



The logo on this form may have been updated. The content of this document has not been modified since its original website posting. In light of rapidly changing business and regulatory environments, current accuracy cannot be assured.

Master Repurchase Agreement

Annex Relating to European Economic and Monetary Union

This Annex forms a part of the Master Repurchase Agreement dated as of _____, 19__ (the “Agreement”) between _____ and _____. Capitalized terms used but not defined in this Annex shall have the meanings ascribed to them in the Agreement, including (if the parties have entered into Annex III) Annex III to the Agreement.

1. Definitions

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

- (a) “euro” shall mean 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;
- (b) “euro unit”, “national currency unit” and “transitional period”, shall have 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;
- (c) “TARGET” shall mean the Trans-European Automated Real-time Gross Settlement Express Transfer system.

2. Continuity of Contract

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 Transaction thereunder, nor give any party the right unilaterally to alter or terminate the Agreement or any Transaction 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 Purchased Securities or Additional Purchased Securities.

3. Purchased Securities/Equivalent Securities

The parties agree that securities will continue to be “Purchased Securities” or “Additional Purchased Securities” notwithstanding the redenomination, renominalization or reconventioning

of those securities in connection with an event associated with economic or monetary union in the European Community.

4. Business Days

The parties agree that if they have entered into Annex III, then with respect to paragraph (iv) of the definition of “Business Day” or “business day” in Paragraph 1(a) of Annex III:

- (a) references to a day on which “banks are open for business in the principal financial center” 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 principal financial center of that national currency unit immediately prior to the start of the transitional period;
- (b) “(A)” shall be inserted after the word “above,” and before the words “a day other”;
- (c) the following words shall be deleted: “(or, in the case of ECU, a day on which ECU clearing operates)”; and
- (d) the following words shall be added at the end of the paragraph:

“ or (B) 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”

5. Contractual Currency and Payment

The parties agree that if they have entered into Annex III, then:

- (a) the following shall be added to the end of the definition of “Spot Rate” contained in paragraph 1(a) of Annex III:

“; 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.”
- (b) For purposes of the definition of “Contractual Currency” in paragraph 1(a) of Annex III, amounts in euros (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.
- (c) If as a result of an event associated with economic or monetary union of the European Community, Purchased Securities or Additional Purchased Securities are redenominated into euro during the term of a Transaction, the Contractual Currency for purposes of making payments under the Agreement or Annex III will be euro, unless the Contractual

Currency was a currency other than the currency in which such Purchased Securities or Additional Purchased Securities were previously denominated, or as otherwise agreed.

- (d) Notwithstanding paragraph 3(b) of Annex III, the payee of any payments of Income in respect of a Purchased Security 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, regardless of whether the payment of Income was received from the issuer of the Purchased Security in euro or the applicable national currency unit. The obligation of the payor of such payment of Income 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 Annex III, as amended by this Annex.

6. Buy/Sellback Transactions

If the parties have entered into Annex VI and any Buy/Sellback Transaction is outstanding at the time of a reconventioning of the interest accrual provisions of the relevant Purchased Securities in connection with the introduction of the euro, the parties agree that notwithstanding Paragraph 4 of Annex VI, the "Accrued Interest" for such Buy/Sellback Transaction shall be calculated by reference to the interest accrual provision of such Purchased Securities prior to such reconventioning, as if such reconventioning had not occurred.

7. Representations and Warranties

Each of the parties hereto (and, in the case of a party acting as agent in accordance with the terms of the Agreement, each of its principals) represents and warrants that (a) it has full power and authority to execute and deliver this Annex, to enter into any Transactions contemplated by the Agreement and to perform its obligations thereunder, as amended or supplemented herein; (b) it has taken all necessary action to authorize such execution, delivery and performance; and (c) this Annex constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms and the terms of the Agreement.

8. Events of Default

In addition to any Events of Default set forth in the Agreement, it shall be an additional Event of Default under Paragraph 11 of the Agreement if either party fails to perform any covenant or obligation required to be performed by it hereunder or if any representation made by either party in respect hereof shall be incorrect or untrue in any material respect during the term of the Transaction under the Agreement, as amended or supplemented herein; provided, however, that to the extent Section 5 hereof amends and supplements Paragraph 5 of the Agreement, any such failure under Section 5 hereof shall constitute an Event of Default only after the expiration of any notice period, if any, specified in Paragraph 11 of the Agreement with respect to such failure.

9. Effectiveness

The provisions of this Annex shall be deemed to be effective as of December 31, 1998.

[Name of Party]

[Name of Party]

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____