

ISMA

The Bond Market Association
New York • Washington • London
www.bondmarkets.com

International Securities Market Association
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www.isma.org

**AMENDMENT AGREEMENT TO A
PSA/ISMA GLOBAL MASTER REPURCHASE AGREEMENT**

Dated as of _____

Between:

_____ of _____ (“Party A”);

and

_____ of _____ (“Party B”)

WHEREAS the parties have entered into the 1995 version of the PSA/ISMA Global Master Repurchase Agreement on _____ (the “GMRA 1995”) and now wish to enter into transactions on the terms of the 2000 version of the TBMA/ISMA Global Master Repurchase Agreement published by The Bond Market Association and the International Securities Market Association (the “GMRA 2000”).

NOW IT IS AGREED as follows:

1. Interpretation

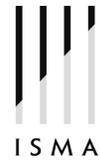
In this Agreement –

“Agency Annex” means the Agency Annex to the GMRA 2000 published by The Bond Market Association and the International Securities Market Association; and

“Buy/Sell Back Annex” means the Buy/Sell Back Annex to the GMRA 2000 published by The Bond Market Association and the International Securities Market Association.

2. Amendment

- (a) The heading and paragraphs 1 to 20 of the GMRA 1995 are deleted and replaced by the heading and paragraphs 1 to 21 of the GMRA 2000.
- (b) Annexes III and IV to the GMRA 1995 are deleted and replaced by the Buy/Sell Back Annex and the Agency Annex.



(c) Annexes V to VIII to the GMRA 1995 are deleted.

3. Annex I

Annex I to the GMRA 1995 is deleted and replaced by Annex I in the form set out in the Schedule to this Agreement.

4. Governing Law

Paragraph 17 of the GMRA 2000 shall apply to this Agreement as if that paragraph and paragraph 1(n) of Annex I to the GMRA 2000 were expressly set out herein.

[Name of Party]

[Name of Party]

By _____

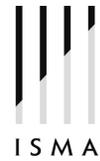
By _____

Title _____

Title _____

Date _____

Date _____



SCHEDULE

ANNEX I

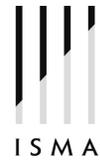
Supplemental Terms or Conditions

Paragraph references are to paragraphs in the Agreement.

1. The following elections shall apply -
 - [(a) paragraph 1(c)(i). Buy/Sell Back Transactions [may/may not] be effected under this Agreement, and accordingly the Buy/Sell Back Annex [shall/shall not apply.]*
 - [(b) paragraph 1. Transactions in Net Paying Securities [may/may not] be effected under this Agreement, and accordingly the provisions of sub-paragraphs (i) and (ii) below [shall/shall not] apply.
 - (i) The phrase “other than equities and Net Paying Securities” shall be replaced by the phrase “other than equities”.
 - (ii) In the Buy/Sell Back Annex the following words shall be added to the end of the definition of the expression “IR”: “and for the avoidance of doubt the reference to the amount of Income for these purposes shall be to an amount paid without withholding or deduction for or on account of taxes or duties notwithstanding that a payment of such Income made in certain circumstances may be subject to such a withholding or deduction”.]*
 - [(c) paragraph 1(d). Agency Transactions [may/may not] be effected under this Agreement, and accordingly the Agency Annex [shall/shall not apply.]*
 - (d) paragraph 2(d). The Base Currency shall be: _____.
 - (e) paragraph 2(p). [list Buyer’s and Seller’s Designated Offices]
 - (f) paragraph 2(cc). The pricing source for calculation of Market Value shall be: _____.
 - (g) paragraph 2(rr). Spot rate to be _____.
 - (h) paragraph 3(b). [Seller/Buyer/both Seller and Buyer]* to deliver Confirmation.
 - (i) paragraph 4(f). Interest rate on Cash Margin to be []% for _____ currency.
[]% for _____ currency.

Interest to be payable [payment intervals and dates].

* Delete as appropriate



- (j) paragraph 4(g). Delivery period for margin calls to be _____.
- [(k) paragraph 6(j). Paragraph 6(j) shall apply and the events specified in paragraph 10(a) identified for the purposes of paragraph 6(j) shall be those set out in sub-paragraphs [] of paragraph 10(a) of the Agreement.]*
- [(l) paragraph 10(a)(ii). Paragraph 10(a)(ii) shall apply.]*
- (m) paragraph 14. For the purposes of paragraph 14 of this Agreement –
 - (i) Address for notices and other communications for Party A -
 - Address:
 - Attention:
 - Telephone:
 - Facsimile:
 - Telex:
 - Answerback:
 - Other:
 - (ii) Address for notices and other communications for Party B -
 - Address:
 - Attention:
 - Telephone:
 - Facsimile:
 - Telex:
 - Answerback:
 - Other:
- [(n) paragraph 17. For the purposes of paragraph 17 of this Agreement –
 - (i) Party A appoints [] as its agent for service of process;
 - (ii) Party B appoints [] as its agent for service of process.]*

2. The following supplemental terms and conditions shall apply -

[Existing Transactions

- (a) The parties agree that this Agreement shall apply to all transactions which are subject to the PSA/ISMA Global Master Repurchase Agreement between them dated _____ and which are outstanding as at the date of this Agreement so that such transactions shall be treated as if they had been entered into under this Agreement, and the terms of such transactions are amended accordingly with effect from the date of this Agreement.]*

* Delete as appropriate

[Forward Transactions

- (b) The parties agree that Forward Transactions (as defined in sub-paragraph (i)(A) below) may be effected under this Agreement and accordingly the provisions of sub-paragraphs (i) to (iv) below shall apply.
- (i) The following definitions shall apply –
- (A) “Forward Transaction”, a Transaction in respect of which the Purchase Date is at least [three] Business Days after the date on which the Transaction was entered into and has not yet occurred;
- (B) “Forward Repricing Date”, with respect to any Forward Transaction the date which is such number of Business Days before the Purchase Date as is equal to the minimum period for the delivery of margin applicable under paragraph 4(g).
- (ii) The Confirmation relating to any Forward Transaction may describe the Purchased Securities by reference to a type or class of Securities, which, without limitation, may be identified by issuer or class of issuers and a maturity or range of maturities. Where this paragraph applies, the parties shall agree the actual Purchased Securities not less than two Business Days before the Purchase Date and Buyer or Seller (or both), as shall have been agreed, shall promptly deliver to the other party a Confirmation which shall describe such Purchased Securities.
- (iii) At any time between the Forward Repricing Date and the Purchase Date for any Forward Transaction the parties may agree either –
- (A) to adjust the Purchase Price under that Forward Transaction;
or
- (B) to adjust the number of Purchased Securities to be sold by Seller to Buyer under that Forward Transaction.
- (iv) Where the parties agree to an adjustment under paragraph (iii) above, Buyer or Seller (or both), as shall have been agreed, shall promptly deliver to the other party a Confirmation of the Forward Transaction, as adjusted under paragraph (iii) above.
- (c) Where the parties agree that this paragraph shall apply, paragraphs 2 and 4 of the Agreement are amended as follows.
- (i) Paragraph 2(ww) is deleted and replaced by the following -
- “(ww) “Transaction Exposure” means -

- (i) with respect to any Forward Transaction at any time between the Forward Repricing Date and the Purchase Date, the difference between (A) the Market Value of the Purchased Securities at the relevant time and (B) the Purchase Price;
- (ii) with respect to any Transaction at any time during the period (if any) from the Purchase Date to the date on which the Purchased Securities are delivered to Buyer or, if earlier, the date on which the Transaction is terminated under paragraph 10(g), the difference between (A) the Market Value of the Purchased Securities at the relevant time and (B) the Repurchase Price at the relevant time;
- (iii) with respect to any Transaction at any time during the period from the Purchase Date (or, if later, the date on which the Purchased Securities are delivered to Buyer or the Transaction is terminated under paragraph 10(g)) to the Repurchase Date (or, if later, the date on which Equivalent Securities are delivered to Seller or the Transaction is terminated under paragraph 10(h)), the difference between (A) the Repurchase Price at the relevant time multiplied by the applicable Margin Ratio (or, where the Transaction relates to Securities of more than one description to which different Margin Ratios apply, the amount produced by multiplying the Repurchase Price attributable to Equivalent Securities of each such description by the applicable Margin Ratio and aggregating the resulting amounts, the Repurchase Price being for this purpose attributed to Equivalent Securities of each such description in the same proportions as those in which the Purchase Price was apportioned among the Purchased Securities) and (B) the Market Value of Equivalent Securities at the relevant time.

In each case, if (A) is greater than (B), Buyer has a Transaction Exposure for that Transaction equal to the excess, and if (B) is greater than (A), Seller has a Transaction Exposure to Buyer equal to the excess."

- (ii) In paragraph 4(c) -

(aa) the words "any amount payable to the first party under paragraph 5 but unpaid" are deleted and replaced by "any amount which will become payable to the first party under paragraph 5 during the period after the time at which the calculation is made which is equal to the minimum period for the delivery of margin applicable under paragraph 4(g) or which is payable to the first party under paragraph 5 but unpaid"; and

(bb) the words "any amount payable to the other party under paragraph 5 but unpaid" are deleted and replaced by "any amount which will become payable to the other party under paragraph 5 during the period after the time at which the calculation is made which is equal to the minimum period for the delivery of margin applicable under paragraph 4(g) or which is payable to the other party under paragraph 5 but unpaid".]*

* Delete as appropriate