

# MASTER AGREEMENT FOR FOREIGN EXCHANGE AND DERIVATIVE TRANSACTIONS



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# AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

## MASTER AGREEMENT FOR FOREIGN EXCHANGE AND DERIVATIVE TRANSACTIONS

**Between:** Australia and New Zealand Banking Group Limited (A.B.N. 11 005 357 522) of Level 12, 530 Collins Street, Melbourne VICTORIA 3000

Further details for notices: Facsimile: 613 9273 3444 Attention: Manager, Derivative Operations

**And Customer:** [Name of customer]

Further details for notices: Facsimile: [ ] Attention: [ ]

### Warning

Transactions covered by this agreement involve the risk of loss (for example, because of movements in market rates). You should not enter into these transactions if you do not understand the risks. It is your responsibility to monitor your transactions. We will not be liable for your losses in any circumstances.

We recommend that you read all relevant documents that are provided to you and that you ask us about any issues that concern you.

## 1 MEANING OF WORDS

1.1 The following terms have the following meaning when used in this master agreement:

**bankrupt** means bankrupt, committing acts of bankruptcy (both as defined in the Bankruptcy Act 1966 (Cth) ), entering into an arrangement under Part X of the Bankruptcy Act and the occurrence of anything analagous under the laws of any applicable jurisdiction.

**business day** means a day on which commercial banks are open for business (including dealings in foreign exchange) in Sydney.

**foreign exchange transactions** includes spot and forward transactions.

**insolvent** means insolvent or an insolvent under administration (each as defined in the Corporations Act 2001), in receivership, in receivership and management, under administration, in liquidation, in provisional liquidation, subject to statutory management or judicial management, wound up, subject to any arrangement, assignment or composition, or dissolved.

**interest rate option transactions** includes caps, collars and floors.

**master agreement** means this agreement between you and us and includes the schedule(s).

**option transactions** includes currency option transactions and interest rate option transactions.

**person** includes an individual, a firm, a corporation or any other body corporate, an unincorporated association or an authority.

**swap transactions** includes interest rate swap transactions and cross currency interest rate swap transactions.

**transactions** means:

- (a) foreign exchange transactions;
- (b) forward rate agreements;
- (c) option transactions;
- (d) swap transactions;
- (e) swaption transactions; and
- (f) any combination, synthesis or derivative of any of the above.

**we** or **us** or **our** means Australia and New Zealand Banking Group Limited (A.B.N. 11 005 357 522) and its successors and assigns.

**you** means the person or persons named at the beginning of this document as "customer". **You** includes your successors and assigns.

1.2 To the extent that any of these terms are defined to the contrary in either a schedule to this master agreement or a confirmation of a transaction, then the definition in the schedule or the confirmation prevails over the definition in clause 1.1 to the extent necessary to construe the schedule or the relevant confirmation.

## 2 SCOPE OF AGREEMENT

2.1 This master agreement governs all transactions entered into between you and us on or after the date of this master agreement even if no reference is made to this master agreement in a confirmation of a transaction.

- 2.2 This master agreement also governs all transactions entered into between you and us before the date of this master agreement.
- 2.3 Despite clauses 2.1 and 2.2, you and we can agree in writing that a particular transaction (or class of transactions) is not to be governed by this master agreement.
- 2.4 This master agreement and all transactions constitute a single agreement between you and us (collectively referred to as "this agreement").

### **3 ENTERING TRANSACTIONS**

- 3.1 Transactions are normally entered into orally or electronically. You and we are bound by the terms of a transaction from the moment:
- (a) (if the transaction is entered into orally) you orally communicate your acceptance of those terms to our dealing personnel; or
  - (b) (if the transaction is entered into electronically, via an electronic service agreed to by us) we are deemed to have received your electronic acceptance in accordance with the agreed terms of the relevant service.
- 3.2 We will also send you (by post, fax or electronically) a confirmation setting out certain details of the transaction entered into between you and us in accordance with clause 3.1. Within one business day of receiving the confirmation, you must:
- (a) notify us that you believe that the details of the transaction are not correctly set out in the confirmation; or
  - (b) acknowledge that the confirmation is correct:
    - (i) by signing a copy and delivering it to us; or
    - (ii) using any other method of acknowledgment that has been agreed between you and us.
- 3.3 The confirmation will be deemed to correctly set out the details of that transaction unless you have notified us in accordance with clause 3.2(a) of any error you believe the confirmation contains and the confirmation does in fact contain that error.
- 3.4 The existence of a binding transaction is not conditional on either our issuance or your receipt of a confirmation of the transaction. Accordingly, your failure to receive a confirmation does not invalidate or otherwise prejudice the existence of a transaction.
- 3.5 If included, the terms and conditions set out in schedule 2 govern your use of, and access

to, ANZ FX Online. If there is any inconsistency between the terms of schedule 2 and the other terms of this master agreement, then the terms of schedule 2 prevail to the extent of the inconsistency.

### **4 PAYMENTS AND OTHER OBLIGATIONS**

- 4.1 You and we must make the payments and perform other obligations required under each transaction in the places and in the manner agreed, or if it has not been agreed, as we nominate. Any payments to be made by you under a transaction or otherwise in connection with this agreement must be made in cleared and immediately available funds.

However, if you and we owe each other amounts under this agreement in respect of the same product type, in the same currency, on the same day, and we notify you that we want to net the amounts owing between you and us, the party owing the higher amount must pay the other the difference between those amounts. In those circumstances the other party would not make a payment.

- 4.2 Each of our obligations to make a payment or perform an obligation referred to in clause 4.1 is subject to the condition precedent that none of the events referred to in clause 5.1 has occurred and is continuing.
- 4.3 The schedule to this master agreement (as amended by agreement between the parties from time to time) contains certain standard terms that are to be used in conjunction with the relevant confirmation to evidence the payment and other obligations of each party in relation to a transaction. If there is any inconsistency between the terms of a confirmation for a transaction and this master agreement (including the schedule) then the terms of the confirmation will prevail in respect of the transaction.

### **5 DEFAULT**

- 5.1 The following events are events of default in respect of a party:
- (a) the party does not pay on time any amount due under this agreement and the failure to pay is not rectified for a period of 3 business days; or
  - (b) the party does something it agrees not to do, or does not do something it agrees to do, under or in connection with this agreement; or
  - (c) the party does not perform on time any of its obligations to the other party under other agreements with the other party; or
  - (d) a representation made by the party in connection with this agreement is

untrue or misleading in any material respect; or

- (e) the party defaults:
  - (i) if the defaulting party is you, in an amount that exceeds AUD500,000; or
  - (ii) if the defaulting party is us, in an amount that exceeds AUD10,000,000,
- on one or more payments or other obligations that it owes to any person in respect of money borrowed or raised or under any finance lease, redeemable preference share, letter of credit, guarantee, indemnity, transaction or any other financial markets transaction;
- (f) in our case, we become insolvent;
- (g) in your case, you become bankrupt or you die or become subject to a mental disability which impairs your contractual capacity.

5.2 Each party must notify the other if it becomes aware of the occurrence of an event described in clause 5.1 in respect of itself. Where an event described in clause 5.1 occurs in respect of a party, the other party may terminate all (but not just some) outstanding transactions as at the date specified by the other party.

If a party elects to terminate, neither party need make further payments or perform obligations for the terminated transactions under clause 4. Instead, this clause 5 governs the payments to be made and the obligations to be performed.

5.3 If a party terminates outstanding transactions under clause 5.2, we must calculate in Australian dollars (or any other currency as we select in good faith) the mark-to-market value of each transaction as at the termination date using prevailing market rates chosen by us in good faith. We determine the mark-to-market value having regard to what a person would pay us (expressed as a negative number), or what we would have to pay another person (expressed as a positive number), to take over your rights and obligations under the terminated transactions.

The sum of all positive mark-to-market values is to be netted against the sum of all negative mark-to-market values to obtain a net amount. If as a result of this calculation the net amount is positive, you must pay us an amount equal to that overall net amount. Alternatively, if as a result of this calculation the net amount is negative, then, subject to clause 6.5, we must pay you the absolute value of that net amount. We must notify

you as soon as practicable after making those calculations. Payments due under this clause must be made not later than two business days after we give this notice.

## 6 MISCELLANEOUS

- 6.1 **(No assignment)**. You may not assign, mortgage, charge, declare a trust over or otherwise deal with any of your rights under this agreement without our consent.
- 6.2 **(Authority)**. Each party represents and warrants that:
  - (a) it has the power to enter this master agreement and each transaction;
  - (b) this master agreement and each transaction is binding on it; and
  - (c) it enters this master agreement and each transaction as a principal and not as a trustee, unless the contrary is disclosed in writing to the other party before execution of this master agreement.

Each of these representations is deemed to be repeated on each date on which a transaction is entered into.

- 6.3 **(Trustee representation)**. If you are the trustee of a trust and enter into this master agreement in your capacity as trustee of that trust, you represent as at the date of this master agreement and are taken to represent on the date of each transaction that:
  - (a) you are not in breach of trust;
  - (b) you are the sole trustee of that trust; and
  - (c) you have a right to be indemnified out of the assets of the trust for all your obligations under this agreement.

6.4 **(Authorised persons)**. You must give us on request a list of persons authorised to sign confirmations on your behalf and promptly notify us of any subsequent changes to the list of authorised persons provided under this clause.

6.5 **(Set-off)**. At any time after we exercise our rights under clauses 5.2 and 5.3, we may set-off any money we owe you under this agreement against any money you owe us (whether or not under this agreement).

6.6 **(Interest)**. You must pay us on demand interest on amounts not paid by you when due. The interest accrues from the due date until you pay the overdue amount. Interest is calculated in a manner determined by us from time to time at a rate equal to 2% pa. above the rate we determine as our cost of funding the overdue amount (we can redetermine this rate from time to time). Each month (or any other periods we choose) we may add to the amount you owe

us any interest payable under this clause that is overdue (ie "capitalise" the interest). You will then be liable for interest under this clause on the total amount.

6.7 **(Costs and other expenses)**. You must pay us for our costs in enforcing or taking any other action in connection with our rights if we become entitled to take action under this agreement. You must also pay us on demand our fees, charges and expenses in connection with transactions.

6.8 **(Consent to telephone recording)**. You consent to our recording our telephone conversations with you.

6.9 **(Our certificate)**. A certificate by us (including, but not limited to, a certificate stating the mark-to-market value of a terminated transaction) about a matter or about a sum payable in connection with this agreement is sufficient evidence of the matter or sum stated in the certificate unless the matter or sum is proved to be false.

6.10 **(No consequential losses)**. If one party breaches its obligations under this agreement, the other party cannot recover consequential losses.

6.11 **(Notices)**. Without limiting clause 3, a notice, confirmation, approval, consent or other communication in connection with this agreement:

- (a) must be in writing;
- (b) may be left at, or sent by prepaid ordinary post (airmail if posted to or from a place outside Australia) to, or sent by facsimile to, the address or facsimile number that is contained at the start of this agreement or such other address or facsimile number that is notified to the parties from time to time on or after the date of this agreement.

6.12 **(Receipt of notices)**. Without limiting clause 3, notices, confirmations, approvals, consents or other communications are taken to be received:

- (a) if sent by post, three days after posting (or seven days after posting if sent to or from a place outside Australia);
- (b) if sent by fax, at the time shown in the transmission report as the time that the whole fax was sent; and
- (c) despite (a) and (b), if they are received after 5pm in the place of receipt or on a non-business day, at 9am on the next business day.

6.13 **(Privacy)**. If you supply us with personal information about an individual who is an officer, employee, agent, contractor or

external adviser of you, you agree to tell that person that:

- (a) we hold personal information about that person;
- (b) this personal information has been collected by us for the purpose of this master agreement and any transaction entered into under it;
- (c) this personal information may be to enter into any transaction under this master agreement and to conduct our business operations (such as risk management, systems development and testing, credit scoring, staff training and market or customer satisfaction research) in relation to this master agreement and transactions;
- (d) this personal information may also be used in relation to:
  - (i) compliance with any relevant laws, regulations, Codes and external payment systems
  - (ii) prevention and investigation of any crime or fraud (or suspected crime or fraud);
- (e) without this personal information, we may not be able to enter into or conduct our business operations in relation to transactions under this master agreement;
- (f) subject to our general duty of confidentiality to you, this personal information may be disclosed to the following third party organisations for the following purposes:
  - (i) our agents, contractors and external advisers who we may engage to carry out or assist us in carrying out our functions and activities in relation to this product;
  - (ii) regulatory bodies, government agencies and law enforcement bodies and other parties we are authorised or required by law to disclose information to;
- (g) subject to the Privacy Act 1988, the individual has the right to access and correct personal information we hold about him or her. We may charge a reasonable fee for this access.
- (h) we may be contacted through any ANZ branch.

6.14 **(Governing law).** This agreement is governed by the law in force in Victoria and the parties submit to the non-exclusive jurisdiction of the courts of Victoria.

6.15 **(Code of Banking Practice)** If the Australian Code of Banking Practice (the "Code") applies to you and if you are an individual or if you are using our products and services in connection with a small business, we are bound by the Code when we provide our products and services to you. A copy of the Code is available at [www.anz.com](http://www.anz.com).

6.16 **(Confidentiality)** Our standard obligations in respect of customer confidentiality apply to any Transactions.

6.17 **(Financial Difficulty)** We recommend that you promptly notify us if you encounter any financial difficulty.

## **7 ANTI-TERRORISM/MONEY LAUNDERING**

7.1 You acknowledge that we are subject to anti Money Laundering laws in Australia and certain other countries which may prohibit us from entering or conducting transactions involving a certain person or entities. You agree that we may, and will incur no liability from any action we take to comply with such laws or regulations.

7.2 You acknowledge that Money Laundering includes dealing with the proceeds of or assets used in criminal activity (wherever committed) and any dealing with funds or assets of, or the provision of finance to, any person or entity involved or suspected of involvement in terrorism or any terrorist act.

7.3 You agree that we may delay, block or refuse to make any payment if we believe on reasonable grounds that making the payment may breach any law in Australia or any other country, and we will incur no liability to you if we do so.

7.4 You agree to provide all information to us which we reasonably require to comply with any law in Australia or any other country. You agree that we may disclose information which you provide to us where required by any law in Australia or any other country.

7.5 Unless you have disclosed that you are acting in a trustee capacity or on behalf of another party, you warrant that you are acting on your own behalf in entering into this master agreement.

7.6 You declare and undertake to us that the payment of monies by us in accordance with

any instructions given by you will not breach any law in Australia or any other country.

## **8 FRAUD AND SECURITY**

8.1 You are responsible for the accuracy and authorisation of all your instructions.

8.2 Any credit limit is imposed for our benefit. You must not rely upon it as a security feature. We may, in our absolute discretion, process, or decline to process, a Transaction in excess of the credit limit, without further reference to you. We may, in our absolute discretion, disapprove a Transaction in excess of the credit limit despite us having previously approved a Transaction(s) in excess of the credit limit.

## **9 COMPLAINT RESOLUTION PROCEDURE**

9.1 **(Dispute handling procedure)** If we make a mistake or our service doesn't meet your expectations, we want to know.

For the fastest possible resolution to your complaint, we recommend you:

- talk to your Relationship Manager or Product Specialist; or
- if unable to do so, talk to your Relationship Manager's or Product Specialist's immediate supervisor.

If the complaint cannot be resolved promptly your Relationship Manager or Product Specialist (or their supervisor), will take responsibility and work with you to fix the matter quickly. Our aim is to resolve any complaint within 10 working days.

If this is not possible, we will keep you informed on the progress of the matter and how long we expect it will take to resolve your complaint.

9.2 **(Financial Services Dispute Resolution Schemes)** If the Australian Code of Banking Practice applies to you and if you are not satisfied with the steps taken by us to resolve a complaint, or with the result of our investigation, you may wish to contact an alternative dispute resolution scheme, such as:

Australian Banking Industry Ombudsman Limited  
GPO Box 3A  
Melbourne Vic 3001  
Telephone: 1300 780 808  
Fax: +61 3 9613 7345  
Internet: <http://www.abio.org.au/>

Executed as an agreement

Dated as of:

**Australia and New Zealand Banking Group Limited**

By (signature) .....

Name: .....

Title: .....

Date: .....

By (signature).....

Name: .....

Title: .....

Date: .....

**Customer**

Customer (signature).....

Customer (name): .....

Date: .....

Witness (signature) .....

Witness (name): .....

Date: .....



# SCHEDULE 1: STANDARD TERMS FOR CONFIRMATIONS

## 1. SCOPE OF SCHEDULE

- 1.1 These standard terms are to be used in conjunction with the relevant confirmation to evidence the payment and other obligations of each party under a transaction.
- 1.2 Each capitalised term used in this schedule has the meaning given to it (or to an equivalent term that is not referred to in this schedule) in respect of a particular transaction in the relevant confirmation.

## 2. BUSINESS DAYS

- 2.1 A "business day" in respect of a transaction means a day on which commercial banks are open for business (including dealings in foreign exchange) in the place specified in the confirmation for the transaction as being applicable for the determination of "Business Days". If no day is specified in a confirmation, then the relevant place will be Sydney.
- 2.2 If a day for the performance of an obligation or exercise of a right under a transaction is not a business day, then the day for the performance of the obligation or exercise of the right will be modified in accordance with the Business Day Convention for the transaction as follows:

If the Business Day Convention is:

- (a) "Following", then the relevant day will be the next business day;
- (b) "Modified Following", then the relevant day will be the next business day unless that day falls in the next calendar month, in which case it will be the first preceding business day; and
- (c) "Preceding", then the relevant day will be the first preceding business day.

If no Business Day Convention is specified in the relevant confirmation, then "Modified Following" will be taken to apply to the transaction.

## 3. FLOATING RATES

- 3.1 The "floating rate" in respect of a Reset Date and a transaction is the sum of the Spread (if any) and the Floating Rate Option for that transaction in respect of that Reset Date.
- 3.2 If the Floating Rate Option is "AUD-BBR-BBSW", then the rate will be the average mid rate quoted on Reuters Screen BBSW page at approximately 10:10am Sydney time on the relevant Reset Date for a bill

having a tenor of the Designated Maturity.

- 3.3 If the Floating Rate Option is "AUD-BBR-BBSY(BID)" then the rate will be the average bid rate quoted on the Reuters Screen BBSY page at approximately 10:10am Sydney time on the relevant Reset Date for a bill having a tenor of the Designated Maturity.
- 3.4 Where the length of a calculation period is not equal to the Designated Maturity, then despite paragraphs 3.2 and 3.3, we may decide that the floating rate for that calculation period is as determined by the Calculation Agent.

## 4. DAY COUNT FRACTIONS AND CALCULATION PERIODS

- 4.1 The "calculation periods" in respect of a transaction are each period from and including one Payment Date (or the Effective Date if it is the first calculation period) to but excluding the next Payment Date (or the Termination Date if it is the last calculation period).
- 4.2 The "day count fraction" in respect of an amount payable by a party is calculated by reference to the Day Count Fraction applicable to that party or amount and the calculation period relevant to the Payment Date on which the amount is payable.

If the relevant Day Count Fraction is:

- (a) "Actual/365 (Fixed)", then the day count fraction is the actual number of days in the relevant calculation period divided by 365; or
- (b) "Actual/360", then the day count fraction is the actual number of days in the relevant calculation period divided by 360.

## 5. FOREIGN EXCHANGE TRANSACTIONS

On the Settlement Date in respect of each transaction that is a foreign exchange transaction each party agrees to pay to the other party the amount of currency specified as being payable by it to the other party in the relevant confirmation.

## 6. CURRENCY OPTION TRANSACTIONS

- 6.1 In respect of each transaction that is a currency option transaction the Buyer agrees to pay the Seller the Premium on the Premium Payment Date.
- 6.2 In respect of each transaction that is described in the relevant confirmation as being a "European" style currency option transaction, if, on the Expiration Date, no later than the Expiration Time, the Buyer

notifies the Seller that the Buyer wants to exercise the currency option, then on the Settlement Date:

- (a) the Buyer agrees to pay the Seller the Put Currency Amount in the Put Currency; and
- (b) the Seller agrees to pay the Buyer the Call Currency Amount in the Call Currency.

6.3 In respect of each transaction that is described in the relevant confirmation as being an "American" style currency option transaction, if, at or before the Expiration Time on the Expiration Date, the Buyer notifies the Seller that the Buyer wants to exercise the currency option, then on the Settlement Date:

- (a) the Buyer agrees to pay the Seller the Put Currency Amount in the Put Currency; and
- (b) the Seller agrees to pay the Buyer the Call Currency Amount in the Call Currency.

6.4 Any notifications under this paragraph 6 must be in writing.

6.5 Unless otherwise stated in a confirmation for a currency option transaction, a currency option that has not otherwise been exercised is deemed to have been exercised at the Expiration Time where the in-the-money amount of the currency option transaction equals or exceeds the product of one percent of the Strike Price multiplied by the Call Currency Amount or the Put Currency Amount (as appropriate).

6.6 The in-the-money amount:

- (a) in relation to a call option, is the amount (if any) in the Put Currency determined by taking the excess of the spot price over the Strike Price and multiplying this excess by the Call Currency Amount with both prices being quoted in terms of the amount of the Put Currency to be paid for one unit of the Call Currency; and
- (b) in relation to a put option, is the amount (if any) in the Call Currency determined by taking the excess of the Strike Price over the spot price and multiplying this excess by the Put Currency Amount with both prices being quoted in terms of the amount of the Call Currency to be paid for one unit of the Put Currency.

6.7 The spot price is the rate of exchange between the Put Currency and the Call Currency that appears at or about the Expiration Time on the Expiration Date of

the currency option transaction on a screen, that in accordance with Australian market conventions is a screen that can be used for this purpose.

6.8 The strike price is the currency exchange rate specified as such in the relevant confirmation, that is the currency exchange rate at which the Put Currency and the Call Currency may be exchanged on exercise of the currency option.

## 7. INTEREST RATE OPTION TRANSACTIONS

This paragraph 7 applies to transactions that are interest rate option transactions.

7.1 The Buyer agrees to pay the Seller the Premium on each Premium Payment Date.

7.2 If on a Reset Date the Cap Rate is less than the floating rate, then:

- (a) if "FRA Basis" or "FRA Discounting" is applicable, the Seller agrees to pay the Buyer on the relevant Payment Date the amount calculated as the difference between:

$$\frac{36500 \times \text{Notional Amount}}{(\text{ND} \times \text{Cap Rate}) + 36500}$$

and

$$\frac{36500 \times \text{Notional Amount}}{(\text{ND} \times \text{floating rate}) + 36500}$$

For this purpose, "ND" is the number of days in the relevant calculation period and the Cap Rate and the floating rate are expressed as a number and not a percentage (eg 8.5 instead of 8.5%); or

- (b) otherwise, the Seller agrees to pay the Buyer on the relevant Payment Date, the amount calculated by reference to the following formula:

$$\frac{\text{Notional Amount} \times (\text{floating rate} - \text{Cap Rate}) \times \text{day count}}{\text{fraction}}$$

7.3 If on a Reset Date the Floor Rate is greater than the floating rate, then:

- (a) if "FRA Basis" or "FRA Discounting" is applicable, the Seller agrees to pay the Buyer on the relevant Payment Date the amount calculated as the difference between:

$$\frac{36500 \times \text{Notional Amount}}{(\text{ND} \times \text{floating rate}) + 36500}$$

and

$$\frac{36500 \times \text{Notional Amount}}{(\text{ND} \times \text{Floor Rate}) + 36500}$$

For this purpose, "ND" is the number of days in the relevant calculation period and the Floor Rate and the floating rate are expressed as a number and not a percentage (eg 8.5 instead of 8.5%); or

- (b) otherwise, the Seller agrees to pay the Buyer on the relevant Payment Date, the amount calculated by reference to the following formula:

$$\frac{\text{Notional Amount} \times (\text{Floor Rate} - \text{floating rate}) \times \text{day count fraction}}{\text{fraction}}$$

## 8. SWAP TRANSACTIONS

This paragraph 8 applies to transactions that are swap transactions.

- 8.1 The Fixed Rate Payer agrees to pay (in the currency specified in the confirmation):
- (a) the fixed amount on each Fixed Rate Payer Payment Date; and
  - (b) any Fixed Rate Payer Initial Exchange Amount, if any, on the Initial Exchange Date; and
  - (c) any Fixed Rate Payer Final Exchange Amount, if any, on the Final Exchange Date.

Where each party is a Fixed Rate Payer, then each party has the obligations referred to above in respect of the amounts and dates applicable to that party.

- 8.2 The fixed amount in respect of a Fixed Rate Payer Payment Date is the amount calculated by reference to the following formula:

$$\text{Notional Amount} \times \text{Fixed Rate} \times \text{day count fraction}$$

- 8.3 The Floating Rate Payer agrees to pay (in the currency specified in the confirmation):
- (a) the floating amount in respect of a Reset Date on the next Floating Rate Payer Payment Date after that Reset Date; and
  - (b) any Floating Rate Payer Initial Exchange Amount, if any, on the Initial Exchange Date; and
  - (c) any Floating Rate Payer Final Exchange Amount, if any, on the Final Exchange Date.

Where each party is a Floating Rate Payer, then each party has the obligations referred to above in respect of the

amounts and dates applicable to that party.

- 8.4 The floating amount in respect of a Reset Date is the amount calculated by reference to the following formula:

$$\text{Notional Amount} \times \text{floating rate} \times \text{day count fraction}$$

- 8.5 Despite the above provisions of this paragraph 8, if "FRA Basis" or "FRA Discounting" is applicable, then the obligations of the parties to make payments in respect of each calculation period will be the same as if the parties had entered into a forward rate agreement in respect of that calculation period.

## 9. FORWARD RATE AGREEMENTS

This paragraph 9 applies to transactions that are forward rate agreements.

- 9.1 In respect of each transaction that is a forward rate agreement, if, on the Reset Date:
- (a) the FRA amount is positive, then the Fixed Rate Payer agrees to pay to the Floating Rate Payer the FRA amount on the Payment Date and the Floating Rate Payer is not obliged to pay a FRA amount; or
  - (b) the FRA amount is negative, then the Floating Rate Payer agrees to pay to the Fixed Rate Payer the absolute value of the FRA amount on the Payment Date and the Fixed Rate Payer is not obliged to pay a FRA amount.

- 9.2 The FRA amount in respect of the Reset Date is:
- (a) if the currency in which the forward rate agreement is based is Australian dollars or New Zealand dollars, the amount calculated as the difference between:

$$\frac{36500 \times \text{Notional Amount}}{(\text{ND} \times \text{floating rate}) + 36500}$$

and

$$\frac{36500 \times \text{Notional Amount}}{(\text{ND} \times \text{Fixed Rate}) + 36500}$$

- (b) otherwise, the amount calculated in accordance with the following formula:

$$\frac{(\text{Fixed Rate} - \text{floating rate}) \times \text{Notional Amount} \times \text{ND}}{(\text{B} \times 100) + (\text{floating rate} \times \text{ND})}$$

For these purposes, "ND" is the number of days in the relevant calculation period,

the Floating Rate and the Fixed Rate are expressed as a number and not a percentage (ie 8.5 instead of 8.5%) and "B" is 360 or 365 depending on the market custom for the relevant currency.

## 10. SWAPTION TRANSACTIONS

This paragraph 10 applies to transactions that are swaption transactions.

10.1 The Buyer agrees to pay the Seller the Premium on each Premium Payment Date.

10.2 Each swaption transaction that is described in the relevant confirmation as being a "European" style swaption transaction may be exercised only:

- (a) on the date specified to be the Exercise Date but no later than the Expiration Time on that date; or
- (b) if no Exercise Date is specified, on the Expiration Time and no later than the Expiration Time.

10.3 Each swaption transaction that is described in the relevant confirmation as being an "American" style swaption transaction may be exercised:

- (a) on any business day during the Exercise Period but no later than the Expiration Time on the Expiration Date; or
- (b) if no Exercise Period is specified, on the Expiration Date or any business day before the Expiration Date but not later than the Expiration Time on the Expiration Date.

10.4 Unless otherwise provided in the confirmation of a swaption transaction, notice of exercise under paragraph 10.2 and 10.3 above must be provided by telephone or in writing. However, no notice of exercise is required if the confirmation for a swaption transaction specifies that "Automatic Exercise" is applicable.

10.5 If the confirmation for a swaption transaction specifies that "Automatic Exercise" is applicable, then at the Expiration Time on the Expiration Date, the Calculation Agent is to determine whether the Buyer is "in the money" under the underlying interest rate swap to which the swaption relates if the swaption were to be exercised.

The swaption is automatically exercised on the Expiration Date if and only if the Calculation Agent has determined that the Buyer is "in the money".

If the Buyer is the Floating Rate Payer in respect of the underlying swap transaction, then the Buyer will be in-the-

money if the Settlement Rate is less than the Fixed Rate.

If the Buyer is the Fixed Rate Payer in respect of the underlying swap transaction, then the Buyer will be in-the-money if the Settlement Rate is more than the Fixed Rate.

The Settlement Rate will be determined by the Calculation Agent in accordance with the method specified in the confirmation.

10.6 If a swaption transaction is exercised, then:

- (a) if Cash Settlement is stated to be applicable to the transaction in the relevant confirmation, on the Cash Settlement Date, the Seller agrees to pay the Buyer the cash settlement amount; and
- (b) if Physical Settlement is stated to be applicable to the transaction in the relevant confirmation, the underlying swap transaction to which the swaption relates becomes effective.

10.7 The "cash settlement amount" means the amount determined by the Calculation Agent.

## 11. ISDA DEFINITIONS

11.1 If a confirmation cannot be construed by reference to the standard terms contained in this schedule and the terms of the confirmation itself (for example if a different Floating Rate Option or Floating Rate Day Count Fraction is specified in and not defined in the relevant confirmation) then the "2000 ISDA Definitions" and the "1998 FX and Currency Option Definitions", each as published by the International Swaps and Derivatives Association, Inc, will be applicable to the extent necessary. Each party undertakes to obtain and review a copy of these definitions should it need to do so to construe a confirmation.

11.2 If there is any inconsistency between the terms of this master agreement (including this schedule) and the ISDA Definitions referred to above, then the terms of this master agreement (including this schedule) will prevail.

## 12. CALCULATION AGENT

12.1 The "Calculation Agent" in respect of a transaction will be us unless otherwise specified in the relevant confirmation.

12.2 The Calculation Agent will, subject to the terms of the relevant confirmation, be responsible for:

- (a) calculating any rates, amounts, periods and dates (including

changes to such rates, amounts, periods and dates) specified in the confirmation or as designated by the parties; and

- (b) giving notice to the relevant party of such rates, amounts, periods and dates; and

- (c) giving reasonable details to the relevant party of the method of calculation of such rates, amounts, periods and dates.

## SCHEDULE 2: TERMS AND CONDITIONS GOVERNING ANZ FX ONLINE

### 1 ACCESSING ANZ FX ONLINE

- 1.1 We will make available to you a service known as "ANZ FX Online" in order to facilitate electronic:
- (1) trading of foreign exchange and currency options transactions; and
  - (2) supply of other goods and services.
- 1.2 ANZ FX Online services will be supplied through the ANZ Website, the internet or any website, wide area network, wireless data network, intranet or any other electronic link which we may designate from time to time.
- 1.3 We will provide you with computer software to enable you to connect to us and to access ANZ FX Online using an electronic and telecommunications link. We will do so by either providing you with a diskette or other storage media containing the computer software or enabling you to download such computer software from the ANZ Website. The sub-licensing of this computer software by us to you is subject to the terms of our licence agreement with the copyright owners.
- 1.4 We will provide you with instructions for the operation and use of ANZ FX Online and you will use ANZ FX Online strictly in accordance with these instructions and this agreement.
- 1.5 We may act on and process all Electronic Instructions issued or transmitted through ANZ FX Online using the password, encryption keys or other access procedures and security information referable to you without your further consent, reference or notice.
- 1.6 We may treat such Electronic Instructions as authentic and we are under no obligation to investigate the authenticity or authority of persons issuing or transmitting such Electronic Instructions or verify the accuracy and completeness of such Electronic Instructions.
- 1.7 We will provide you with computer software and instructions for use of ANZ FX Online referred to above on receipt of a counterpart of this agreement executed by you.

### 2 ENTRY INTO TRANSACTIONS USING ANZ FX ONLINE

- 2.1 The parties may enter into a transaction using ANZ FX Online by us making an electronic offer via ANZ FX Online to you and you electronically communicating your acceptance of that offer via ANZ FX

Online to us. A binding transaction exists when

we receive your electronic acceptance. We will be deemed to have received your acceptance of our electronic offer only when:

- (a) the Electronic Instruction containing your acceptance enters the ANZ FX Online database;
- (b) a deal record is created by the ANZ FX Online database; and
- (c) a deal number is generated by the ANZ FX Online database.

- 2.2 We will not be bound by the terms of a transaction entered into using ANZ FX Online until the Electronic Instruction containing your acceptance of our electronic offer has been received by us in the manner specified in clause 2.1.

- 2.3 You acknowledge that the transmission of your acceptance through an Electronic Instruction may not be received by us in accordance with clause 2.1 for reasons beyond either parties' reasonable control including but not limited to mechanical, software, computer, telecommunications or electronic failure. You further acknowledge that, to the extent permitted by law, we are not liable to you in any way for any loss or damage arising directly or indirectly in connection with the transmission of an Electronic Instruction through ANZ FX Online or any failure to receive an Electronic Instruction for whatever reason excluding loss or damage arising directly from the negligence or fraud of us, our officers or our employees.

- 2.4 Where a transaction is entered into using ANZ FX Online in the manner specified in clause 2.1, an electronic deal acknowledgment will be issued by us to you via ANZ FX Online. The electronic deal acknowledgment does not constitute a "confirmation" as referred to in clause 3.2 of the master agreement.

- 2.5 The existence of a binding transaction entered into using ANZ FX Online is not conditional on either our issuance or your receipt of an electronic deal acknowledgment. Accordingly, your failure to receive an electronic deal acknowledgment via ANZ FX Online does not invalidate or otherwise prejudice the existence of a transaction entered into using ANZ FX Online.

- 2.6 Despite clause 2.4 above, you are responsible for ensuring that you receive an electronic deal acknowledgment and

you should notify our relevant relationship dealer if you do not receive one within 1 business day of the date on which you sent an Electronic Instruction to us.

### **3 CONFIRMATION OF A TRANSACTION ENTERED INTO USING ANZ FX ONLINE**

- 3.1 Once a transaction has been entered into using ANZ FX Online, we will issue you with an electronic or paper confirmation of the transaction. Where we issue an electronic confirmation, it constitutes a "confirmation" as referred to in clause 3.2 of the master agreement.
- 3.2 The existence of a binding foreign exchange transaction entered into using ANZ FX Online is not conditional on either our issuance or your receipt of an electronic or paper confirmation of the transaction. Accordingly, your failure to receive an electronic or paper confirmation of the transaction does not invalidate or otherwise prejudice the existence of a transaction entered into using ANZ FX Online.
- 3.3 Despite clause 3.1 above, you are responsible for ensuring that you receive an electronic or paper confirmation of the transaction and you should notify our Manager - Foreign Exchange Operations on (+613) 9273 1280 if you do not receive one within 10 business days of the date on which you sent an Electronic Instruction to us.

### **4 AVAILABILITY OF ANZ FX ONLINE**

- 4.1 As electronic services are subject to interruption or breakdown for a variety of reasons, access to and use of ANZ FX Online is offered on an "as is, as available basis" only.
- 4.2 You are responsible for ensuring that you have adequate contingency plans to enable you to transact transactions by other means if there is any interruption to, delay in, or suspension or withdrawal of, the operation of ANZ FX Online.
- 4.3 We may impose specific limits and restrictions on your use of ANZ FX Online and we may alter or, where there is reasonable cause, withdraw ANZ FX Online on a permanent basis at any time. We will give you 14 days' (or such shorter period as the specific circumstances may reasonably require) prior notice of such action. We may also, where there is reasonable cause, withdraw ANZ FX Online on a temporary basis at any time without having to give you any prior notice.

- 4.4 You acknowledge that any software provided by us to you or downloaded by you for the use of ANZ FX Online will, from time to time, be upgraded. You must ensure that such software, including any upgrades, is suitable for use on, and does not adversely affect, your information systems.

### **5 SECURITY**

- 5.1 You must ensure that all passwords, encryption keys or other access procedures and security information for the use of ANZ FX Online are kept completely secure and confidential and are used in accordance with any instructions we provide. You agree to notify our relevant relationship dealer immediately if you suspect that the security of any such access procedure or security information may have been compromised or any unauthorised use may have occurred. Despite this, you remain liable for all foreign exchange transactions that are processed by us before such notification.
- 5.2 You acknowledge that we are not responsible for any breach by you of clause 5.1 or any loss or damage you incur arising from the interception of any instructions or information transmitted by or to you via ANZ FX Online or any unauthorised use of ANZ FX Online by persons purporting to act on your behalf.

### **6 LIABILITY**

- 6.1 To the extent permitted by law, we will not be liable for any loss or damage that you suffer in connection with this agreement and your use of ANZ FX Online excluding loss or damage arising directly from the negligence or fraud of us, our officers or our employees.
- 6.2 All warranties, conditions and other terms implied by law or otherwise in connection with this schedule and any use by you of ANZ FX Online are to the extent possible, hereby excluded. Liability for breach of any condition or warranty implied by law or otherwise, which cannot be excluded, is limited to the extent possible at our option to:
- (1) the supply of the goods or services again; or
  - (2) the payment of the cost of supplying the goods or services again.

### **7 USE OF DATA**

- 7.1 You acknowledge that our information systems will record and track your use of ANZ FX Online. You acknowledge that we or any of our branches in any jurisdiction

may use such information for our internal business purposes and the internal business purposes of our related corporations including but not limited to:

- (a) providing you with information about products and services that may be of interest to you; and
- (b) enhancing the services offered through ANZ FX Online to you.

7.2 You acknowledge that we may disclose information supplied by you to third parties provided that we will only disclose such information to third parties:

- (a) in general terms where you cannot be specifically identified;
- (b) where we have given you notification of the intended disclosure and you have not objected to that disclosure;
- (c) where we believe disclosure is reasonably necessary to assist a law enforcement agency or an agency responsible for national security in the performance of their functions; or
- (d) where we are authorised, required or permitted by law to disclose the information.

## **8 ANZ WEBSITE TERMS FORM PART OF AGREEMENT**

All transactions entered into using ANZ FX Online are entered into in reliance on the basis that this agreement will be deemed to include, where the ANZ Website is used, the ANZ Website Terms of Use and Privacy and Security Statement as amended from time to time, and such agreements together will be deemed to form a single agreement between you and us. If there is any inconsistency between the ANZ Website Terms of Use and Privacy and Security Statement on the one hand and the other terms of this agreement on the other, then the other terms of this agreement will prevail to the extent of the inconsistency.

## **9 DEFINITIONS**

In this schedule:

**"ANZ Website"** means the site(s) delivering content on or through the internet, accessible at the internet address [www.anz.com](http://www.anz.com) or at such other internet address as we may designate from time to time; and

**"Electronic Instruction"** means any electronic instruction, information, message or communication issued or transmitted through ANZ FX Online.