
1997 ISDA

Short Form

Bullion

Definitions

ISDA[®]

INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION, INC.

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INTRODUCTION TO THE 1997 ISDA SHORT FORM BULLION DEFINITIONS

The 1997 ISDA Short Form Bullion Definitions are intended for use in confirmations of individual transactions ("Confirmations") governed by agreements such as the 1992 ISDA Master Agreement (Multicurrency - Cross Border) (the "ISDA Master Agreement") published by the International Swaps and Derivatives Association, Inc. ("ISDA"). Copies of the ISDA Master Agreement are available from the executive offices of ISDA. A sample form of a letter agreement or telex constituting a Confirmation is attached as Exhibit I to these Definitions. Sample forms of specific provisions for inclusion in a Confirmation to document different types of bullion transactions are attached as Exhibits II-A and II-B to these Definitions. As used in these Definitions "bullion" means each of gold, silver, platinum and palladium.

These Definitions were extracted from the 1997 ISDA Bullion Definitions to meet the needs of certain market participants who desired a short form set of Definitions covering only physically-settled (on an unallocated basis) bullion spot and forward trades and options.

Each user of these Definitions should review the provisions of these Definitions carefully and form its own independent judgment on the appropriateness of these Definitions for use by the institution in documenting bullion transactions.

The 1994 International Bullion Master Agreement Terms published by The London Bullion Market Association ("LBMA") served as the basis for many of the definitions and provisions contained in these Definitions. Representatives of the LBMA kindly participated in the working group which produced these Definitions.

ISDA has provided these Definitions to assist the smooth and efficient functioning of the bullion markets by providing a common set of terms for parties to use in preparing confirmations of certain bullion transactions. *The precise documentation of each individual transaction remains, however, the responsibility of the parties concerned. ISDA assumes no responsibility for any use to which these Definitions may be put, including, without limitation, any use of these Definitions in connection with any bullion transactions. Each party to a bullion transaction evidenced by documentation referring to or incorporating these Definitions must satisfy itself that the Definitions are appropriate for the transaction, have been properly used and/or adapted in the relevant documentation for the transaction and that the documentation has generally been properly drafted, in each case to reflect the commercial intentions of the parties.*

ISDA has not undertaken to review all applicable laws and regulations of any jurisdiction in which these Definitions may be used, and therefore parties are advised to consider the application of any relevant jurisdiction's regulatory, tax, accounting, exchange or other requirements that may exist in connection with the entering into and documenting of bullion transactions. However parties are advised that if Bullion Trades or Bullion Options are entered into with U.S. counterparties or otherwise are subject to the U.S.

Commodity Exchange Act, parties should consult with their legal advisers to ensure compliance with that Act and the regulations adopted pursuant to that Act by the Commodity Futures Trading Commission.

1997 ISDA SHORT FORM BULLION DEFINITIONS

Any or all of the following definitions and provisions may be incorporated into a document by wording in the document indicating that, or the extent to which, the document is subject to the 1997 ISDA Short Form Bullion Definitions (as published by the International Swaps and Derivatives Association, Inc.). All definitions and provisions so incorporated in a document will be applicable to that document unless otherwise provided in that document, and all terms defined in these Definitions and used in any definition or provision that is incorporated by reference in a document will have the respective meanings set forth in these Definitions unless otherwise provided in that document. Any term used in a document will, when combined with the name of a party, have meaning in respect of the named party only.

ARTICLE 1

CERTAIN GENERAL DEFINITIONS

Section 1.1. Confirmation. "Confirmation" means, with respect to a Bullion Transaction, one or more documents or other confirming evidence, which, taken together, confirm all the terms of a Bullion Transaction.

Section 1.2. Bullion Business Day. "Bullion Business Day" means with respect to a Bullion Transaction any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and New York, the location where payment is to be made and which is also a scheduled trading day (meaning a day on which such markets are ordinarily open) in the Bullion market in the delivery location.

Section 1.3. Trade Date; Contract Date. "Trade Date" and "Contract Date" means the date on which the parties enter into a Bullion Transaction.

Section 1.4. Bullion Transaction. "Bullion Transaction" means any Bullion Trade or Bullion Option incorporating these 1997 ISDA Short Form Bullion Definitions.

Section 1.5. Bullion. "Bullion" means Gold, Silver, Platinum or Palladium, as the case may be.

Section 1.6. Gold. "Gold" means gold bars or unallocated gold complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect, unless otherwise agreed in writing by the parties.

Section 1.7. Silver. "Silver" means silver bars or unallocated silver complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect, unless otherwise agreed in writing by the parties.

Section 1.8. Platinum. "Platinum" means platinum ingots or plate or unallocated platinum complying with the rules of the LPPM relating to good delivery and fineness from time to time in effect, unless otherwise agreed in writing by the parties.

Section 1.9. Palladium. "Palladium" means palladium ingots or plate or unallocated palladium complying with the rules of the LPPM relating to good delivery and fineness from time to time in effect, unless otherwise agreed in writing by the parties.

Section 1.10. London Bullion Market Association; LBMA. "London Bullion Market Association" and "LBMA" each means The London Bullion Market Association, or its successors, which represents the institutions in the United Kingdom active in all aspects of bullion, and the services related to it, including the clearing, physical and regulatory aspects. Among its members are those with "market making" status whose activities include the quoting of prices for buying and selling Gold and Silver for spot and forward delivery throughout each working day.

Section 1.11. London Platinum and Palladium Market; LPPM. "London Platinum and Palladium Market" and "LPPM" each means the market in London on which members of The London Platinum and Palladium Market (an unincorporated members' association established by a Deed of Establishment dated 5th May 1987, as amended and restated) or its successors, quote prices for buying and selling Platinum and Palladium.

Section 1.12. Ounce. "Ounce" means, in the case of Gold, a fine troy ounce, and in the case of Silver, Platinum and Palladium, a troy ounce.

Section 1.13. Currency. "Currency" means money denominated in the lawful currency of any country or the ECU.

Section 1.14. Value Date. "Value Date" means in respect of a Bullion Trade or a Bullion Obligation, the Bullion Business Day upon which the obligation to deliver Bullion or Currency pursuant to such Bullion Trade or Bullion Obligation is to be performed.

Section 1.15. Transaction Currency. "Transaction Currency" means unless otherwise agreed by the parties, in the case of a Bullion Trade, the Currency in which the Contract Price is expressed and, in the case of a Bullion Option, the Currency in which the Strike Price is expressed.

Section 1.16. ISDA Master Agreement. "ISDA Master Agreement" means the 1992 ISDA Master Agreement (Multicurrency - Cross Border). The terms "Affected Party", "Offices", "Early Termination Date", "Event of Default", "Local Business Day", "Termination Event" and "Terminated Transaction" will have the meanings given to those terms in the ISDA Master Agreement. If any Bullion Transaction supplements and forms part of a master agreement between the parties other than a master agreement in the form of the ISDA Master Agreement, then references herein to particular provisions of the ISDA Master Agreement shall be construed as applying to the equivalent provisions (if any) contained in such other master agreement.

Section 1.17. Sterling. "Sterling" means the lawful currency of the United Kingdom.

Section 1.18. U.S. Dollar. "U.S. Dollar" means the lawful currency of the United States of America.

ARTICLE 2

BULLION TRADES AND BULLION OPTIONS

Section 2.1. Bullion Trade. "Bullion Trade" means any transaction for the spot or forward sale of Bullion.

Section 2.2. Bullion Obligation. "Bullion Obligation" means any obligation of a party to deliver Bullion or Currency pursuant to a Bullion Trade (in the case of Currency being the Contract Price multiplied by the number of Ounces which are the subject of such Bullion Transaction) or a Bullion Option which has been exercised (in the case of Currency being the Strike Price multiplied by the number of Ounces which are the subject of such Bullion Option) or deemed exercised or pursuant to the application of Section 4.2.

Section 2.3. Contract Price. "Contract Price" means the price per Ounce, expressed in the Transaction Currency, agreed as such by the parties being the price at which the purchaser under that Bullion Trade shall purchase and the seller under that Bullion Trade shall sell the Bullion which is the subject of such Bullion Trade.

Section 2.4. Bullion Option. "Bullion Option" means the right, but not the obligation, of the Buyer to purchase from or, as the case may be, sell to the Seller a specified number of Ounces of Bullion at the Strike Price.

Section 2.5. Terms of Bullion Options. In respect of a Bullion Option, the following terms shall have the indicated meanings:

(a) **American Style Option.** "American Style Option" means a style of Bullion Option specified as such by the parties pursuant to which the right or rights granted are exercisable during the Exercise Period.

(b) **Buyer.** "Buyer" means the party specified as such by the parties, being the purchaser of the Bullion Option.

(c) **Call Option.** "Call Option" means a Bullion Option entitling, but not obliging, except upon exercise, the Buyer to purchase from the Seller at the Strike Price a specified number of Ounces of Bullion.

(d) **European Style Option.** "European Style Option" means a style of Bullion Option specified as such by the parties pursuant to which the right or rights granted are exercisable only on the Expiration Date up to and including the Expiration Time unless the parties otherwise agree.

(e) **Exercise Date.** "Exercise Date" means the date on which a Bullion Option is or is deemed to be exercised, which date must be a Bullion Business Day unless the parties otherwise agree.

(f) **Exercise Period.** "Exercise Period" means, unless otherwise specified by the parties, the period from and including the Trade Date to and including the Expiration Time, which period is the period in which the right or rights granted pursuant to an American Style Option are exercisable.

(g) **Expiration Date.** "Expiration Date" means the date specified as such by the parties being the latest date on which a Bullion Option may be exercised provided that in the case of any Bullion Option quoted for a specific month in relation to which no Expiration Date is specifically agreed, the Expiration Date shall be the Standard Date in relation to that month.

(h) **Expiration Time.** "Expiration Time" means 9.30 a.m. (New York time) on the Expiration Date, unless otherwise specified by the parties.

(i) **Notice of Exercise.** "Notice of Exercise" means notice delivered by the Buyer to the Seller prior to or at the Expiration Time (which may be delivered by telex or other electronic notification providing assurance of receipt such as Reuters Dealing 2000-1 or Bloomberg Trading System (excluding facsimile transmission unless otherwise agreed by the parties) or orally, including by telephone, unless the parties otherwise agree with respect to a Bullion Option) of its exercise of the right or rights granted pursuant to the Bullion Option which shall be irrevocable once effective. Unless otherwise agreed by the parties, a Bullion Option may be exercised only in whole.

(j) **Premium.** "Premium" means an amount specified as such by the parties, which amount is the purchase price of the Bullion Option and is payable by the Buyer to the Seller on the Premium Payment Date for value on such date.

(k) **Premium Payment Date.** "Premium Payment Date" means the date on which the Premium is payable, being the second Bullion Business Day after the Trade Date, unless otherwise agreed by the parties.

(l) **Put Option.** "Put Option" means a Bullion Option entitling, but not obliging, except upon exercise, the Buyer to sell to the Seller at the Strike Price a specified number of Ounces of Bullion.

(m) **Seller.** "Seller" means the party specified as such by the parties, being the grantor of the Bullion Option.

(n) **Settlement Date.** "Settlement Date" means in respect of the exercise of a Bullion Option, the second Bullion Business Day after the Exercise Date of such Bullion Option.

(o) **Standard Date.** "Standard Date" means in respect of any month, the day that is two Bullion Business Days preceding the last Bullion Business Day of the month.

(p) **Strike Price.** "Strike Price" means, in relation to a Bullion Option, the price per Ounce, expressed in the Transaction Currency, agreed as such by the parties, being the price at which under that Bullion Option the Buyer shall be entitled to purchase (in the case of a Call Option) or sell (in the case of a Put Option) the Bullion which is the subject of such Bullion Option.

Section 2.6. Terms Relating to Exercise.

(a) **Effectiveness of Notice of Exercise.** A Notice of Exercise with respect to a Bullion Option becomes effective (unless otherwise agreed) upon receipt thereof by Seller: (i) in the case of an American Style Option, if received prior to or at 2.00 p.m. (Seller's local time) on any Bullion Business Day prior to the Expiration Date or prior to or at the Expiration Time on the Expiration Date; and (ii) in the case of a European Style Option, if received prior to or at the Expiration Time on the Expiration Date. In the case of an American Style Option, notice received after 2.00 p.m. (Seller's local time) on any Bullion Business Day prior to the Expiration Date, or on any day prior to the Expiration Date which is not a Bullion Business Day, shall be deemed to have been received on the next following Bullion Business Day.

(b) **Automatic Exercise.** Unless the parties have agreed that automatic exercise shall not apply and unless the Seller is otherwise instructed by the Buyer, a Bullion Option, which has not been exercised, shall be deemed to have been exercised at the Expiration Time where the In-the-Money Amount in relation to that Bullion Option at such Expiration Time equals or exceeds the product of (A) one percent (or such other percentage as may have been agreed by the parties) of the Strike Price and (B) the number of Ounces of Bullion which are the subject of such Bullion Option.

Section 2.7. Definitions Relating to Automatic Exercise.

(a) **Relevant Price.** "Relevant Price" means, unless otherwise agreed by the parties, the price that the Seller determines in good faith that it would quote to market counterparties at the Expiration Time as being (i) the bid price for a Bullion spot or forward transaction for delivery on the Settlement Date (where the Bullion Option is a Call Option) or (ii) the offer price for a Bullion spot or forward transaction (where the Bullion Option is a Put Option) for delivery on the Settlement Date; such price to be quoted in the same currency as the Strike Price and to be in respect of one Ounce of the relevant type of Bullion.

(b) **In-the-Money Amount.** "In-the-Money Amount" means an amount, if any, determined by taking the difference between the Relevant Price and the Strike Price, multiplied by the aggregate number of Ounces of Bullion to be purchased under that Bullion Option.

Section 2.8. Settlement of Exercised Bullion Options. An exercised Bullion Option shall be settled on its Settlement Date in accordance with Article 3, as if it were a Bullion Trade with the Value Date falling on the Settlement Date, with the Contract Price equal to the Strike Price. Each exercised Bullion Option shall be deemed to be a Bullion Trade for the purposes of Article 4.

Section 2.9. Discharge and Termination. If the parties agree in writing that this Section 2.9. shall apply, then any Call Option written by a party will automatically be terminated and discharged, in whole or in part, as applicable, against a Call Option written by the other party and any Put Option written by a party will automatically be terminated and discharged, in whole or in part, as applicable, against a Put Option written by the other party, such termination and discharge to occur automatically upon the payment in full of the last Premium payable in respect of such Bullion Options provided that such termination and discharge may only occur in respect of Bullion Options:

(a) each being with respect to the same type of Bullion and having the same Transaction Currency;

- (b) each having the same Expiration Date and Expiration Time;
 - (c) each being of the same style, e.g. either both being American Style Options or both being European Style Options;
 - (d) each having the same Strike Price;
 - (e) each to be settled in the same location;
 - (f) each having been transacted by the same pair of Offices of both the Buyer and the Seller;
- and
- (g) neither of which shall have been exercised by delivery of a Notice of Exercise,

and, upon the occurrence of such termination and discharge, neither party shall have any further obligation to the other party in respect of the relevant Bullion Options or, as the case may be, parts thereof so terminated and discharged. In the case of a partial termination and discharge (i.e., where the relevant Bullion Options are for different numbers of Ounces of Bullion), the remaining portion of the Bullion Option which is partially discharged and terminated shall continue to be a Bullion Option for all purposes including this Section 2.9.

Section 2.10. Payment of Premiums. If any Premium is not received on the Premium Payment Date, the Seller may elect either: (a) to accept a late payment of such Premium; (b) to give written notice of such non-payment and, if such payment shall not be received within three Local Business Days of such notice, treat the related Bullion Option as void; or (c) to give written notice of such non-payment and, if such payment shall not be received within three Local Business Days of such notice, treat such non-payment as an Event of Default under Section 5(a)(i) of the ISDA Master Agreement. If the Seller elects to act under either clause (a) or (b) of the preceding sentence, the Buyer shall pay all out-of-pocket costs and actual damages incurred in connection with such unpaid or late Premium or void Bullion Option, including, without limitation, interest on such Premium in the same Currency as such Premium at the then prevailing market rate and any other costs or expenses incurred by the Seller in covering its obligations (including, without limitation, the cost of entering into and/or unwinding hedging transactions (including but not limited to any delta hedge)) with respect to such Bullion Option.

ARTICLE 3

SETTLEMENT

Section 3.1. Settlement. In respect of each Bullion Transaction, and subject to Sections 2.9 (Discharge and Termination), 4.1 (Bullion Settlement Netting) and 4.2 (Novation Netting), each party shall deliver to the other party the amount of the Bullion or Currency required to be delivered by it under each Bullion Obligation on the Value Date for such Bullion Obligation. Unless otherwise agreed, delivery under any Bullion Transaction shall be to an unallocated account as follows: All Bullion to be delivered under any Bullion Transaction for Gold or Silver shall be delivered loco London under the rules of The London

Bullion Market Association by being credited to an unallocated account at a member of The London Bullion Market Association agreed by both parties (or, failing agreement, nominated by the delivering party); All Bullion to be delivered under any Bullion Obligation for Platinum or Palladium shall be delivered under the rules of The London Platinum and Palladium Market loco Zurich by being credited to an unallocated account at a member of The London Platinum and Palladium Market agreed by both parties (or, failing agreement, nominated by the delivering party).

Section 3.2. Payment for Late Delivery. Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Bullion Transaction, a party that defaults in the performance of any delivery obligation will, to the extent permitted by law and subject to Section 6(c) of the ISDA Master Agreement, be required to pay to the other party an amount, payable on demand, equal to the total cost reasonably incurred, or to be reasonably incurred, by the other party, including without limitation, in respect of its insurance, vaulting, transportation and borrowing costs resulting from the default in the performance of such delivery obligation. The amount will be determined by the other party acting reasonably and in good faith.

Section 3.3. Delivery of Bullion on an Allocated Basis. Notwithstanding Section 3.1, the parties may agree that delivery under any Bullion Transaction shall be made on an allocated basis. In such case, the Confirmation for such Bullion Transaction shall specify such additional terms and conditions as the parties may mutually agree with respect to such allocated delivery. These additional terms and conditions may include, but shall not be limited to, delivery method, delivery location, delivery dates or periods, passage of title and risk of loss, insurance, delivery tolerance factors and warehousing costs. For the avoidance of doubt, Section 3.1 (except for the first sentence thereof) shall not apply to any such Bullion Transaction, nor shall any such Bullion Transaction be subject to Sections 2.9, 4.1 or 4.2.

Section 3.4. Settlement Disruption. (a) "Settlement Disruption Event" means an event beyond the control of the parties as a result of which delivery cannot be effected by the method of delivery specified by the parties.

(b) Unless otherwise specified in the relevant Confirmation or elsewhere, if there is a Settlement Disruption Event that prevents settlement of Bullion on a day that but for the occurrence of that Settlement Disruption Event would have been the Value Date, then,

(i) if, in the relevant Confirmation under "Consequences of Settlement Disruption Events", the consequence specified is "Negotiation", then the Value Date will be the first succeeding day on which delivery can be effected by the method of delivery specified by the parties, unless a Settlement Disruption Event prevents settlement on each of the ten Bullion Business Days immediately following the original date that, but for the Settlement Disruption Event, would have been the Value Date. In that case, (A) if the Bullion can be delivered in any other commercially reasonable manner, then the Value Date will be the first day on which settlement of a sale of Bullion executed on that tenth Bullion Business Day customarily would take place using such other commercially reasonable manner of delivery and (B) if the Bullion cannot be delivered in any other commercially reasonable manner, then the parties will negotiate in good faith with the object to agree a commercially reasonable manner to settle the relevant Bullion Transaction; or

(ii) if, in the relevant Confirmation under "Consequences of Settlement Disruption Events", the consequence specified or, pursuant to Section 3.4(c) deemed to have been specified, is "Cancellation and Payment", then the Value Date will be the first succeeding day on which delivery can be effected by the method of delivery specified by the parties, unless a Settlement Disruption Event prevents settlement on each of the two Bullion Business Days immediately following the original date that, but for the Settlement Disruption Event, would have been the Value Date. In that case, an Early Termination Date will be deemed to occur on that second Bullion Business Day on the basis that a Termination Event has occurred with the relevant Bullion Transaction the sole Terminated Transaction and the party which had been required to make the relevant delivery the Affected Party.

(c) Unless the parties otherwise provide in the relevant Confirmation or elsewhere, if the parties do not specify the consequences of Settlement Disruption Events in the relevant Confirmation, "Cancellation and Payment" will be deemed to have been specified.

ARTICLE 4

NETTING

Section 4.1. Bullion Settlement Netting. Obligations to deliver Bullion of a particular type are deemed to be obligations to make payment in a particular currency for the purpose of Section 2(c) of the ISDA Master Agreement and any election which the parties may have made in relation to Section 2(c)(ii) of the ISDA Master Agreement (if any) agreed between them shall be deemed, in the absence of agreement to the contrary, to apply in a similar fashion to obligations to deliver Bullion of a particular type.

Section 4.2. Novation Netting.

(a) **By Type of Obligation.** If the parties have agreed in writing that "Novation Netting By Type of Obligation" is applicable then if the parties enter into a Bullion Trade through a pair of Offices or, if a Bullion Option entered into by the parties through a pair of Offices is exercised or deemed exercised, in each case, giving rise to a Bullion Obligation for the same Value Date and in the same type of Bullion or Currency and (for amounts deliverable in the same Bullion) with the same delivery location as a then existing Bullion Obligation between the same pair of Offices, immediately upon entering into such Bullion Trade or exercise or deemed exercise of such Bullion Option, each such Bullion Obligation shall automatically and without further action be individually cancelled and simultaneously replaced by a new Bullion Obligation for such Value Date determined as follows: the amounts of such type of Bullion or Currency that would otherwise have been deliverable by each party on such Value Date shall be aggregated (i.e., Gold with Gold, Silver with Silver, Platinum with Platinum, Palladium with Palladium and each Currency with other Currency of the same type) and the party with the larger aggregate amount shall have a new Bullion Obligation to deliver to the other party the amount of such type of Bullion or Currency by which its aggregate amount exceeds the other party's aggregate amount, provided that if the aggregate amounts are equal, no new Bullion Obligation shall arise. This Section 4.2(a) shall not affect any other Bullion Obligation of a party to deliver any different Bullion or Currency on the same Value Date. For the purposes of the ISDA Master Agreement, each Bullion Obligation deriving from a Bullion Transaction to which this Section 4.2(a) applies shall be deemed to be a separate "Transaction".

(b) **By Matched Pair.** If the parties have agreed in writing that "Novation Netting By Matched Pair" is applicable then if the parties enter into a Bullion Trade between a pair of Matched Pair Offices or, if a Bullion Option entered into by the parties through a pair of Matched Pair Offices is exercised or deemed exercised, the provisions of Section 4.2(a) above shall apply only in respect of Bullion Obligations arising by virtue of Bullion Trades or exercised Bullion Options entered into between such pair of Matched Pair Offices and involving the same type of Bullion and Currency and the same Value Date. For the purposes of this Section, "Matched Pair Office" shall have the meaning agreed by the parties.

Section 4.3. General.

(a) **Failure to Record.** The provisions of Sections 2.9 and 4.2 shall apply notwithstanding that either or each party may fail to record the new Bullion Options or Bullion Obligations in its books.

(b) **Cut-off Date and Time.** The provisions of Sections 2.9 and 4.2 are subject to any cut-off date and cut-off time agreed between the parties.

ARTICLE 5

ADDITIONAL TAXES

Section 5.1. Additional Taxes. Without affecting the provisions of Section 2(d) of the ISDA Master Agreement, where, pursuant to or in connection with any Bullion Transaction:

(a) one party (the "Supplier") makes a supply to the other party (the "Recipient"), and (i) Value Added Tax is chargeable in respect of such supply and (ii) the Supplier is required to account to the relevant fiscal authority for such Value Added Tax, the Recipient shall on demand pay to the Supplier (in addition to the relevant consideration for such supply) an amount equal to such Value Added Tax, and the Supplier shall on receipt of such payment provide the Recipient with an invoice or receipt in such form as may be prescribed by applicable law; and

(b) a person other than the Supplier and the Recipient is deemed or treated by applicable law or the practice from time to time of the relevant fiscal authority to make a supply to the Recipient for Value Added Tax purposes, and (i) Value Added Tax is chargeable in respect of such supply and (ii) such person is required to account to the relevant fiscal authority for such Value Added Tax, the Recipient shall on demand by the Supplier pay to such person an amount equal to such Value Added Tax, and the Supplier shall use its reasonable endeavours to procure that such person will on receipt of such payment provide the Recipient with an invoice or receipt in such form as may be prescribed by applicable law.

Provided that the Recipient shall not be liable to make any payment to any person as aforesaid where it itself is (or is deemed or treated by applicable law or the practice from time to time of the relevant fiscal authority to be) the person which makes the relevant supply for Value Added Tax purposes and which is required to account to the relevant fiscal authority for the Value Added Tax chargeable in respect of such supply, and the Recipient shall in such a case provide the Supplier with such relevant information as the Supplier shall reasonably require to show that the Recipient is (or is deemed or treated by applicable law or

the practice from time to time of the relevant fiscal authority to be) the person making the relevant supply for Value Added Tax purposes as aforesaid.

For the purposes of this Section 5.1, "Value Added Tax" means value added tax as provided for in the Value Added Tax Act 1994 (as amended or re-enacted from time to time) and legislation supplemental thereto and any other tax (whether imposed in the United Kingdom in substitution thereof or in addition thereto or elsewhere) of a similar fiscal nature or any equivalent legislation in other taxing authorities.

ARTICLE 6

ROUNDING

Section 6.1. Rounding. For purposes of any calculations referred to in these Definitions (unless otherwise specified), (a) unless "Rounding of Payments Only" is specified (i) all percentages used in or resulting from such calculations will be rounded, if necessary, to the nearest one ten-thousandth of a percentage point (with five one hundred thousandths of a percentage point being rounded up), (ii) all U.S. Dollar amounts resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (iii) all Sterling amounts resulting from such calculations will be rounded to the nearest pence (with one half pence being rounded up) and (iv) all amounts in currencies other than U.S. Dollars and Sterling resulting from such calculations will be rounded to the nearest two decimal points (with five thousandths rounded up) and (b) if "Rounding of Payments Only" is specified, only the In-the-Money Amount will be rounded, so that (i) all such amounts stated in U.S. Dollars will be rounded to the nearest cent (with one half cent being rounded up), (ii) all such amounts stated in Sterling will be rounded to the nearest pence (with one half pence being rounded up) and (iii) all such amounts stated in currencies other than U.S. Dollars and Sterling will be rounded to the nearest two decimal points (with five thousandths being rounded up).

**Introduction, Standard Paragraphs and Closing for a
Letter Agreement or Telex Confirming a Transaction**

*Heading for Letter*¹

[Letterhead of Party A]

[Date]

[Bullion Trade] [Bullion Option]

[Name and Address of Party B]

*Heading for Telex*¹

Date:

To: [Name and Telex Number of Party B]

From: [Party A]

Re: [Bullion Trade] [Bullion Option]

Dear :

The purpose of this [letter agreement/telex] is to confirm the terms and conditions of the Transaction entered into between us on the Trade Date specified below (the "Transaction"). This [letter agreement/telex] constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in the 1997 ISDA Short Form Bullion Definitions (as published by the International Swaps and Derivatives Association, Inc.) are incorporated into this

¹ Delete as applicable.

Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. This Confirmation supplements, forms part of, and is subject to, the ISDA Master Agreement dated as of [date], as amended and supplemented from time to time (the "Agreement"), between you and us. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.²

[INSERT RELEVANT ADDITIONAL PROVISIONS FROM EXHIBITS II-A OR II-B.]

[3. [] agrees to provide the following Credit Support Document [or agrees to provide the following in accordance with [specify Credit Support Document]]:]

4. Account Details:

Payments to Party A³ :

Account for payments:

Payments to Party B:

Account for payments:

[5. Offices:

(a) The Office of Party A for the Transaction is ; and

(b) The Office of Party B for the Transaction is .]

[6. Broker/Arranger:]

² If the parties have not yet executed, but intend to execute, an ISDA Master Agreement include, instead of this paragraph, the following: "This Confirmation evidences a complete binding agreement between you and us as to the terms of the Transaction to which this Confirmation relates. In addition, you and we agree to use all reasonable efforts promptly to negotiate, execute and deliver an agreement in the form of the ISDA Master Agreement (Multicurrency-Cross Border) (the "ISDA Form"), with such modifications as you and we will in good faith agree. Upon the execution by you and us of such an agreement, this Confirmation will supplement, form a part of, and be subject to, that agreement. All provisions contained in or incorporated by reference in that agreement upon its execution will govern this Confirmation except as expressly modified below. Until we execute and deliver that agreement, this Confirmation, together with all other documents referring to the ISDA Form (each a "Confirmation") confirming transactions (each a "Transaction") entered into between us (notwithstanding anything to the contrary in a Confirmation), shall supplement, form part of, and be subject to, an agreement in the form of the ISDA Form as if we had executed an agreement in such form (but without any Schedule except for the election of [English law][the laws of the State of New York (without reference to choice of law doctrine)] as the governing law and [specify currency] as the Termination Currency) on the Trade Date of the first such Transaction between us. In the event of any inconsistency between the provisions of that agreement and this Confirmation, this Confirmation will prevail for the purpose of this Transaction".

³ The parties should also include delivery details.

Closing for Letter⁴

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us or by sending to us a letter or telex substantially similar to this letter, which letter or telex sets forth the material terms of the Transaction to which this Confirmation relates and indicates agreement to those terms.

Yours sincerely,

[PARTY A]

By: _____
Name:
Title:

Confirmed as of the date
first above written:

[PARTY B]

By: _____
Name:
Title:

Closing for Telex⁴

Please confirm that the foregoing correctly sets forth the terms of our agreement by sending to us a letter or telex substantially similar to this telex, which letter or telex sets forth the material terms of the Transaction to which this Confirmation relates and indicates agreement to those terms, or by sending to us a return telex substantially to the following effect:

⁴ Delete as applicable.

"Re:

We acknowledge receipt of your telex dated [] with respect to the above-referenced Transaction between [Party A] and [Party B] with [an Effective] [a Trade] Date of [] and [a Value] [a Termination] [an Expiration] Date of [] and confirm that such telex correctly sets forth the terms of our agreement relating to the Transaction described therein. Very truly yours, [Party B], by [specify name and title of authorised officer]."

Yours sincerely,

[PARTY A]

By: _____
Name:
Title:

Additional Provisions for a Confirmation of a Bullion Trade

[See Exhibit I for the introduction, standard paragraphs and closing for letter agreement or telex.]

2. The terms of the particular Bullion Trade to which this Confirmation relates are as follows:

Reference No.: []
Trade Date: []
Purchaser of Bullion: [Party B/A]
Seller of Bullion: [Party A/B]
Bullion: [Gold] [Silver] [Platinum] [Palladium]
Number of Ounces: []
Contract Price: []
Value Date: []
[Rounding of Payments:] [Rounding of Payments only]

PROVISIONS RELATING TO SETTLEMENT:

[Delivery Location:] [London] [Zurich]
[Consequences of Settlement Disruption Events:] [Negotiation]
[Cancellation and Payment]
[Other terms and conditions:]¹

¹ For example, these other terms and conditions might include, among other things, provisions for delivery on an allocated basis.

Additional Provisions for a Confirmation of a Bullion Option

[See Exhibit I for the introduction, standard paragraphs and closing for letter agreement or telex.]

2. The terms of the particular Bullion Option to which this Confirmation relates are as follows:

Reference No.: []

Trade Date: []

Buyer: [Party B/A]

Seller: [Party A/B]

Bullion: [Gold][Silver][Platinum][Palladium]

Number of Ounces: []

Bullion Option style: [American] [European]

Bullion Option type: [Put][Call]

Strike Price: []

Expiration Date: []

[Expiration Time:]¹

[Settlement Date:]²

[Exercise Period:]³

Seller's telephone, telex or facsimile
number of purpose of giving notice: []

¹ This will be 9.30 a.m. (New York time) unless otherwise specified here.

² Parties may wish to adopt a different definition of the Settlement Date to that contained in the 1997 ISDA Short Form Bullion Definitions.

³ Parties may wish to modify the Exercise Period presumed for an American Style Option. For example, additional references are necessary if there are multiple Exercise Periods.

Automatic Exercise:	Applicable
Premium:	[]
Premium Payment Date:	[]
[Rounding of Payments:]	[Rounding of Payments only]

PROVISIONS RELATING TO SETTLEMENT:

[Delivery Location:]	[London] [Zurich]
[Consequences of Settlement Disruption Events:]	[Negotiation] [Cancellation and Payment]

[Other terms and conditions:]⁴

⁴ For example, these other terms and conditions might include, among other things, whether the option may be exercised in part.

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