

# International Foreign Exchange and Currency Option Master Agreement



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## IFXCO Adherence Agreement

This is to confirm the agreement of \_\_\_\_\_ (“Party A”)  
and \_\_\_\_\_ (“Party B”)

(collectively, the “Parties”), as of [Insert Date], to the IFXCO Master Agreement Terms, published in June 2005 by the Foreign Exchange Committee in association with the British Bankers’ Association, the Canadian Foreign Exchange Committee, and the Japanese Bankers Association, as amended as of the date of this agreement (the “Terms”). This agreement constitutes an Adherence Agreement, as referred to in the Terms.

The definitions and provisions contained in the Terms are hereby incorporated into this Adherence Agreement.

### **Part I. Scope of the Agreement as to Outstanding Transactions**

Date of this Adherence Agreement: \_\_\_\_\_

The Terms shall apply to all FX Transactions outstanding between any two Offices of the Parties on the Effective Date unless otherwise specified in this Part I.

The Terms shall apply to all Currency Option Transactions outstanding between any two Offices of the Parties on the Effective Date unless otherwise specified in this Part I.

The Effective Date shall be the date of this Adherence Agreement unless otherwise specified in this Part I.

### **Part II. Offices**

Each office of Party A and Party B shall be an Office unless otherwise specified in this Part II.

### **Part III. Settlement Netting**

The settlement netting provisions of Section 3.2 of the Terms shall not be effective unless otherwise specified in this Part III.

[If such provisions are effective, the following Offices shall form the relevant branch pairs for the purposes thereof:



Party A: \_\_\_\_\_

Party B: \_\_\_\_\_

And such provisions shall be effective as of [the Effective Date].]

**Part IV. Certain Regulatory Representations and/or Local Law Provisions**

[The representations, warranties, and undertakings in Annex 2A to the Terms shall apply.]

[The representations, warranties, and undertakings in Annex 2B to the Terms shall apply.]

[The representations, warranties, and undertakings in Annex 3 to the Terms shall apply.]

**Part V. Additional Covenants**

The following covenant(s) shall apply:

Promptly upon execution of the Adherence Agreement, each Party shall deliver to the other documents certifying (a) the authority of its signatory, including a resolution of its board of directors or governing body, if applicable; and (b) incumbency and signature.

From time to time, each Party shall deliver financial statements or other documentation reasonably requested by the other Party (unless already in possession of the requesting Party).

**Part VI. Threshold Amount**

For purposes of Section 5(j) of the Terms:

Party A's Threshold Amount is zero (\$0) unless otherwise specified in this Part VI.

Party B's Threshold Amount is zero (\$0) unless otherwise specified in this Part VI.

**Part VII. Additional Events of Default**

The following provisions, which are checked, shall constitute additional Events of Default:

- (a) the failure by a Party to give adequate assurances of its ability to perform any of its obligations under the Agreement within two (2) Business Days of a written request to do so when the other Party has reasonable grounds for insecurity.
- (b) occurrence of garnishment or provisional garnishment against a claim against the Nondefaulting Party acquired by the Defaulting Party. The automatic termination provision of Section 6.1 [shall][shall not] apply to either Party that is a Defaulting Party in respect of this Event of Default.
- (c) suspension of payment by the Defaulting Party or any Credit Support Provider in accordance with the Bankruptcy Law or the Corporate Reorganization Law in Japan. The automatic termination provision of Section 6.1 [shall][shall not] apply to either Party that is a Defaulting Party in respect of this Event of Default.
- (d) disqualification of the Defaulting Party or any Credit Support Provider by any relevant bill clearing house located in Japan. The automatic termination provision of Section 6.1 [shall][shall not] apply to either Party that is a Defaulting Party in respect of this Event of Default.

**Part VIII. Automatic Termination**

The automatic termination provision of Section 6.1 of the Terms [shall][shall not] apply to Party A as Defaulting Party in respect of clause (b), (c), or (d) of the definition of Event of Default.

The automatic termination provision of Section 6.1 of the Terms [shall][shall not] apply to Party B as Defaulting Party in respect of clause (b), (c), or (d) of the definition of Event of Default.

**Part IX. Notices**

*If sent to Party A:*

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

Telephone number: \_\_\_\_\_

Telex number: \_\_\_\_\_ Facsimile number: \_\_\_\_\_

Name of individual or department to whom notices are to be sent: \_\_\_\_\_

*If sent to Party B:*

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

Telephone number: \_\_\_\_\_

Telex number: \_\_\_\_\_ Facsimile number: \_\_\_\_\_

Name of individual or department to whom notices are to be sent: \_\_\_\_\_

**Part X. Payment Instructions**

With respect to each Party, as may be set forth in such Standard Settlement Instructions as may be specified by such Party, or as may be otherwise specified by such Party, in a notice given in accordance with Section 9.4 of the Terms.

**Part XI. Credit Support**

For avoidance of doubt, a Credit Support Document shall include any agreement or document of the type mentioned in the definition of such term whether or not specifically mentioned in this Part or elsewhere, and a Credit Support Provider includes any third party of the type mentioned in the definition of such latter term whether or not specifically mentioned in this Part or elsewhere.

[In accordance with Section 9.13 of the Terms and without limitation of the definition of Credit Support Document in Annex 1 of the Terms, the following shall be a Credit Support Document:

The *1999 Collateral Annex* (the "Collateral Annex") as published by the Foreign Exchange Committee, the terms of which are hereby incorporated herein, with the following variables having the following meanings:

Pledgor: \_\_\_\_\_

Secured Party: \_\_\_\_\_

Date of Collateral Annex: \_\_\_\_\_

Master Agreement: the Master Agreement (the Terms and this Adherence Agreement)

Collateral Percentages of Eligible Collateral: \_\_\_\_\_

Transfer of Other Eligible Collateral: \_\_\_\_\_

Securities Intermediary: \_\_\_\_\_

Independent Amount: \_\_\_\_\_



Threshold Amount: \_\_\_\_\_

Collateral Annex Events of Default: \_\_\_\_\_

Cutoff Time: \_\_\_\_\_

Minimum Delivery/Return Amounts: \_\_\_\_\_

Rounding Convention: \_\_\_\_\_

Substitutions/Use of Collateral: \_\_\_\_\_

Section 5.1 of the Collateral Annex [shall][shall not] apply.

Section 5.2 of the Collateral Annex [shall][shall not] apply.

U.S. Dollar Collateral: \_\_\_\_\_

Collateral Management Offices: \_\_\_\_\_

Net Exposure: \_\_\_\_\_

Other Provisions: \_\_\_\_\_ ]

**Part XII. Governing Law**

In accordance with Section 10.1 of the Terms, the Agreement shall be governed by the laws of:

- the State of New York; and provided that the exclusion of conflict of laws principles in Section 10.1 of the Terms shall exclude only those principles or rules that would result in the application of the laws of another jurisdiction.
- England and Wales.
- Japan.

**Part XIII. Consent to Jurisdiction**

In accordance with Section 10.2 of the Terms, each Party irrevocably 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.
- the courts of England.
- the Tokyo District Court.

**Part XIV. Agent for Service of Process**

[Not applicable.]

[Party A appoints the following as its agent for service of process in any Proceedings in [the State of New York][England and Wales][Japan]: \_\_\_\_\_.]

[Party B appoints the following as its agent for service of process in any Proceedings in [the State of New York][England and Wales][Japan]: \_\_\_\_\_.]

BY EXECUTING THIS ADHERENCE AGREEMENT, EACH PARTY REPRESENTS AND WARRANTS THAT IT HAS RECEIVED A COPY OF, AND UNDERSTANDS AND CONSENTS TO, THE TERMS AND PROVISIONS OF THE TERMS REFERENCED IN THE HEADING OF THIS ADHERENCE AGREEMENT.<sup>1</sup>

ACCEPTED AND AGREED:

PARTY A: \_\_\_\_\_

By \_\_\_\_\_

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

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

PARTY B: \_\_\_\_\_

By \_\_\_\_\_

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

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

<sup>1</sup>Although not required, some parties may prefer to attach and/or execute a copy of the Terms.