substantially in the form of Exhibit 1 hereto. Each Notice shall supplement, be governed by, and form a part of this Agreement. Any Counterparty Transactions entered into under this Agreement shall be subject to the Master Agreement.

## 3. Limits.

With respect to Counterparty Transactions, the authority set forth in Section 2, in respect of any particular Designated Party, is expressly limited to a Net Daily Settlement Amount not to exceed the Settlement Limit and a Net Open Position not to exceed the Net Open Position Limit, as set forth in the applicable Notice. Such Settlement Limit and Net Open Position Limit shall apply only to Counterparty Transactions entered into between Prime Broker and Dealer.

## 4. Accepted Transactions.

(a) Dealer acknowledges and agrees that Prime Broker shall not be liable for any Counterparty Transaction unless (i) such Counterparty Transaction is a Counterparty

Transaction as set forth in the Notice with respect to the Designated Party executing such Counterparty Transaction; (ii) giving effect to such Counterparty Transaction does not cause the Net Daily Settlement Amount to exceed or further exceed the applicable Settlement Limit or the Net Open Position to exceed or further exceed the applicable Net Open Position Limit (without the prior written consent of Prime Broker); (iii) Dealer and such Designated Party shall have committed to the Material Terms of such Counterparty Transaction; (iv) such Counterparty Transaction has been entered into by Dealer acting through a Specified Office; (v) Prime Broker has received from Dealer a Dealer Notice; and, if specified as applicable in Part 4 of the Schedule, (vi) Prime Broker has received from Designated Party a Designated Party Notice setting forth Material Terms that match those in such Dealer Notice.

- (b) Dealer shall promptly communicate the Material Terms of each Counterparty Transaction by notifying Prime Broker via Reuters or any other systems as the parties may mutually agree (or via telephonic communication in the event Reuters or any agreed alternative method is nonoperational) (“Dealer Notice”).
- (c) The trade acceptance provisions selected in Part 5 of the Schedule shall be applicable. In addition, Prime Broker shall comply with the applicable notification requirements, if any, set forth in Part 6 of the Schedule.





## 5. Exercise of Options.

- (a) Notwithstanding any terms of a confirmation that may be to the contrary, if Dealer has entered into an Accepted Transaction in which it is the seller of a Counterparty Option Transaction, such Counterparty Option Transaction may be exercised by delivery of a Notice of Exercise by the Designated Party that executed such Transaction to Dealer, which shall constitute exercise by Prime Broker.
- (b) Notwithstanding any terms of a confirmation or Master Agreement that may be to the contrary, if Dealer has entered into an Accepted Transaction in which it is the owner of a Counterparty Option Transaction, such Counterparty Option Transaction may only be exercised by contemporaneous delivery of a Notice of Exercise by Dealer to each of Prime Broker and the Designated Party that executed such Accepted Transaction.
- (c) Where a Counterparty Option Transaction has knock-in and/or knock-out features, if Dealer is the calculation agent with respect to such Transaction, Dealer is required to notify promptly the Designated Party and Prime Broker of a knock-in or knock-out strike event by delivery of a Notice of Barrier Event.
- (d) No provision of this Section 5 overrides any provision in the applicable Master Agreement concerning Automatic Exercise as such term is used in the Master Agreement.

## 6. Representations/Warranties.

Prime Broker and Dealer each represents, warrants, and agrees as of the date of this

Agreement and as of the date of each Counterparty Transaction entered into pursuant to this Agreement that (a) it has authority to enter into this Agreement and each Counterparty Transaction; (b) the persons executing this Agreement and entering into such Counterparty Transaction have been duly authorized to do so; (c) this Agreement is binding upon it and enforceable against it in accordance with its terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium, or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)) and does not and will not violate the terms of any agreements to which such party is bound; and (d) it will be relying on this Agreement in entering into Accepted Transactions in accordance with the instructions of the Designated Party.

## 7. Termination/Change.

- (a) This Agreement shall remain in effect unless and until terminated by Prime Broker or Dealer. Such termination shall be communicated in writing in accordance with Section 8 hereto. Termination of this Agreement shall have no effect upon any Counterparty Transaction executed in accordance with the provisions hereof prior to the effectiveness of such termination.
- (b) Prime Broker may amend the Notice, in whole or in part, at any time in writing in accordance with Section 8 hereto.



- (c) Any notification of termination pursuant to Section 7(a) or any notification of amendment to the Notice pursuant to Section 7(b) shall be effective one hour after receipt. Any such notification, if delivered to the recipient at a time when the recipient is not open for business, shall be effective one hour after the recipient opens for business.

## **8. Notices/Communications.**

- (a) Unless otherwise provided in this Agreement or otherwise agreed, all notices, instructions, and other communications to be given to a party under this Agreement may be given in writing or by facsimile transmission, electronic messaging system, e-mail, or telephone and shall be given to the address, facsimile number, or telephone number and to the individual or department and during the hours specified by such party in accordance with the Schedule. Unless otherwise specified, any notice, instruction, or other communication given in accordance with this Agreement shall be effective upon receipt. Notices required hereunder to be in writing may be given by facsimile transmission or e-mail if a facsimile number or e-mail address, respectively, is specified for the intended recipient in the Schedule. A party may change its notice details by notice given to the other party pursuant to the provisions of this Section 8.
- (b) The parties agree that each party may electronically record all telephonic conversations between them relating to the subject matter of this Agreement and that any such tape recordings may be submitted in evidence in any Proceedings.

## **9. Miscellaneous.**

- (a) In the event any one or more of the provisions contained in this Agreement is held invalid, illegal, or unenforceable in any respect under the law of any jurisdiction, the validity, legality, and enforceability of the remaining provisions under the law of such jurisdiction and the validity, legality, and enforceability of such and any other provisions under the law of any other jurisdiction shall not in any way be affected or impaired thereby.
- (b) No indulgence or concession granted by a party and no omission or delay on the part of a party in exercising any right, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or privilege preclude any other or further exercise thereof or the exercise of any other right, power, or privilege.
- (c) No amendment, modification, or waiver of this Agreement will be effective unless in writing, executed by each of the parties. This Agreement (and each amendment, modification, and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.
- (d) This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to conflict of laws provisions. With respect to any Proceedings, each party irrevocably (i) submits to the nonexclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City and (ii) waives any objection that it may





have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have jurisdiction over such party. Nothing in this Agreement precludes a party from bringing Proceedings in any other jurisdiction nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

- (e) Each party hereby irrevocably waives any and all right to trial by jury in any Proceedings.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

PRIME BROKER

DEALER

(Name of party): \_\_\_\_\_

(Name of party): \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

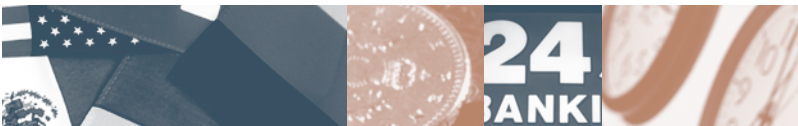
Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



# Master FX Give-Up Agreement

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## Schedule

Dated as of \_\_\_\_\_  
between \_\_\_\_\_  
and \_\_\_\_\_

### Part 1.

#### **Calculation of Dollar Value.**

For purposes of the calculation of Dollar Value, Prime Broker shall use [choose one]:

- spot rate.
- forward rate.

### Part 2.

#### **Calculation with respect to Counterparty Option Transactions.**

For purposes of the calculation of Net Open Position of Counterparty Option Transactions, the following methodology shall be used [choose one]:



- With respect to any Counterparty Option Transactions that are not Netted Options, perform the following calculations: (a) determine the delta equivalent for each such Counterparty Option Transaction and (b) multiply the delta equivalent obtained in (a) by the Dollar Value of the currency that would be received by Prime Broker under the Counterparty Option Transaction if such Counterparty Option Transaction were exercised. Determine the Dollar Value of Counterparty Option Transactions by adding the amounts obtained in (b) above. Determine the Net Open Position by adding (i) the Dollar Value amount determined pursuant to clause (B) of the definition of Net Open Position for each currency with respect to which Dealer owes a net aggregate amount to Prime Broker and (ii) the Dollar Value of Counterparty Option Transactions determined pursuant to this paragraph.
  
- With respect to any Counterparty Option Transactions that are not Netted Options, perform the following calculations: (a) Determine the delta equivalent of each leg of each Currency Pair with respect to each such Counterparty Option Transaction. (b) For each currency, aggregate and net the delta equivalent of amounts in such currency deliverable (assuming option exercise) to Prime Broker and payable (assuming option exercise) by Prime Broker. (c) Add the net delta equivalent for each currency to the currency amounts that may be owed to, or payable by, Prime Broker under the Counterparty FX Transactions and then determine for each currency the Dollar Value of this net amount. (d) The Dollar Values of each net currency amount owed to Prime

Broker shall be aggregated and this aggregate amount shall be the Net Open Position.

**Part 3.  
Master Agreement.**

The [ISDA][IFEMA][ICOM][FEOMA][IFXCO] Master Agreement between Prime Broker and Dealer dated as of \_\_\_\_\_, as amended from time to time (as so amended, the "Master Agreement").

**Part 4.  
Conditions.**

Clause 4(a)(vi) shall be [choose one]:

- applicable.
- not applicable.

**Part 5.  
Trade Acceptance.**

The applicable trade acceptance methodology for purposes of Section 4(c) of the Agreement shall be [choose one]:

- Upon satisfaction of the applicable conditions specified in Section 4(a), a Counterparty Transaction shall be deemed accepted by Prime Broker (an "Accepted Transaction"). Prime Broker shall have no obligation to notify Dealer of its acceptance of a Counterparty Transaction.
  
- Upon satisfaction of the applicable conditions specified in Section 4(a), a Counterparty Transaction shall be deemed accepted by Prime Broker (an "Accepted Transaction"). Prime Broker shall have no obligation to notify Dealer of its acceptance of a Counterparty Transaction;



provided, however, that if Prime Broker does not notify Dealer of its acceptance or rejection of a Counterparty Transaction within a period equal to the Number of Hours of Prime Broker’s receipt of Dealer Notice, such Counterparty Transaction shall be deemed accepted by Prime Broker on the basis of the Material Terms set forth in Dealer Notice, subject to (a) the satisfactory resolution between Designated Party and Dealer of any mismatch between Dealer Notice and the Designated Party Notice and (b) the applicable conditions set forth in Section 4(a) having otherwise been met.

- ❑ Upon satisfaction of the applicable conditions specified in Section 4(a), a Counterparty Transaction shall be deemed accepted by Prime Broker (an “Accepted Transaction”). If Prime Broker does not notify Dealer of its acceptance or rejection of a Counterparty Transaction within a period equal to the Number of Hours of Prime Broker’s receipt of Dealer Notice, such Counterparty Transaction shall be deemed accepted by Prime Broker on the basis of the Material Terms set forth in Dealer Notice.

Number of Hours for purposes of Part 5:  
[specify if applicable] \_\_\_\_\_

**Part 6.**

**Notification by Prime Broker.**

The provisions of this Part 6 shall be [choose one]:

- ❑ applicable.
- ❑ not applicable.

Prime Broker shall notify Dealer if (i) the Material Terms set forth in a Dealer Notice in respect of a Counterparty Transaction do not match the Material Terms set forth in the Designated Party Notice received from Designated Party with respect to such Counterparty Transaction within a period equal to the Number of Hours of Prime Broker’s receipt of the later of Dealer Notice or Designated Party Notice or (ii) Prime Broker has not received a Designated Party Notice with respect to a Dealer Notice within a period equal to the Number of Hours of Prime Broker’s receipt of Dealer Notice.

Prime Broker shall not be responsible or liable for any failure to or delay in notifying Dealer as required by this Part 6 arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control.

Number of Hours for purposes of Part 6:  
[specify if applicable] \_\_\_\_\_

**Part 7.**

**Notices pursuant to Section 8.**

For purposes of Section 8 of the Agreement:

Address and other contact details for notices or communications to Prime Broker:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



Address and other contact details for notices or communications to Dealer:

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**Part 8.**

**Notice Periods.**

- ❑ A Dealer Notice will be effective if received by Prime Broker in the locations indicated in the Schedule at any time beginning at 5:00 a.m. Sydney time on a Monday in any week until 5:00 p.m. New York time on the Friday of that week.
- ❑ A Dealer Notice will be effective if received by Prime Broker in the locations indicated in the Schedule on any Monday through Friday from 9:00 a.m. to 5:00 p.m. at the location (excluding days that are not Business Days in that

location). If a Dealer Notice is received after 5:00 p.m. in such location, it will be deemed to be received at 9:00 a.m. on the immediately succeeding Business Day in that location. If a Dealer Notice is received before 9:00 a.m. in such location on a Business Day, it will be deemed to be received at 9:00 a.m. on such Business Day.

**Part 9.**

**Electronic Trading Platforms.**

Transactions may be executed through electronic trading platforms that provide for prime brokerage transactions upon the agreement of Prime Broker, Designated Party, and Dealer.

Any notices required by this Agreement may be made in accordance with the rules and agreements of such electronic platform(s) and such rules and agreements are hereby incorporated into the Agreement.



# Master FX Give-Up Agreement

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## Notice

DEALER

Name: \_\_\_\_\_

Address: \_\_\_\_\_

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Ladies and Gentlemen:

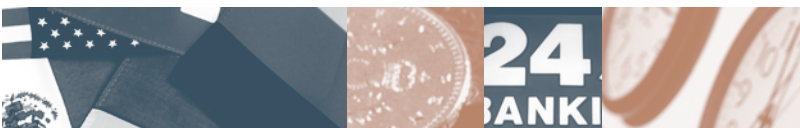
\_\_\_\_\_ (“Prime Broker”) and \_\_\_\_\_ (“Dealer”)

are parties to a Master FX Give-Up Agreement dated as of \_\_\_\_\_  
(the “Agreement”). All capitalized terms used in this Notice without definition shall  
have the meanings given to such terms in the Agreement.

**1. Designated Party:** Shall mean \_\_\_\_\_.

**2. Counterparty Transactions:** foreign exchange:

- Spot
- Tom next
- Deliverable forwards
- Non-Deliverable forwards





Deliverable Currency Option transactions (which shall consist of Puts and Calls) of the following types:

\_\_\_\_\_

Non-Deliverable Currency Option Transactions of the following types: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_.

Other: \_\_\_\_\_,

in each case, with the maximum tenor specified in this Notice.

**3. Permitted Currencies:** \_\_\_\_\_.

**4. Maximum Tenor:** \_\_\_\_\_ from Trade Date.

**5. Settlement Limit:** \_\_\_\_\_.

**6. Net Open Position Limit:** \_\_\_\_\_.

**7. Specified Offices:**

For Prime Broker: \_\_\_\_\_.

For Dealer: \_\_\_\_\_.

Very truly yours,

PRIME BROKER

(Name of party): \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Agreed:

DEALER

(Name of party): \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

