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Master OTC Options Agreement

2000 Version

Dated as of _____

Between: _____

and _____

1. Applicability

From time to time the parties hereto may enter into transactions in which over-the-counter options are written on underlying instruments ("**Underlying Securities**") that are in each case (i) direct obligations of, or obligations guaranteed as to principal or interest by, the United States, (ii) securities issued or guaranteed by a corporation in which the United States has a direct or indirect interest, or (iii) such other instruments as may be specified in a Confirmation or otherwise agreed between the parties in Annex I hereto. Each such transaction shall be referred to herein as an "**Option**" and, unless otherwise agreed in writing, shall be governed by this Agreement, including any supplemental terms or conditions contained in Annex I hereto and in any other annexes identified herein or therein as applicable hereunder.

2. Definitions

(a) "**Act of Insolvency**", with respect to any party, (i) the commencement by such party as debtor of any case or proceeding under any bankruptcy, insolvency, reorganization, liquidation, moratorium, dissolution, delinquency or similar law, or such party seeking the appointment or election of a receiver, conservator, trustee, custodian or similar official for such party or any substantial part of its property, or the convening of any meeting of creditors for purposes of commencing any such case or proceeding or seeking such an appointment or election, (ii) the commencement of any such case or proceeding against such party, or another seeking such an appointment or election, or the filing against a party of an application for a protective decree under the provisions of the Securities Investor Protection Act of 1970, which (A) is consented to or not timely contested by such party, (B) results in the entry of an order for relief, such an appointment or election, the issuance of such a protective decree or the entry of an order having a similar effect, or (C) is not dismissed within 15 days, (iii) the making by such party of a general assignment for the benefit of creditors, or (iv) the admission in writing by such party of such party's inability to pay such party's debts as they become due;

(b) "**American Option**", the meaning specified in Paragraph 5(a) hereof;

(c) "**Association**", the meaning specified in Paragraph 6(b) hereof;

(d) "**Business Day**", any day on which the Federal Reserve Bank of New York and the government securities markets are open for business, or such other day as may be specified by the parties in Annex I hereto;

(e) "**Close of Trading**", with respect to Underlying Securities, the end of the primary trading session established by the principal market for purchases and sales of such Underlying

Securities on a Business Day, unless otherwise specified in Annex I hereto or in a Confirmation;

(f) "**Collateral**", the meaning specified in Paragraph 4 hereof;

(g) "**Confirmation**", the meaning specified in Paragraph 3(b) hereof;

(h) **"ERISA"**, the meaning specified in Paragraph 15 hereof;

(i) "**European Option**", the meaning specified in Paragraph 5(a) hereof;

(j) "**Exercise Hours**", with respect to an Option on Underlying Securities, the hours between 9:00 a.m. and 4:00 p.m., New York time, or such other hours as may be specified in Annex I hereto or in a Confirmation; provided, however, unless specified otherwise in Annex I hereto or in a Confirmation, if the Close of Trading with respect to such Underlying Securities is scheduled to be prior to 5:00 p.m., New York time, then "Exercise Hours" means, with respect to an Option on such Underlying Securities, the hours between 9:00 a.m. and one hour prior to such scheduled Close of Trading, New York time. If the Close of Trading with respect to such Underlying Securities occurs prior to 5:00 p.m., New York time, but was not scheduled to so occur, then, unless specified otherwise in Annex I hereto or in a Confirmation, "Exercise Hours" means, with respect to an Option on such Underlying Securities, the hours between 9:00 a.m. and such Close of Trading, New York time;

(k) "**Exercise Value**", at any time, with respect to any Option, (i) the product of the exercise price (expressed as a percentage) specified in the Confirmation of such Option and the outstanding principal balance of the Underlying Securities at such time or (ii) such other amount as may be specified in Annex I hereto or in a Confirmation;

(l) "**Expiration Date**", the day agreed upon by the parties as the last day upon which Holder may exercise the Option, in the case of an American Option, or the day agreed upon by the parties as the only day upon which Holder may exercise the Option, in the case of a European Option; if such day is not a Business Day then the Expiration Date shall be the next following Business Day;

(m) "**Event of Default**", the meaning specified in Paragraph 8 hereof;

(n) **"FDIA"**, the meaning specified in Paragraph 16(c) hereof;

(o) **"FDICIA"**, the meaning specified in Paragraph 16(d) hereof;

(p) "**Holder**", the party purchasing the Option;

(q) "**Notice of Exercise**", notice to the party identified in Annex II hereto by telephone or such other means of notification specified by the parties in Annex I hereto or in a Confirmation, given by the Holder prior to or at the close of Exercise Hours on the Expiration Date, which notification shall be irrevocable;

(r) **"Option"**, the meaning specified in Paragraph 1 hereof;

(s) "**Option Collateral**", the meaning specified in an annex hereto;

(t) **"Plan Party"**, the meaning specified in Paragraph 15 hereof;

(u) "**Pledgee**", the meaning specified in Paragraph 4 hereof;

(v) "**Pledgor**", the meaning specified in Paragraph 4 hereof;

(w) "**Premium Payment Date**", the date one Business Day after the Trade Date of the relevant Option, or such other date as may be specified by the parties in Annex I hereto or in a Confirmation;

(x) "**Prime Rate**", the prime rate of U.S. commercial banks as published in *The Wall Street Journal* (or, if more than one such rate is published, the average of such rates);

(y) "**Replacement Securities**", the meaning specified in Paragraph 8(b) hereof;

(z) "**Retransfer**", with respect to any Collateral, to pledge, repledge, hypothecate, rehypothecate, lend, relend, sell or otherwise transfer such Collateral, or to re-register any such Collateral evidenced by physical certificates in any name other than Pledgor's;

(aa) "**Secured Obligations**", the meaning specified in Paragraph 4 hereof;

(bb) "**Settlement Date**", the date one Business Day after the date on which the relevant Option is exercised, or such other date as may be specified by the parties in Annex I hereto or in a Confirmation;

(cc) "**Trade Date**", the date on which the parties enter into an Option;

(dd) **"UCC"**, the New York Uniform Commercial Code;

(ee) "**Underlying Securities**", the meaning specified in Paragraph 1 hereof;

(ff) "**Uniform Practices**", the meaning specified in Paragraph 6(b) hereof;

(gg) "**Writer**", the party selling the Option.

3. Initiation and Confirmation

(a) An agreement to enter into an Option may be made at the initiation of either party.

(b) Upon agreeing to enter into an Option hereunder, one or both parties, as shall be specified in Annex I hereto or as otherwise agreed by the parties, shall promptly deliver to the other party a confirmation, in writing or as otherwise agreed and in accordance with market practice, of each Option (a "**Confirmation**"). Each Confirmation shall identify the Writer and the Holder and set forth (i) the identity and the par value of the Underlying Securities that are subject to the Option, (ii) the exercise price (expressed as the percentage used to determine the Exercise Value) or the Exercise Value, (iii) the Expiration Date, (iv) the premium for the Option, (v) whether the Option is a call or a put, (vi) whether the Option is an American Option or a European Option, (vii) any other trading terms applicable to an Option that have been agreed to by the parties, and (viii) any other terms not inconsistent with this Agreement. Each Confirmation, together with this Agreement, shall conclusively evidence the terms of the Option covered thereby unless with respect to the Confirmation specific objection is made promptly after receipt thereof. In the event of any conflict between the terms of such Confirmation and this Agreement, this Agreement shall prevail unless otherwise specified by the parties in Annex I hereto or in such Confirmation.

(c) The premium shall be due on the Premium Payment Date. Without limiting the nondefaulting party's rights under Paragraph 8 hereof, if the premium for an Option is not received on or

before the Premium Payment Date for such Option, the Writer may, at its option, treat such Option as void.

4. Security Interest

Any party obligated to provide Option Collateral pursuant to an annex hereto ("**Pledgor**") hereby grants to the other party ("**Pledgee**") a continuing first priority security interest in and right of setoff against all Option Collateral and all other securities, money and other property, and all proceeds of any of the foregoing, now or hereafter delivered by or on behalf of Pledgor to Pledgee, held or carried by Pledgee for the account of Pledgor or due from Pledgee to Pledgor (collectively, the "**Collateral**"), as security for the payment and performance by Pledgor of all obligations of Pledgor to Pledgee under this Agreement (the "**Secured Obligations**"). In addition, but without limiting the nondefaulting party's rights under Paragraph 8 hereof (**PLEASE CHECK ONLY ONE OF THE FOLLOWING PARAGRAPHS**):

☐ Pledgee shall be entitled to Retransfer any and all Collateral; provided, however, that no such Retransfer shall relieve Pledgee of its obligations to transfer Collateral to Pledgor pursuant to Paragraph 8 of this Agreement or any annex hereto.

☐ Pledgee shall not be entitled to Retransfer any Collateral.

In the event that the parties fail to designate one of the above paragraphs as applicable to Options under this Agreement, Pledgee shall be entitled to Retransfer any and all Collateral as provided in the first such paragraph above.

5. Exercise of Options

(a) An "**American Option**" is an Option which is exercisable during Exercise Hours on any Business Day up to and including its Expiration Date. A "**European Option**" is an Option which is exercisable during Exercise Hours only on its Expiration Date. Exercise shall in either case be accomplished by the Holder delivering to the Writer a Notice of Exercise. In the case of an American Option, if the Notice of Exercise is received by the Writer after Exercise Hours on any Business Day prior to its Expiration Date, such Notice of Exercise shall be deemed to be given at the opening of Exercise Hours on the next Business Day. In the case of a European Option, a Notice of Exercise may be given to the Writer prior to the Expiration Date, but such Notice of Exercise shall be irrevocable once given and such exercise shall be effective only as of the Expiration Date.

(b) Upon exercise of any Option, (i) in the case of an Option that is a call, the Writer shall transfer the Underlying Securities to the Holder against payment of the Exercise Value of the Option at the time of exercise, and (ii) in the case of an Option that is a put, the Holder shall transfer the Underlying Securities to the Writer against payment of the Exercise Value of the Option at the time of exercise.

(c) Unless the Writer is otherwise instructed by the Holder prior to the close of Exercise Hours on the Expiration Date of an Option by any means permitted for a Notice of Exercise, and subject to the remedies available under Paragraph 8 hereof if an Event of Default has occurred, such Option shall be deemed to be automatically exercised if at the close of Exercise Hours on such date: (i) its Underlying Securities have less than three years to maturity and it is at least 1/4 percent in-the-money, (ii) its Underlying Securities have at least three but less than ten years to maturity and it is at least 1/2 percent in-the-money, or (iii) its Underlying Securities have at least ten years to maturity and it is at least 1 percent in-the-money. For purposes of determining the "in-the-money" amount of an Option under this Paragraph 5(c), the market value of its Underlying Securities shall mean the arithmetic median of the bid quotations, in the case of a call Option, and asked quotations, in the case of

a put Option, for the Underlying Securities representing at least $1 million in aggregate face amount, as reported at the close of Exercise Hours on the Expiration Date by inter-dealer brokers maintaining time-dated screens or, if no quotations for such securities are available, the arithmetic median of such bid quotations, in the case of a call Option, and asked quotations, in the case of a put Option, for such other securities representing at least $1 million in aggregate face amount as provide a basis from which to extrapolate the value of the Underlying Securities, reported at the time and in the manner stated above. All determinations and calculations under the preceding sentence shall be made in a manner and by methods that are commercially reasonable in the inter-dealer market for the Underlying Securities. Notwithstanding the foregoing, an automatic exercise of an Option under this Paragraph 5(c) shall have no force or effect unless at least one party thereto notifies the other, by any means permitted for a Notice of Exercise, of such automatic exercise no later than one hour after the opening of Exercise Hours on the Business Day following such Option's Expiration Date.

6. Payment and Transfer

(a) Unless otherwise mutually agreed, all transfers of funds hereunder shall be in immediately available funds and Options that are exercised shall be settled on a delivery-versus-payment basis on the Settlement Date. Transfers of funds and Underlying Securities shall be made to such accounts as the parties shall agree with respect to an Option. All transfers by one party hereto to the other party of Underlying Securities or Collateral consisting of "financial assets" (within the meaning of the UCC) thereunder shall be by (i) in the case of certificated securities, physical delivery of certificates representing such securities together with duly executed stock and bond transfer powers, as the case may be, with signatures guaranteed by a bank or a member firm of the New York Stock Exchange, Inc., (ii) registration of an uncertificated security in the transferee's name by the issuer of such uncertificated security, (iii) the crediting by a "securities intermediary" (within the meaning of the UCC) of such financial assets to the transferee's "securities account" (within the meaning of the UCC) maintained with such securities intermediary, or (iv) such other means as Writer and Holder may agree. For the avoidance of doubt, the parties agree and acknowledge that the term "securities," as used herein (except in this Paragraph 6(a)), shall include any "security entitlements" with respect to such securities (within the meaning of the UCC). In every transfer of "financial assets" (within the meaning of the UCC) hereunder, the transferor shall take all steps necessary (i) to effect a delivery to the transferee under Section 8-301 of the UCC, or to cause the creation of a security entitlement in favor of the transferee under Section 8-501 of the UCC, (ii) to enable the transferee to obtain "control" (within the meaning of Section 8-106 of the UCC), and (iii) to provide the transferee with comparable rights under any applicable foreign law or regulation.

(b) Each party will comply with, and this Agreement and each Option is subject to, including with regard to settlement, the market practice for the type of Underlying Securities involved, including provisions of the *Uniform Practices for the Clearance and Settlement of Mortgage-Backed Securities and Other Related Securities* applicable to transactions in certain securities between members of The Bond Market Association (the "**Association**"), as currently in effect, or successor provisions thereof (the "**Uniform Practices**"), regardless of whether both parties are members of the Association, to the extent that such market practice (including the *Uniform Practices*) does not conflict with the terms of this Agreement or any Confirmation for any Option.

7. Representations

Each party represents and warrants to the other that (i) it is duly authorized to execute and deliver this Agreement, to enter into Options contemplated hereunder and to perform its obligations hereunder and has taken all necessary action to authorize such execution, delivery and performance, (ii) it will engage in such Options as principal (or, if agreed in writing, in

the form of an annex hereto or otherwise, in advance of any Option by the other party hereto, as agent for a disclosed principal), (iii) the person signing this Agreement on its behalf is duly authorized to do so on its behalf, (iv) it has obtained all authorizations of any governmental body required in connection with this Agreement and the Options hereunder and such authorizations are in full force and effect, and (v) the execution, delivery and performance of this Agreement and the Options hereunder will not violate any law, ordinance, charter, by-law or rule applicable to it or any agreement by which it is bound or by which any of its assets are affected. On the Trade Date and date of exercise for any Option each party shall be deemed to repeat all of the foregoing representations made by it.

8. Events of Default

In the event that (i) either party fails to make when due any payment of funds or any delivery of Underlying Securities required pursuant to any Option, (ii) an Act of Insolvency occurs with respect to either party, (iii) any representation made by either party shall have been incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated, or (iv) either party shall admit to the other its inability to, or its intention not to, perform any of its obligations hereunder (each, an "**Event of Default**"):

(a) The nondefaulting party may, at its option (which option shall be deemed to have been exercised immediately upon the occurrence of an Act of Insolvency), declare an Event of Default to have occurred hereunder and without prior notice to the defaulting party (i) cancel and otherwise liquidate and close out one or more Options, whereupon the defaulting party shall be liable to the nondefaulting party for any resulting loss, damage, cost and expense, (ii) set off any obligation, including any obligation with respect to securities, money or other property, of the nondefaulting party to the defaulting party against any of the defaulting party's obligations to the nondefaulting party hereunder, (iii) (A) immediately sell, in a recognized market (or otherwise in a commercially reasonable manner) at such price or prices as the nondefaulting party may reasonably deem satisfactory, any or all noncash Collateral and apply the proceeds thereof and the amount of any cash Collateral to the Secured Obligations or (B) in its sole discretion elect, in lieu of selling all or a portion of such noncash Collateral, to give the defaulting party credit for such noncash Collateral in an amount equal to the price therefor on such date, obtained from a generally recognized source or the most recent closing bid quotation from such a source, and (iv) take any other action necessary or appropriate to protect and enforce its rights and preserve the benefits of its bargain under this Agreement and any Option. The nondefaulting party shall (except upon the occurrence of an Act of Insolvency) give notice as promptly as practicable to the defaulting party of the exercise of its option to declare an Event of Default.

(b) Any Collateral held by the defaulting party, together with the income thereon and proceeds thereof, shall be immediately transferred by the defaulting party to the nondefaulting party. The nondefaulting party may, at its option (which option shall be deemed to have been exercised immediately upon the occurrence of an Act of Insolvency), and without prior notice to the defaulting party (i) immediately purchase, in a recognized market (or otherwise in a commercially reasonable manner) at such price or prices as the nondefaulting party may reasonably deem satisfactory, securities ("**Replacement Securities**") of the same class and amount as any securities Collateral that is not delivered by the defaulting party to the nondefaulting party as required hereunder, or (ii) in its sole discretion elect, in lieu of purchasing Replacement Securities, to be deemed to have purchased Replacement Securities at the price therefor on such date, obtained from a generally recognized source or the most recent closing offer quotation from such a source, whereupon the defaulting party shall be liable for the price of such Replacement Securities together with the amount of any cash Collateral not delivered by the defaulting party to the nondefaulting party as required hereunder.

(c) The defaulting party shall be liable to the nondefaulting party for (i) the amount of all reasonable legal or other expenses incurred by the nondefaulting party in connection with or as a result of an Event of Default, (ii) damages in an amount equal to the cost (including all fees, expenses and commissions) of entering into replacement transactions and entering into or terminating hedge transactions in connection with or as a result of an Event of Default, and (iii) any other loss, damage, cost or expense directly arising or resulting from the occurrence of an Event of Default in respect of an Option.

(d) To the extent permitted by applicable law, the defaulting party shall be liable to the nondefaulting party for interest on any amounts owing by the defaulting party hereunder, from the date the defaulting party becomes liable for such amounts hereunder until such amounts are (i) paid in full by the defaulting party, or (ii) satisfied in full by the exercise of the nondefaulting party's rights hereunder. Interest on any sum payable by the defaulting party to the nondefaulting party under this Paragraph 8(d) shall be at a rate equal to the Prime Rate.

(e) Unless otherwise provided in Annex I, the parties acknowledge and agree that (i) securities included in the Collateral are of a type traded in a recognized market, (ii) in the absence of a generally recognized source for prices or bid or offer quotations for any such securities Collateral or any Underlying Securities, the nondefaulting party may establish the source therefor in its sole discretion, and (iii) all prices and bid and offer quotations shall be increased to include accrued interest to the extent not already included therein (except to the extent contrary to market practice with respect to the relevant securities).

(f) The nondefaulting party shall have all of the rights and remedies provided to a secured party under the UCC and, in addition to its rights hereunder, any rights otherwise available to it under any other agreement or applicable law.

9. Single Agreement

The parties acknowledge that, and have entered hereinto and will enter into each Option hereunder in consideration of and in reliance upon the fact that, all Options hereunder constitute a single business and contractual relationship and have been made in consideration of each other. Accordingly, each of the parties agrees (i) to perform all of its obligations in respect of each Option hereunder, and that a default in the performance of any such obligations shall constitute a default by it in respect of all Options hereunder, (ii) that each of them shall be entitled to set off claims and apply property held by them in respect of any Option against obligations owing to them in respect of any other Options hereunder, and (iii) that payments, deliveries and other transfers made by either of them in respect of any Option shall be deemed to have been made in consideration of payments, deliveries and other transfers in respect of any other Options hereunder, and the obligations to make any such payments, deliveries and other transfers may be applied against each other and netted.

10. Notices and Other Communications

Except for a Notice of Exercise (or any notice, statement, demand or other communication that can only be given by means permitted for a Notice of Exercise), any and all notices, statements, demands or other communications hereunder may be given by a party to the other by telephone, mail, facsimile, e-mail, electronic message, telegraph, messenger or otherwise to the individuals and to the facsimile numbers and to the addresses specified with respect to it in Annex II hereto, or sent to such party at any other place specified in a notice of change of number or address hereafter received by the other party. Any notice, statement, demand or other communication hereunder will be deemed effective on the day and at the time on which it is received or, if not received, on the day and at the time on which its delivery was in good faith attempted; provided, however, that any notice given by a party to the other party by telephone (other than a Notice of Exercise or any notice, statement, demand or other

communication that can only be given by means permitted for a Notice of Exercise) shall be deemed effective only if (i) such notice is followed by written confirmation thereof, and (ii) at least one of the other means of providing notice that are specifically listed above has previously been attempted in good faith by the notifying party.

11. Entire Agreement; Severability

This Agreement shall govern all transactions between the parties hereto in which over-the-counter options are written on Underlying Securities as described in Paragraph 1, except where the written confirmation of such a transaction refers to a master agreement other than this Agreement. Each provision and agreement herein shall be treated as separate and independent from any other provision or agreement herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement.

12. Nonassignability; Termination

(a) The rights and obligations of the parties under this Agreement and under any Option shall not be assigned by either party without the prior written consent of the other party, and any such assignment without the prior written consent of the other party shall be null and void. Subject to the foregoing, this Agreement and any Options shall be binding upon and shall inure to the benefit of the other parties and their respective successors and assigns. This Agreement may be terminated by either party upon giving notice to the other, expect that this Agreement shall, notwithstanding such notice, remain applicable to any Options then outstanding.

(b) Subparagraph (a) of this Paragraph 12 shall not preclude a party from assigning, charging or otherwise dealing with all or any part of its interest in any sum payable to it under Paragraph 8 hereof.

13. Governing Law

This Agreement shall be governed by the laws of the State of New York without giving effect to conflict of law principles thereof.

14. No Waivers, Etc.

No express or implied waiver of any Event of Default by either party shall constitute a waiver of any other Event of Default and no exercise of any remedy hereunder by any party shall constitute a waiver of its right to exercise any other remedy hereunder. No modification or waiver of any provisions of this Agreement or an Option (other than a failure to exercise) and no consent by any party to a departure herefrom shall be effective unless and until such shall be in writing and duly executed by both of the parties hereto.

15. Use of Employee Plan Assets

If assets of an employee benefit plan subject to any provision of the Employee Retirement Income Security Act of 1974 ("**ERISA**") are intended to be used by either party hereto (the "**Plan Party**") as Underlying Securities, Collateral or payment in connection with an Option, the Plan Party shall so notify the other party prior to entering into the Option. The Plan Party shall represent in writing to the other party that the Option does not constitute a prohibited transaction under ERISA or is otherwise exempt therefrom, and the other party may proceed in reliance thereon but shall not be required so to proceed.

16. Intent

(a) The parties recognize that each Option is a "securities contract" as that term is defined in Section 741 of Title 11 of the United States Code, as amended.

(b) It is understood that either party's right to cancel Options hereunder or to exercise any other remedies pursuant to Paragraph 8 hereof is a contractual right to liquidate such Option as described in Section 555 of Title 11 of the United States Code, as amended.

(c) The parties agree and acknowledge that if a party hereto is an "insured depository institution," as such term is defined in the Federal Deposit Insurance Act, as amended ("**FDIA**"), then each Option hereunder is a "qualified financial contract," as that term is defined in FDIA and any rules, orders or policy statements thereunder.

(d) It is understood that this Agreement constitutes a "netting contract" as defined in and subject to Title IV of the Federal Deposit Insurance Corporation Improvement Act of 1991 ("**FDICIA**") and each payment entitlement and payment obligation under any Option hereunder shall constitute a "covered contractual payment entitlement" or "covered contractual payment obligation," respectively, as defined in and subject to FDICIA (except insofar as one or both of the parties is not a "financial institution" as that term is defined in FDICIA).

Party A:	Party B:
_____	_____
[Name of Party]	[Name of Party]
By:_____	By:_____
Title:_____	Title:_____
Date:_____	Date:_____

Annex I
Supplemental Terms and Conditions

This Annex I forms a part of the Master OTC Options Agreement dated as of _____, _____ (the "**Agreement**") between _____ and _____. Capitalized terms used but not defined in this Annex I shall have the meanings ascribed to them in the Agreement.

1. Other Applicable Annexes

In addition to this Annex I and Annex II, the following Annexes and any schedules thereto shall form part of the Agreement and shall be applicable thereunder:

[List applicable Annexes]

Annex II
Addresses for Communication Between the Parties

Address for notices, statements, demands or other communications to Party A other than Notice of Exercise:
Address:
Attention:
Facsimile No.:
Telephone No.:
Electronic Messaging System Details:

Contact information for Party A for Notice of Exercise:
Telephone No.:
Attention:

Address for notices, statements, demands or other communications to Party B other than Notice of Exercise:
Address:
Attention:
Facsimile No.:
Telephone No.:
Electronic Messaging System Details:

Contact information for Party B for Notice of Exercise:
Telephone No.:
Attention:

Annex III
Performance Assurance Provisions

This Annex III forms a part of the Master OTC Options Agreement dated as of _____, _____ (the "**Agreement**") between _____ and _____. Capitalized terms used but not defined in this Annex III shall have the meanings ascribed to them in the Agreement.

1. Definitions

For purposes of the Agreement and this Annex III, the following terms shall have the following meanings:

(a) **"Close of Business"**, the time established by the parties in Annex I to the Agreement or otherwise orally or in writing or, in the absence of any such agreement, as shall be determined in accordance with market practice.

(b) "**Excess Option Collateral Amount**", the meaning specified in Paragraph 2(a) of this Annex III;

(c) "**In-the-Money Party**", the meaning specified in Paragraph 2(a) of this Annex III;

(d) "**Market Value**", as of any date, with respect to any Underlying Securities or Option Collateral consisting of securities, the price for such securities on such date obtained from a generally recognized source agreed to by the parties or the most recent closing bid quotation from such a source, plus accrued principal and/or interest to the extent not included therein (other than any such income transferred to the pledgor of Option Collateral) as of such date (unless contrary to market practice for such securities), and with respect to any Option Collateral consisting of cash, the amount thereof;

(e) "**Net Option Exposure**", the aggregate amount of a party's Option Exposure to the other party under all Options hereunder reduced by the aggregate amount of any Option Exposure of the other party to such party under all Options hereunder;

(f) "**Net Unsecured Option Exposure**", a party's Net Option Exposure reduced by the Market Value of any Option Collateral transferred to such party (and not returned) pursuant to Paragraph 2 of this Annex III;

(g) "**Option Collateral**", the meaning specified in Paragraph 2(a) of this Annex III;

(h) "**Option Exposure**", the amount (expressed as a positive number) of loss a party would incur upon canceling an Option and entering into a replacement transaction, determined in accordance with market practice or as otherwise agreed by the parties;

(i) "**Out-of-the-Money Party**", the meaning specified in Paragraph 2(a) of this Annex III.

2. Margin Maintenance

(a) If at any time a party (the "**In-the-Money Party**") shall have a Net Unsecured Option Exposure to the other party (the "**Out-of-the-Money Party**") under one or more Options, the In-the-Money Party may by notice to the Out-of-the-Money Party require the Out-of-the-Money Party to transfer to the In-the-Money Party U.S. Treasury securities or cash (together with any income thereon and proceeds thereof, "**Option Collateral**") having a Market Value sufficient to eliminate such Net Unsecured Option Exposure. The Out-of-the-Money Party may by notice to

the In-the-Money Party require the In-the-Money Party to transfer to the Out-of-the-Money Party Option Collateral having a Market Value that exceeds the In-the-Money Party's Net Option Exposure ("**Excess Option Collateral Amount**").

(b) The parties may agree, with respect to any or all Options hereunder, that the respective rights of the parties under subparagraph (a) of this Paragraph 2 may be exercised only where a Net Unsecured Option Exposure or Excess Option Collateral Amount, as the case may be, exceeds a specified dollar amount or other specified threshold for such Options (which amount or threshold shall be agreed to by the parties prior to entering into any such Options).

(c) The parties may agree, with respect to any or all Options hereunder, that the respective rights of the parties under subparagraph (a) of this Paragraph 2 to require the elimination of a Net Unsecured Option Exposure or Excess Option Collateral Amount, as the case may be, may be exercised whenever such a Net Unsecured Option Exposure or Excess Option Collateral Amount exists with respect to any single Option hereunder (calculated without regard to any other Option outstanding under the Agreement).

(d) The parties may agree, with respect to any or all Options hereunder, that (i) one party shall transfer to the other party Option Collateral having a Market Value equal to a specified dollar amount or other specified threshold no later than a deadline agreed to by the parties in the relevant Confirmation, in Annex I to the Agreement or otherwise on the Trade Date for such Option or (ii) one party shall not be required to make any transfer otherwise required to be made under this Paragraph 2 if, after giving effect to such transfer, the Market Value of the Option Collateral held by such party would be less than a specified dollar amount or other specified threshold (which amount or threshold shall be agreed to by the parties prior to entering into any such Option).

(e) The parties may agree, with respect to any or all Options hereunder, that, notwithstanding the definition of "Option Exposure" in Paragraph 1(h) above, "Option Exposure" at any time shall mean (i) with respect to an Option that is a call, the excess (if any) of (A) the Market Value at such time of the Underlying Securities for such Option over (B) the Exercise Value at such time of such Option, or (ii) with respect to an Option that is a put, the excess (if any) of (A) the Exercise Value at such time of such Option over (B) the Market Value at such time of the Underlying Securities for such Option, plus in each case such percentage as the parties may agree of the Market Value of the Underlying Securities at such time for such Option.

(f) The parties may agree, with respect to any or all Options hereunder, that, notwithstanding the definition of "Market Value" in Paragraph 1(d) above, the Market Value of Option Collateral consisting of securities shall mean the amount calculated pursuant to Paragraph 1(d) above, discounted as agreed between the parties.

(g) If any notice is given by a party to the other under subparagraph (a) of this Paragraph 2 by 10:00 a.m. on any Business Day, the party receiving such notice shall transfer Option Collateral as provided in such subparagraph no later than the Close of Business in the relevant market on such Business Day; if such notice is received after 10:00 a.m. on any Business Day or on a day not a Business Day, the party receiving such notice shall transfer such Option Collateral no later than the Close of Business in the relevant market on the next Business Day.

(h) Upon the expiration of any unexercised Option, or upon the exercise of any Option and the performance by the parties of any obligations that they may have to transfer cash and Underlying Securities following such exercise, any Option Collateral in respect of such Option, together

with any income thereon and proceeds thereof, shall be transferred by the party holding such Option Collateral to the other party; *provided, however*, that neither party shall be required to transfer such Option Collateral to the other if such transfer would result in the creation of a Net Unsecured Option Exposure of the transferor.

(i) The pledgor of Option Collateral may, subject to agreement with and acceptance by the pledgee thereof, substitute other securities reasonably acceptable to the pledgee for any securities Option Collateral. Such substitution shall be made by transfer to the pledgee of such other securities and transfer to the pledgor of such securities Option Collateral. After substitution, the substituted securities shall constitute Option Collateral.

(j) Transfers of cash and securities Option Collateral shall be made in the same manner as the transfer of cash and Underlying Securities under Paragraph 6 of the Agreement.

3. Events of Default

In addition to the Events of Default set forth in Paragraph 8 of the Agreement, it shall be an additional "Event of Default" if either party fails, after one Business Day's notice, to perform any covenant or obligation required to be performed by it under any provision of this Annex III.

4. No Waivers, Etc.

Without limitation of the provisions of Paragraph 14 of the Agreement, the failure to give a notice pursuant to Paragraph 2 of this Annex III will not constitute a waiver of any right to do so at a later date.

Annex IIIa
Alternative Performance Assurance Provisions

This Annex IIIa forms a part of the Master OTC Options Agreement dated as of _____, _____ (the "**Agreement**") between _____ ("**Party A**") and _____ ("**Party B**"). Capitalized terms used but not defined in this Annex IIIa shall have the meanings ascribed to them in the Agreement.

1. Definitions

For purposes of the Agreement and this Annex IIIa, the following terms shall have the following meanings:

(a) **"Close of Business"**, the time established by the parties in Annex I to the Agreement or otherwise orally or in writing or, in the absence of any such agreement, as shall be determined in accordance with market practice.

(b) "**Excess Option Collateral Amount**", the meaning specified in Paragraph 2(a) of this Annex IIIa;

(c) "**Market Value**", as of any date, with respect to any Underlying Securities or Option Collateral consisting of securities, the price for such securities on such date obtained from a generally recognized source agreed to by the parties or the most recent closing bid quotation from such a source, plus accrued principal and/or interest to the extent not included therein (other than any such income transferred to Party B) as of such date (unless contrary to market practice for such securities), and with respect to any Option Collateral consisting of cash, the amount thereof;

(d) "**Net Option Exposure**", the aggregate amount of Party A's Option Exposure to Party B under all Options hereunder reduced by the aggregate amount of any Option Exposure of Party B to Party A under all Options hereunder;

(e) "**Net Unsecured Option Exposure**", Party A's Net Option Exposure reduced by the Market Value of any Option Collateral transferred to Party A (and not returned) pursuant to Paragraph 2 of this Annex IIIa;

(f) "**Option Collateral**", the meaning specified in Paragraph 2(a) of this Annex IIIa;

(g) "**Option Exposure**", the amount (expressed as a positive number) of loss a party would incur upon canceling an Option and entering into a replacement transaction, determined in accordance with market practice or as otherwise agreed by the parties.

2. Margin Maintenance

(a) If at any time Party A shall have a Net Unsecured Option Exposure to Party B under one or more Options, Party A may by notice to Party B require Party B to transfer to Party A U.S. Treasury securities or cash (together with any income thereon and proceeds thereof, "**Option Collateral**") having a Market Value sufficient to eliminate such Net Unsecured Option Exposure. Party B may by notice to Party A require Party A to transfer to Party B Option Collateral having a Market Value that exceeds Party A's Net Option Exposure ("**Excess Option Collateral Amount**").

(b) The parties may agree, with respect to any or all Options hereunder, that the respective rights of the parties under subparagraph (a) of this Paragraph 2 may be exercised only where a Net Unsecured Option Exposure or Excess Option Collateral Amount, as the case may be, exceeds a specified dollar amount or other specified threshold for such Options (which amount or threshold shall be agreed to by the parties prior to entering into any such Options).

(c) The parties may agree, with respect to any or all Options hereunder, that the respective rights of the parties under subparagraph (a) of this Paragraph 2 to require the elimination of a Net Unsecured Option Exposure or Excess Option Collateral Amount, as the case may be, may be exercised whenever such a Net Unsecured Option Exposure or Excess Option Collateral Amount exists with respect to any single Option hereunder (calculated without regard to any other Option outstanding under the Agreement).

(d) The parties may agree, with respect to any or all Options hereunder, that (i) Party B shall transfer to Party A Option Collateral having a Market Value equal to a specified dollar amount or other specified threshold no later than a deadline agreed to by the parties in the relevant Confirmation, in Annex I to the Agreement or otherwise on the Trade Date for such Option or (ii) Party A shall not be required to make any transfer otherwise required to be made under this Paragraph 2 if, after giving effect to such transfer, the Market Value of the Option Collateral held by Party A would be less than a specified dollar amount or other specified threshold (which amount or threshold shall be agreed to by the parties prior to entering into any such Option).

(e) The parties may agree, with respect to any or all Options hereunder, that, notwithstanding the definition of "Option Exposure" in Paragraph 1(g) above, "Option Exposure" at any time shall mean (i) with respect to an Option that is a call, the excess (if any) of (A) the Market Value at such time of the Underlying Securities for such Option over (B) the Exercise Value at such time of such Option or (ii) with respect to an Option that is a put, the excess (if any) of (A) the Exercise Value at such time for such Option over (B) the Market Value at such time of the Underlying Securities for such Option, plus in each case such percentage as the parties may agree of the Market Value of the Underlying Securities at such time for such Option.

(f) The parties may agree, with respect to any or all Options hereunder, that, notwithstanding the definition of "Market Value" in Paragraph 1(c) above, the Market Value of Option Collateral consisting of securities shall mean the amount calculated pursuant to Paragraph 1(c) above, discounted as agreed between the parties.

(g) If any notice is given by Party A to Party B under subparagraph (a) of this Paragraph 2 by 10:00 a.m. on any Business Day, Party B shall transfer Option Collateral as provided in such subparagraph no later than the Close of Business in the relevant market on such Business Day; if such notice is received after 10:00 a.m. on any Business Day or on a day not a Business Day, Party B shall transfer such Option Collateral no later than the Close of Business in the relevant market on the next Business Day.

(h) Upon the expiration of any unexercised Option, or upon the exercise of any Option and the performance by the parties of any obligations that they may have to transfer cash and Underlying Securities following such exercise, any Option Collateral in respect of such Option, together with any income thereon and proceeds thereof, shall be transferred by Party A to Party B; *provided, however*, that Party A shall not be required to transfer such

Option Collateral to the other if such transfer would result in the creation of a Net Unsecured Option Exposure in respect of Party A.

(i) Party B may, subject to agreement with and acceptance by Party A, substitute other securities reasonably acceptable to Party A for any securities Option Collateral. Such substitution shall be made by transfer to Party A of such other securities and transfer to Party B of such securities Option Collateral. After substitution, the substituted securities shall constitute Option Collateral.

(j) Transfers of cash and securities Option Collateral shall be made in the same manner as the transfer of cash and Underlying Securities under Paragraph 6 of the Agreement.

3. Events of Default

In addition to the Events of Default set forth in Paragraph 8 of the Agreement, it shall be an additional "Event of Default" if:

(a) Party B fails to perform any covenant or obligation required to be performed by it under any provision of this Annex;

(b) Party B or any affiliate of Party B defaults or fails to perform with respect to any indebtedness to Party A or any affiliate of Party A or any other agreement or transaction between Party A or any affiliate of Party A and Party B or any affiliate of Party B, now existing or hereafter arising; or

(c) Party B or any affiliate of Party B shall default in any payment of principal of, or interest on, any other indebtedness, or any other default under any such agreement shall occur and be continuing, if the effect of such default is to cause, or permit the holder or holders of such indebtedness (or a trustee on behalf of such holder or holders) to cause, any such indebtedness to become due prior to its stated maturity.

4. No Waivers, Etc.

Without limitation of the provisions of Paragraph 14 of the Agreement, the failure to give a notice pursuant to Paragraph 2 of this Annex IIIa will not constitute a waiver of any right to do so at a later date.

5. Security Interest

(a) Notwithstanding the provisions of Paragraph 4 of the Agreement, "Secured Obligations" shall mean any and all obligations or liabilities of Party B with respect to this Agreement, all Options and any other agreement or transaction between Party A or any affiliate of Party A and Party B, now existing or hereafter arising.

(b) In addition to the representations and warranties made pursuant to Paragraph 7 of the Agreement, Party B represents and warrants (which representations and warranties shall be deemed repeated as of each Trade Date and each date Option Collateral is transferred to Party A) that (i) it owns all Option Collateral free and clear of all liens, claims or encumbrances other than the lien of Party A hereunder, and (ii) the lien of Party A constitutes a perfected security interest in such Option Collateral enforceable against and having priority over any claim or interest of any third party.

6. Further Assurances

Party B agrees that it will promptly execute and deliver such further instruments or documents and do such further acts as Party A may request in order to further the intent of this Agreement and to create, perfect, preserve and protect the security interest of Party A intended to be created hereunder.

7. Adequate Assurance of Performance

It shall be an Event of Default if Party B or any affiliate of Party B fails to give adequate assurances of its ability to perform any of its obligations under this Agreement, any Option or any other agreement or transaction between Party A or any affiliate of Party A and Party B or any affiliate of Party B within a reasonable time (and for this purpose a period of 24 hours shall in no event be deemed unreasonable, and nothing herein shall be deemed to preclude a shorter period if reasonable under the circumstances) following a written demand by Party A or any affiliate of Party A for adequate assurances when Party A or any affiliate of Party A has reasonable grounds for insecurity.

8. Additional Remedies in Event of Default

In addition to the remedies in events of default set forth in Paragraph 8 of the Agreement, an Event of Default hereunder shall constitute an event of default (howsoever described) under all other agreements and transactions between Party A or any affiliate of Party A and Party B or any affiliate of Party B and, upon any Event of Default with respect to Party B, Party A and any affiliate of Party A shall be entitled to (i) cancel and otherwise liquidate and close out any transaction under any other agreement or transaction between Party A or any affiliate of Party A and Party B or any affiliate of Party B without prior notice to Party B or any other party, whereupon Party B or the affiliate of Party B, as the case may be, shall be liable to Party A or the affiliate of Party A, as the case may be, for any resulting loss, damage, cost and expense, including loss equal to the amount Party A or the affiliate of Party A, as the case may be, would have to pay to enter into replacement transactions (whether or not Party A or the affiliate of Party A, as the case may be, enters into any such replacement transactions) and any damages resulting to Party A or any affiliate of Party A from entering into or terminating hedge transaction with respect thereto, (ii) set off any obligation under any transaction under any agreement between Party A or any affiliate of Party A and Party B (including any Option under this Agreement), including any payment or delivery obligation, of Party A or the affiliate of Party A, as the case may be, to Party B against any obligation under any transaction under any agreement between Party A or any affiliate of Party A and Party B (including any Option under this Agreement), including any payment or delivery obligation, of Party B to Party A or the affiliate of Party A, as the case may be, and (iii) set off any obligation under any transaction under any agreement between Party A or any affiliate of Party A and any affiliate of Party B, including any payment or delivery obligation, of Party A or the affiliate of Party A, as the case may be, to the affiliate of Party B against any obligation under any transaction under any agreement between Party A or any affiliate of Party A and the affiliate of Party B, including any payment or delivery obligation, of the affiliate of Party B to Party A or the affiliate of Party A, as the case may be.

Annex IV
International Transactions

This Annex IV (including any Schedules hereto) forms a part of the Master OTC Options Agreement dated as of _____ (the "**Agreement**") between _____ and _____. Capitalized terms used but not defined in this Annex IV shall have the meanings ascribed to them in the Agreement.

1. Definitions.

For purposes of the Agreement and this Annex IV:

(a) The following terms shall have the following meanings:

"**Base Currency**", United States dollars or such other currency as Buyer and Seller may agree in the Confirmation with respect to any International Transaction or otherwise in writing;

"**Business Day**", notwithstanding Paragraph 2(d) of the Agreement, (i) for purposes of the definitions of Exercise Date and Expiration Date in relation to any Option on Underlying Securities that is an International Transaction, a day on which the principal market for purchases and sales of such Underlying Securities is open for business and (ii) for purposes of the definition of Settlement Date:

(A) in relation to any International Transaction which (1) involves an International Security and (2) is to be settled through Clearstream or Euroclear, a day on which Clearstream or Euroclear, as the case may be, is open to settle business in the currency in which the exercise price is denominated;

(B) in relation to any International Transaction which (1) involves an International Security and (2) is to be settled through a settlement system other than Clearstream or Euroclear, a day on which that settlement system is open to settle such International Transaction;

(C) in relation to any International Transaction which involves Underlying Securities not falling within (A) or (B) above, a day on which banks are open for business in the place where delivery of the relevant Underlying Securities is to be effected; and

(D) in relation to any International Transaction which involves an obligation to make a payment not falling within (A) or (B) above, (1) a day other than a Saturday or Sunday on which banks are open for business in the principal financial center of the country of which the currency in which the payment is denominated is the official currency and, if different, in the place where any account designated by the parties for the making or receipt of the payment is situated or (2) in the case of a payment denominated in euro, a day other than Saturday or Sunday on which TARGET operates and banks are open for business in the place where any account designated by the parties for the making or receipt of the payment is situated;

"**Change of Tax Law**", the meaning specified in Paragraph 6(a) of this Annex IV;

"**Clearstream**", Clearstream Banking, société anonyme;

"**Contractual Currency**", the currency in which the International Securities subject to any International Transaction are denominated or such other currency as may be specified in the

Confirmation with respect to any International Transaction, provided, however, that amounts in euro (whether denominated in the euro unit or a national currency unit) shall be treated as the same currency only if those amounts are both expressed in the euro unit or the same national currency unit;

"**euro**", the currency of the member states of the European Union that adopt a single currency in accordance with the Treaty establishing the European Communities, as amended by the Treaty on the European Union;

"**euro unit**", "**national currency unit**" and "**transitional period**", the meanings given to those terms in the European Council Regulation on the legal framework for the introduction of the euro on January 1, 1999;

"**Euroclear**", Morgan Guaranty Trust Company of New York, Brussels Branch, as operator of the Euroclear System;

"**Exercise Hours**", with respect to an Option on Underlying Securities, the hours between 9:00 a.m. and 4:00 p.m. in the city where the principal market for purchases and sales of such Underlying Securities is located, or such other hours as may be specified in Schedule IV.A hereto or in a Confirmation; provided, however, unless specified otherwise in Schedule IV.A hereto or in a Confirmation, if the Close of Trading with respect to such Underlying Securities is scheduled to be prior to 5:00 p.m. in the city where the principal market for purchases and sales of such Underlying Securities is located, then "Exercise Hours" means the hours between 9:00 a.m. and one hour prior to such scheduled Close of Trading in the city where the principal market for purchases and sales of such Underlying Securities is located. If the Close of Trading with respect to such Underlying Securities occurs prior to 5:00 p.m. in the city where the principal market for purchases and sales of such Underlying Securities is located, but was not scheduled to so occur, then, unless specified otherwise in Schedule IV.A hereto or in a Confirmation, "Exercise Hours" means the hours between 9:00 a.m. and such Close of Trading in the city where the principal market for purchases and sales of such Underlying Securities is located;

"**International Security**", any Underlying Security that (i) is denominated in a currency other than United States dollars or (ii) is capable of being cleared through a clearing facility outside the United States or (iii) is issued by an issuer organized under the laws of a jurisdiction other than the United States (or any political subdivision thereof);

"**International Transaction**", any Option involving (i) an International Security or (ii) a party organized under the laws of a jurisdiction other than the United States (or any political subdivision thereof) or having its principal place of business outside the United States or (iii) a branch or office outside the United States designated in Annex I by a party organized under the laws of the United States (or any political subdivision thereof) as an office through which that party may act;

"**LIBOR**", in relation to any sum in any currency, the offered rate for deposits for such sum in such currency for a period of three months which appears on the Reuters Screen LIBO page as of 11:00 A.M., London time, on the date on which it is to be determined (or, if more than one such rate appears, the arithmetic mean of such rates);

"**Payee**", the meaning specified in Paragraph 5(b) of this Annex IV;

"**Payor**", the meaning specified in Paragraph 5(b) of this Annex IV;

"**Spot Rate**", where an amount in one currency is to be converted into a second currency on any date, the spot rate of exchange of a comparable amount quoted by a major money-center bank in the New York interbank market, as agreed by Writer and Holder, for the sale by such bank of such second currency against a purchase by it of such first currency, provided, however, that (i) with respect to amounts to be converted from a national currency unit into the euro or from the euro into a national currency unit, the conversion shall be made at the irrevocably fixed conversion rates specified by Council Regulation (EC) No. 2866/98 and (ii) with respect to amounts to be converted between different national currency units of the euro, the conversion shall be made in accordance with Article 4(4) of Council Regulation (EC) No. 1103/97;

"**TARGET**", the Trans-European Automated Real-time Gross Settlement Express Transfer system;

"**Tax**", the meaning specified in Paragraph 5(b) of this Annex IV;

(b) Notwithstanding Paragraph 2(x) of the Agreement, the term "Prime Rate" shall mean, with respect to any International Transaction, LIBOR plus a spread, as may be specified in the Confirmation with respect to any International Transaction or otherwise in writing.

2. Manner of Transfer.

Without limiting the last sentence of Paragraph 6(a) of the Agreement, all transfers of International Securities (i) shall be in suitable form for transfer and accompanied by duly executed instruments of transfer or assignment in blank (where required for transfer) and such other documentation as the transferee may reasonably request, or (ii) shall be transferred through the book-entry system of Euroclear or Clearstream, or (iii) shall be transferred through any other agreed securities clearing system or (iv) shall be transferred by any other method mutually acceptable to Writer and Holder.

3. Contractual Currency.

(a) Unless otherwise mutually agreed, all funds transferred in respect of the premium or the exercise price in any International Transaction shall be in the Contractual Currency.

(b) Notwithstanding subparagraph (a) of this Paragraph 3, the payee of any payment may, at its option, accept tender thereof in any other currency; provided, however, that, to the extent permitted by applicable law, the obligation of the payor to make such payment will be discharged only to the extent of the amount of the Contractual Currency that such payee may, consistent with normal banking procedures, purchase with such other currency (after deduction of any premium and costs of exchange) for delivery within the customary delivery period for spot transactions in respect of the relevant currency.

(c) If for any reason the amount in the Contractual Currency so received, including amounts received after conversion of any recovery under any judgment or order expressed in a currency other than the Contractual Currency, falls short of the amount in the Contractual Currency due in respect of the Agreement, the party required to make the payment shall (unless an Event of Default has occurred and such party is the nondefaulting party) as a separate and independent obligation (which shall not merge with any judgment or any payment or any partial payment or enforcement of payment) and to the extent permitted

by applicable law, immediately pay such additional amount in the Contractual Currency as may be necessary to compensate for the shortfall.

(d) If for any reason the amount of the Contractual Currency received by one party hereto exceeds the amount in the Contractual Currency due such party in respect of the Agreement, then (unless an Event of Default has occurred and such party is the nondefaulting party) the party receiving the payment shall refund promptly the amount of such excess.

(e) For purposes of Paragraph 5(c) of the Agreement, references to $1 million in face amount of Underlying Securities or other securities shall be references to the equivalent face amount thereof in the Contractual Currency (calculated at the Spot Rate).

4. Notices.

Any and all notices, statements, demands or other communications with respect to International Transactions shall be given in accordance with Paragraph 10 of the Agreement and shall be in the English language.

5. Taxes.

(a) Transfer taxes, stamp taxes and all similar costs with respect to the transfer of Underlying Securities shall be paid by Holder.

(b) (i) Unless otherwise agreed, all money payable by one party (the "**Payor**") to the other (the "**Payee**") in respect of any International Transaction shall be paid free and clear of, and without withholding or deduction for, any taxes or duties of whatsoever nature imposed, levied, collected, withheld or assessed by any authority having power to tax (a "**Tax**"), unless the withholding or deduction of such Tax is required by law. In that event, unless otherwise agreed, Payor shall pay such additional amounts as will result in the net amounts receivable by Payee (after taking account of such withholding or deduction) being equal to such amounts as would have been received by Payee had no such Tax been required to be withheld or deducted; provided that for purposes of Paragraphs 5 and 6 of this Annex IV the term "Tax" shall not include any Tax that would not have been imposed but for the existence of any present or former connection between Payee and the jurisdiction imposing such Tax other than the mere receipt of payment from Payor or the performance of Payee's obligations under an International Transaction.

(ii) In the case of any Tax required to be withheld or deducted from any money payable to a party hereto acting as Payee by the other party hereto acting as Payor, Payee agrees to deliver to Payor (or, if applicable, to the authority imposing the Tax) any certificate or document reasonably requested by Payor that would entitle Payee to an exemption from, or reduction in the rate of, withholding or deduction of Tax from money payable by Payor to Payee.

(iii) Each party hereto agrees to notify the other party of any circumstance known or reasonably known to it (other than a Change of Tax Law, as defined in Paragraph 6 hereof) that causes a certificate or document provided by it pursuant to subparagraph (b)(ii) of this Paragraph 5 to fail to be true.

(iv) Notwithstanding subparagraph (b)(i) of this Paragraph 5, no additional amounts shall be payable by Payor to Payee in respect of an International Transaction to the extent that such additional amounts are payable as a result of a failure by Payee to comply with its

obligations under subparagraph (b)(ii) or (b)(iii) of this Paragraph 5 with respect to such International Transaction.

6. Tax Event.

(a) This Paragraph 6 shall apply if either party notifies the other, with respect to a Tax required to be collected by withholding or deduction, that —

(i) any action taken by a taxing authority or brought in a court of competent jurisdiction after the date an International Transaction is entered into, regardless of whether such action is taken or brought with respect to a party to the Agreement; or

(ii) a change in the fiscal or regulatory regime after the date an International Transaction is entered into,

(each, a "**Change of Tax Law**") has or will, in the notifying party's reasonable opinion, have a material adverse effect on such party in the context of an International Transaction.

(b) If so requested by the other party, the notifying party will furnish the other party with an opinion of a suitably qualified adviser that an event referred to in subparagraph (a)(i) or (a)(ii) of this Paragraph 6 has occurred and affects the notifying party.

(c) Where this Paragraph 6 applies, the party giving the notice referred to in subparagraph (a) above may, subject to subparagraph (d) below, terminate the International Transaction effective from a date specified in the notice, not being earlier (unless so agreed by the other party) than 30 days after the date of such notice, by nominating such date as the Expiration Date.

(d) If the party receiving the notice referred to in subparagraph (a) of this Paragraph 6 so elects, it may override such notice by giving a counter-notice to the other party. If a counter-notice is given, the party which gives such counter-notice will be deemed to have agreed to indemnify the other party against the adverse effect referred to in subparagraph (a) of this Paragraph 6 so far as it relates to the relevant International Transaction and the original Expiration Date will continue to apply.

(e) Where an International Transaction is terminated as described in this Paragraph 6, the party which has given the notice to terminate shall indemnify the other party against any change in the mid-market value of such International Transaction and any reasonable legal and other professional expenses incurred by the other party by reason of the termination, but the other party may not claim any sum constituting consequential loss or damage in respect of a termination in accordance with this Paragraph 6.

(f) This Paragraph 6 is without prejudice to Paragraph 5 of this Annex IV; but an obligation to pay additional amounts pursuant to Paragraph 5 of this Annex IV may, where appropriate, be a circumstance which causes this Paragraph 6 to apply.

7. Events of Default.

(a) In addition to the Events of Default set forth in Paragraph 8 of the Agreement, it shall be an additional "Event of Default" if either party fails, after one Business Day's notice, to perform any covenant or obligation required to be performed by it under this Annex IV,

including, without limitation, the payment of taxes or additional amounts as required by Paragraph 5 of this Annex IV.

(b) In addition to the other rights of a nondefaulting party under Paragraph 8 of the Agreement, following an Event of Default, the nondefaulting party may, at any time at its option, effect the conversion of any currency into a different currency of its choice at the Spot Rate on the date of the exercise of such option and offset obligations of the defaulting party denominated in different currencies against each other.

8. Certain Matters Relating to the Euro.

(a) The parties confirm that the introduction of the euro or the occurrence or non-occurrence of any other event associated with economic or monetary union in the European Community shall not have the effect of altering any term of, nor of discharging or excusing any performance under, the Agreement or any Option thereunder, nor give any party the right unilaterally to alter or terminate the Agreement or any Option thereunder, or, in and of itself, give rise to an Event of Default under the Agreement. An event associated with economic or monetary union in the European Community shall include, but not be limited to, (a) the introduction of or changeover to the euro; (b) the fixing of conversion rates between a member state's currency and the euro or between the currencies of member states; (c) the substitution of the euro for the ECU; (d) the introduction of the euro as lawful currency of a member state; (e) the withdrawal from legal tender of any currency that, before the introduction of the euro, was lawful currency in one of the member states; (f) the disappearance or replacement of a relevant price source or rate for the ECU or the national currency of any member state, or the failure of a sponsor to publish or display a relevant rate, price, page or screen; or (g) the redenomination, renominalization or reconventioning of any Underlying Securities.

(b) If as a result of an event associated with economic or monetary union of the European Community, Underlying Securities are redenominated into euro during the term of an Option, the Contractual Currency for purposes of making payments under the Agreement or this Annex IV will be euro, unless the Contractual Currency was a currency other than the currency in which such Underlying Securities were previously denominated, or as otherwise agreed.

(c) As used in the definition of Business Day, references to a day on which "banks are open for business in the principal financial center of the country of which the currency in which the payment is denominated is the official currency," in relation to a national currency unit, will be to a day on which banks are open for settling payments in the national currency unit in the country that was the principal financial center of that national currency unit immediately prior to the start of the transitional period.

(d) Notwithstanding Paragraph 3(b) of this Annex IV, the payee of any payments in respect of an Option may, if the payment is denominated in a national currency unit of a country participating in euro, at its option, accept tender thereof in euro. The obligation of the payor of such payment shall be discharged under Paragraph 5 of the Agreement only to the extent that the amount paid in euro is equivalent to the amount expressed in the national currency unit where the conversion is conducted in accordance with the definition of Spot Rate in this Annex IV.

Schedule IV.A International Transactions Relating to [Relevant Country]

This Schedule IV.A forms a part of Annex IV to the Master OTC Options Agreement dated as of _____ , _____ (the "**Agreement**") between _____ and _____. Capitalized terms used but not defined in this Schedule IV.A shall have the meanings ascribed to them in Annex IV.

[Insert provisions applicable to relevant country.]

Annex V
Party Acting as Agent

This Annex V forms a part of the Master OTC Options Agreement dated as of _____ , _____ (the "**Agreement**") between _____ and _____ . This Annex V sets forth the terms and conditions governing all transactions in which a party ("**Agent**") in an Option, is acting as agent for one or more third parties (each, a "**Principal**"). Capitalized terms used but not defined in this Annex V shall have the meanings ascribed to them in the Agreement.

1. **Additional Representations.**
In addition to the representations set forth in Paragraph 7 of the Agreement, Agent hereby makes the following representations, which shall continue during the term of any Option: Principal has duly authorized Agent to execute and deliver the Agreement on its behalf, has the power to so authorize Agent and to enter into the Options contemplated by the Agreement and to perform the obligations of Principal under such Options, and has taken all necessary action to authorize such execution and delivery by Agent and such performance by it.

2. **Identification of Principals.**
Agent agrees (a) to provide the other party, prior to the date on which the parties agree to enter into any Option under the Agreement, with a written list of Principals for which it intends to act as Agent (which list may be amended in writing from time to time with the consent of the other party), and (b) to provide the other party, before the time established by the parties in Annex I to the Agreement or otherwise orally or in writing or, in the absence of any such agreement, as shall be determined in accordance with market practice (the "**Close of Business**") on the next Business Day after agreeing to enter into an Option, with notice of the specific Principal or Principals for whom it is acting in connection with such Option. If (i) Agent fails to identify such Principal or Principals prior to the Close of Business on such next Business Day or (ii) the other party shall determine in its sole discretion that any Principal or Principals identified by Agent are not acceptable to it, the other party may reject and rescind any Option with such Principal or Principals, return to Agent any premium previously transferred to the other party and refuse any further performance under such Option, and Agent shall immediately return to the other party any premium previously transferred to Agent in connection with such Option; provided, however, that (A) the other party shall promptly (and in any event within one Business Day of notice of the specific Principal or Principals) notify Agent of its determination to reject and rescind such Option and (B) to the extent that any performance was rendered by any party under any Option rejected by the other party, such party shall remain entitled to any amounts that would have been payable to it with respect to such performance, including any changes in the mid-market value of the Option, if such Option had not been rejected. The other party acknowledges that Agent shall not have any obligation to provide it with confidential information regarding the financial status of its Principals; Agent agrees, however, that it will assist the other party in obtaining from Agent's Principals such information regarding the financial status of such Principals as the other party may reasonably request.

3. **Limitation of Agent's Liability.**
The parties expressly acknowledge that if the representations of Agent under the Agreement, including this Annex V, are true and correct in all material respects during the term of any Option and Agent otherwise complies with the provisions of this Annex

V, then (a) Agent's obligations under the Agreement shall not include a guarantee of performance by its Principal or Principals and (b) the other party's remedies shall not include a right of setoff in respect of rights or obligations, if any, of Agent arising in other transactions in which Agent is acting as principal.

4. Multiple Principals.

(a) In the event that Agent proposes to act for more than one Principal hereunder, Agent and the other party shall elect whether (i) to treat Options under the Agreement as transactions entered into on behalf of separate Principals or (ii) to aggregate such Options as if they were transactions by a single Principal. Failure to make such an election in writing shall be deemed an election to treat Options under the Agreement as transactions on behalf of separate Principals.

(b) In the event that Agent and the other party elect (or are deemed to elect) to treat Options under the Agreement as transactions on behalf of separate Principals, the parties agree that (i) Agent will provide the other party, together with the notice described in Paragraph 2(b) of this Annex V, notice specifying the portion of each Option allocable to the account of each of the Principals for which it is acting (to the extent that any such Option is allocable to the account of more than one Principal), (ii) the portion of any individual Option allocable to each Principal shall be deemed a separate Option under the Agreement, (iii) the performance assurance provisions of any Annex to the Agreement, if any, shall be determined on an Option-by-Option basis (unless the parties agree to determine such obligations on a Principal-by-Principal basis), and (iv) remedies available to the parties under the Agreement upon the occurrence of an Event of Default shall be determined as if Agent had entered into a separate Agreement with the other party on behalf of each of its Principals.

(c) In the event that Agent and the other party elect to treat Options under the Agreement as if they were transactions by a single Principal, the parties agree that (i) Agent's notice under Paragraph 2(b) of this Annex V need only identify the names of its Principals but not the portion of each Option allocable to each Principal's account, (ii) the performance assurance provisions of any Annex to the Agreement shall, subject to any greater requirement imposed by applicable law, be determined on an aggregate basis for all Options entered into by Agent on behalf of any Principal, and (iii) remedies available to the parties upon the occurrence of an Event of Default shall be determined as if all Principals were a single defaulting or nondefaulting party, as the case may be.

(d) Notwithstanding any other provision of the Agreement (including, without limitation, this Annex V), the parties agree that any Options by Agent on behalf of an employee benefit plan under ERISA shall be treated as Options on behalf of separate Principals in accordance with Paragraph 4(b) of this Annex V (and all performance assurance obligations of the parties shall be determined on an Option-by-Option basis).

5. Interpretation of Terms.

All references to a "party," the "parties," "Writer" or "Holder," as the case may be, in the Agreement shall, subject to the provisions of this Annex V (including, among other provisions, the limitations on Agent's liability in Paragraph 3 of this Annex V), be construed to reflect that (i) each Principal shall have, in connection with any Option or Options entered into by Agent on its behalf, the rights, responsibilities, privileges and obligations of a "party" directly entering into such Option or Options with the other party under the Agreement, and (ii) Agent's Principal or Principals have designated Agent as

their sole agent for performance of a party's obligations to the other party and for receipt of performance by the other party in connection with any Option or Options under the Agreement (including, among other things, as Agent for each Principal in connection with transfers of Underlying Securities, cash or other property and as agent for giving and receiving all notices under the Agreement). Both Agent and its Principal or Principals shall be deemed "parties" to the Agreement and all references to a "party" or "either party" in the Agreement shall be deemed revised accordingly (and any Act of Insolvency with respect to Agent or any other Event of Default by Agent under Paragraph 8 of the Agreement shall be deemed an Event of Default by the Principal or Principals for such Agent).