
1994 ISDA

Equity Option

Definitions

ISDA[®]

INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION, INC.

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INTRODUCTION TO THE 1994 ISDA EQUITY OPTION DEFINITIONS

The 1994 ISDA Equity Option Definitions are intended for use with agreements, such as the 1992 ISDA Master Agreements (the "ISDA Master Agreements") published by the International Swaps and Derivatives Association, Inc. ("ISDA"), and in Confirmations of individual transactions governed by those agreements. Copies of the ISDA Master Agreements are available from the executive offices of ISDA. A sample form of letter agreement or telex constituting a Confirmation is attached as Exhibit I to these Definitions. Exhibit II-A sets out specific provisions for inclusion in a Confirmation to document an over-the-counter ("OTC") equity index option transaction. Exhibit II-B sets out specific provisions for inclusion in a Confirmation to document a physically-settled OTC single share option transaction.

These Definitions reflect the terms of the long form Confirmation for an OTC Equity Index Option Transaction published by ISDA in June 1992 (the "Index Confirmation") and of the long form Confirmation for an OTC Single Share Option Transaction (Physical Settlement) published by ISDA in October 1994 (the "Share Confirmation"). The purpose of publishing these Definitions is to make it easier for participants in the markets for OTC equity option transactions to document OTC equity index and physically-settled single share option transactions using short form Confirmations which incorporate these Definitions.

These Definitions were developed by a working group of ISDA member institutions, including most of the leading participants in the OTC equity derivatives markets. The Definitions were developed by the working group based, as far as possible, on market practice. Inevitably, in certain areas market practice has not been uniform or has otherwise not provided definitive guidance. The working group has given studied consideration to these issues in formulating the provisions set out in these Definitions. Each member of the working group has, where appropriate, sought the views of its own trading, operational, legal, compliance and other relevant personnel. None of this, however, obviates the need for each user of these Definitions to review the provisions of these Definitions carefully and to form its own independent judgement on the appropriateness of these Definitions for use by the institution in documenting OTC equity index and/or physically-settled single share option transactions.

It was intended, in producing this set of Definitions, that as far as possible no substantive changes be made to the terms set out in the two long form Confirmations already published. Inevitably, since the Index Confirmation was published in June 1992, there have been some minor changes of view among a majority of the members of the working group on certain points, particularly in relation to exercise. These changes are reflected in the Share Confirmation. In producing these Definitions, the working group thought it appropriate, where there was no substantive reason for a difference between the two types of Confirmation, to conform the terms of the Index Confirmation to the Share Confirmation. Users of the Definitions are advised to review the Definitions carefully with this in mind.

These Definitions may be updated periodically. The working group plans to prepare additional definitions and provisions to cover a broader range of OTC equity derivatives including index, basket and single share swap transactions, cash-settled basket and single share option transactions and physically- and cash-settled index, basket and single share forward transactions. It is anticipated that the current Definitions will be re-published with these additional definitions and provisions. While the definitions and provisions contained in these Definitions may be modified in any update, it is not anticipated that, to the extent that they relate to OTC equity index and physically-settled single share option transactions, those

definitions and provisions will be changed substantively unless market practice prevailing at that time supports such a change. At any time a copy of the then current version of the Definitions can be obtained from the executive offices of ISDA.

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 an OTC equity option transaction.

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 an OTC equity index or physically-settled single share option transaction.

1994 ISDA EQUITY OPTION 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 1994 ISDA Equity Option 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. Transaction. "Transaction" means (a) a transaction that is an over-the-counter single share option transaction which is to be settled on exercise by delivery of the underlying share (a "Share Transaction"), (b) a transaction that is an equity index option transaction (an "Index Transaction") or (c) any other transaction identified as a Transaction in the related Confirmation.

Section 1.2. Confirmation. "Confirmation" means, in respect of a Transaction, one or more documents or other confirming evidence exchanged between the parties, which, taken together, confirm all the terms of the Transaction.

Section 1.3. Index. "Index" means, in respect of an Index Transaction, the Index specified as such in the related Confirmation.

Section 1.4. Shares. "Shares" means, in respect of a Share Transaction, the shares or other securities specified as such in the related Confirmation.

Section 1.5. Issuer. "Issuer" means, in respect of a Share Transaction, the issuer of the relevant Shares.

Section 1.6. Trade Date. "Trade Date" means, in respect of a Transaction, the date on which the parties enter into the Transaction.

Section 1.7. Commencement Date. "Commencement Date" means, in respect of an American style Transaction, the date specified as such in the related Confirmation, which date is the first day of the Exercise Period.

Section 1.8. Number of Options. "Number of Options" means, in respect of a Transaction, the number specified as such in the related Confirmation, being the number of Options comprising the Transaction.

Section 1.9. Multiplier. "Multiplier" means, in respect of an Index Transaction, the percentage specified as such in the related Confirmation.

Section 1.10. Option Entitlement. "Option Entitlement" means, in respect of a Share Transaction, the number of Shares per Option specified as such in the related Confirmation.

Section 1.11. Option. "Option" means, in respect of a Transaction, one unit of exercise (ignoring for this purpose any specified Minimum Number of Options) of the Transaction.

Section 1.12. Strike Price. "Strike Price" means (a) in respect of an Index Transaction, the level of the relevant Index specified or otherwise determined as provided in the related Confirmation and (b) in respect of a Share Transaction, the price per Share specified or otherwise determined as provided in the related Confirmation.

Section 1.13. Settlement Price. "Settlement Price" means (a) in respect of each Option exercised under an Index Transaction, the level of the Index determined as provided in the related Confirmation or, if no means for determining the Settlement Price is so provided, the level of the Index at the Valuation Time on the relevant Valuation Date and (b) in respect of a Share Transaction, the Strike Price multiplied by the Number of Shares to be Delivered.

Section 1.14. Exchange. "Exchange" means, in respect of a Transaction, the exchange or quotation system specified as such in the related Confirmation or any successor to such exchange or quotation system. In respect of a Share Transaction, if the specified Exchange ceases to list or otherwise include the relevant Shares, the parties will negotiate in good faith to agree on another exchange or quotation system.

Section 1.15. Related Exchange. "Related Exchange" means, in respect of a Transaction, each exchange or quotation system specified as such in the related Confirmation or, in each case, any successor to such exchange or quotation system.

Section 1.16. Clearance System. "Clearance System" means, in respect of a Share Transaction, the clearance system specified as such in a Confirmation or any successor to such clearance system. If the Clearance System ceases to clear the relevant Shares, the parties will negotiate in good faith to agree on another manner of delivery.

Section 1.17. Seller Business Day. "Seller Business Day" means any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) and, if Seller is not a commercial bank, which is a scheduled trading day on local securities exchanges in the place(s) specified for that purpose in the relevant Confirmation or, if a place is not so specified, in the city where Seller is located for the purpose of receiving notices.

Section 1.18. Index Business Day. "Index Business Day" means, in respect of an Index Transaction, a day that is a Seller Business Day and is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day on each of the Exchange and each Related Exchange other than a day on which trading on any such exchange is scheduled to close prior to its regular weekday closing time.

Section 1.19. Exchange Business Day. "Exchange Business Day" means, in respect of a Share Transaction, a trading day on the Exchange other than a day on which trading on the Exchange is scheduled to close prior to its regular weekday closing time.

Section 1.20. Currency Business Day. "Currency Business Day" means any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the principal financial center for the relevant currency.

Section 1.21. Clearance System Business Day. "Clearance System Business Day" means, in respect of a Share Transaction, any day on which the relevant Clearance System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

ARTICLE 2

PARTIES

Section 2.1. Buyer. "Buyer" means, in respect of a Transaction, the party specified as such in the related Confirmation.

Section 2.2. Seller. "Seller" means, in respect of a Transaction, the party specified as such in the related Confirmation.

ARTICLE 3

OPTION STYLE AND TYPE

Section 3.1. Option Style.

(a) "American" means a style of Transaction pursuant to which the right or rights granted are exercisable during an Exercise Period that consists of more than one day.

(b) "European" means a style of Transaction pursuant to which the right or rights granted are exercisable only on the Expiration Date.

Section 3.2. Option Type.

(a) "Call" means a Transaction entitling, but not obligating, Buyer upon exercise (i) in respect of an Index Transaction, to receive a Cash Settlement Amount if the Settlement Price exceeds the Strike Price and (ii) in respect of a Share Transaction, to purchase Shares from Seller at the Strike Price per Share, in each case as more particularly provided in or pursuant to the Confirmation.

(b) "Put" means a Transaction entitling, but not obligating, Buyer upon exercise (i) in respect of an Index Transaction, to receive a Cash Settlement Amount if the Strike Price exceeds the Settlement

Price and (ii) in respect of a Share Transaction, to sell Shares to Seller at the Strike Price per Share, in each case as more particularly provided in or pursuant to the Confirmation.

ARTICLE 4

PREMIUM

Section 4.1. Premium. "Premium" means, in respect of a Transaction, the amount specified or otherwise determined as provided in the related Confirmation. If a Premium per Option is specified in a Confirmation, the Premium shall be the product of the Premium per Option and the Number of Options. Subject to any applicable condition precedent, the Premium is payable by Buyer on the Premium Payment Date or Dates.

Section 4.2. Premium Payment Date. "Premium Payment Date" means, in respect of a Transaction, each date specified or otherwise determined as provided in the related Confirmation or, if any such date is not a Currency Business Day, the next following Currency Business Day.

ARTICLE 5

EXERCISE

Section 5.1. General Terms Relating to Exercise.

(a) "Exercise Period" means, in respect of a European style Transaction, the Expiration Date between 9:00 a.m. (local time in the location of Seller for the purpose of receiving notice of exercise) and the Expiration Time and in respect of an American style Transaction, any Exercise Business Day from, and including, the Commencement Date to, and including, the Expiration Date between 9:00 a.m. (local time in the location of Seller for the purpose of receiving notice of exercise) and the Latest Exercise Time.

(b) "Exercise Date" means, in respect of each Option exercised under a Transaction, the Exercise Business Day during the Exercise Period on which that Option is or is deemed to be exercised.

(c) "Latest Exercise Time" means, in respect of a Transaction, the time specified as such in the related Confirmation, provided that on the Expiration Date the Latest Exercise Time shall be the Expiration Time. If no such time is specified, the Latest Exercise Time shall be the Expiration Time.

(d) "Expiration Time" means, in respect of a Transaction, the time specified as such in the related Confirmation.

(c) "Expiration Date" means, in respect of a Transaction, the date specified as such in the related Confirmation or, if that date is not an Exercise Business Day, the next following Exercise Business Day.

(f) "Exercise Business Day" means, in respect of an Index Transaction, a Seller Business Day and, in respect of a Share Transaction, an Exchange Business Day.

Section 5.2. Procedure for Exercise. Except when Automatic Exercise applies, Buyer must give irrevocable notice (which will be oral telephonic notice, if practicable, and otherwise written notice) in the Exercise Period to Seller of its exercise of an Option. If the notice of exercise is given after the Latest Exercise Time on an Exercise Business Day, then that notice will be deemed given on the next following Exchange Business Day, if any, in the Exercise Period. In the case of an American style Transaction to which Multiple Exercise is applicable, Buyer must specify in that notice the number of Options being exercised on the relevant Exercise Date. Buyer will execute and deliver a written confirmation confirming the substance of any telephonic notice within one Seller Business Day of that notice. Failure to provide that written confirmation will not affect the validity of the telephonic notice.

Section 5.3. Multiple Exercise. (a) If "Multiple Exercise" is specified to be applicable to an American style Transaction, Buyer may exercise all or less than all the unexercised Options on one or more Exercise Business Days during the Exercise Period, but (except as set forth below) on any Exercise Business Day may not exercise less than the Minimum Number of Options or more than the Maximum Number of Options and, if a number is specified as the "Integral Multiple" in the related Confirmation, that number of Options must equal or be an integral multiple of the number so specified. Except as set forth below, any attempt to exercise on any Exercise Business Day (i) more than the Maximum Number of Options will be deemed to be an exercise of the Maximum Number of Options (the number of Options exceeding the Maximum Number of Options being deemed to remain unexercised) and (ii) less than the Minimum Number of Options will be ineffective. Buyer may exercise (x) more than the Maximum Number of Options on the Expiration Date and (y) less than the Minimum Number of Options if it exercises all the Options remaining unexercised.

(b) "Minimum Number of Options" means, in respect of a Transaction to which Multiple Exercise is applicable, the number specified as such in the related Confirmation.

(c) "Maximum Number of Options" means, in respect of a Transaction to which Multiple Exercise is applicable, the number specified as such in the related Confirmation.

Section 5.4. Automatic Exercise. If "Automatic Exercise" is specified to be applicable to a Transaction, then each Option not previously exercised under that Transaction will be deemed to be automatically exercised:

(a) (i) in respect of an Index Transaction, on the Expiration Date; and

(b) in respect of a Share Transaction, at the Expiration Time on the Expiration Date if at such time the Option is In-the-Money, as determined by the Calculation Agent, unless:

(i) Buyer notifies Seller (by telephone or in writing) prior to the Expiration Time on the Expiration Date that it does not wish Automatic Exercise to occur; or

(ii) the Reference Price necessary to determine that the Option is In-the-Money cannot be determined at the Expiration Time on the Expiration Date,

in which case Automatic Exercise will not apply.

(c) "In-the-Money" in respect of a Share Transaction, means, in the case of a Call, that the Reference Price is equal to or greater than 101 percent of the Strike Price and, in the case of a Put, that the Reference Price is less than or equal to 99 percent of the Strike Price.

(d) "Reference Price" in respect of a Share Transaction, means the price determined as specified in the related Confirmation or, if no means of determining such price is specified, the official closing price per Share on the Exchange on the Expiration Date.

ARTICLE 6

VALUATION

Section 6.1. Calculation Agent. "Calculation Agent" means, in respect of a Transaction, the person specified as such in the related Confirmation. Whenever the Calculation Agent is required to act, it will do so in good faith, and its determinations and calculations will be binding in the absence of manifest error.

Section 6.2. Valuation Time. "Valuation Time" means, in respect of an Index Transaction, the time specified as such in the related Confirmation or, if no such time is specified, the close of trading on the Exchange.

Section 6.3. Valuation Date. "Valuation Date" means, in respect of each Exercise Date under an Index Transaction, the Exercise Date, unless there is a Market Disruption Event on that day. If there is a Market Disruption Event on that day, then the Valuation Date shall be the first succeeding Index Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Index Business Days immediately following the original date that, but for the Market Disruption Event, would have been the Valuation Date. In that case, (a) that fifth Index Business Day shall be deemed to be the Valuation Date, notwithstanding the Market Disruption Event, and (b) the Calculation Agent shall determine the level of the Index as of the Valuation Time on that fifth Index Business Day in accordance with (subject to Section 9.1 ("Adjustment to Index")) the formula for and method of calculating the Index last in effect prior to the commencement of the Market Disruption Event using the Exchange traded price (or, if trading in the relevant security has been materially suspended or materially limited, its good faith estimate of the Exchange traded price that would have prevailed but for that suspension or limitation) as of the Valuation Time on that fifth Index Business Day of each security comprising the Index.

Section 6.4. Market Disruption Event. (a) "Market Disruption Event" means, in respect of an Index Transaction, the occurrence or existence on any Index Business Day during the one-half hour period that ends at the Valuation Time of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise) on (i) the Exchange in securities that comprise 20% or more of the level of the Index or (ii) any Related Exchange in options

contracts on the Index or (iii) any Related Exchange in futures contracts on the Index if, in the determination of the Calculation Agent, such suspension or limitation is material.

(b) For the purpose of determining whether a Market Disruption Event exists at any time, if trading in a security included in the Index is materially suspended or materially limited at that time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that security relative to (ii) the overall level of the Index, in each case immediately before that suspension or limitation.

(c) The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the parties or other party, as the case may be, of the existence of a Market Disruption Event on any day that but for the occurrence or existence of a Market Disruption Event would have been a Valuation Date.

ARTICLE 7

SETTLEMENT OF INDEX TRANSACTIONS

Section 7.1. Cash Settlement. In respect of each Exercise Date under an Index Transaction for which "Cash Settlement" is specified to be applicable, Seller shall pay to Buyer the Cash Settlement Amount, if any, on the relevant Cash Settlement Payment Date for all Options exercised or deemed exercised on that Exercise Date.

Section 7.2. Cash Settlement Amount. "Cash Settlement Amount" means, unless otherwise provided in the relevant Confirmation, in respect of each Valuation Date under an Index Transaction, an amount, as calculated by the Calculation Agent, equal to the number of Options exercised on the relevant Exercise Date multiplied by the Strike Price Differential multiplied by one unit of the Settlement Currency multiplied by the Multiplier, if any.

Section 7.3. Settlement Currency. "Settlement Currency" means, in respect of an Index Transaction, the currency specified as such in the related Confirmation.

Section 7.4. Strike Price Differential. "Strike Price Differential" means, unless otherwise provided in the relevant Confirmation, in respect of each Valuation Date under an Index Transaction, an amount equal to the greater of (i) the excess, as of the Valuation Time on that Valuation Date, of (A) in the case of a Call, the relevant Settlement Price over the Strike Price and (B) in the case of a Put, the Strike Price over the relevant Settlement Price and (ii) zero.

Section 7.5. Cash Settlement Payment Date. "Cash Settlement Payment Date" means, in respect of each Valuation Date under an Index Transaction, the date specified or otherwise determined as provided in the related Confirmation.

ARTICLE 8

SETTLEMENT OF SHARE TRANSACTIONS

Section 8.1. Settlement of Share Transactions. In respect of each Exercise Date under a Share Transaction for which "Physical Settlement" is specified to be applicable, (a) in the case of a Call, Buyer will pay to Seller the Settlement Price and Seller will deliver to Buyer the Number of Shares to be Delivered and (b) in the case of a Put, Buyer will deliver to Seller the Number of Shares to be Delivered and Seller will pay to Buyer the Settlement Price (subject in each case to the provisions of Article 10 ("Adjustments and Extraordinary Events Affecting Shares")). Such payment and such delivery will be made through the relevant Clearance System at the accounts specified below on a delivery versus payment basis (if that is possible through the specified Clearance System).

Section 8.2. Settlement Date. "Settlement Date" means, in respect of each Exercise Date under a Share Transaction, the first day on which settlement of a sale of Shares executed on that Exercise Date customarily would take place through the Clearance System, unless a Settlement Disruption Event prevents settlement on that day. If a Settlement Disruption Event does prevent settlement on that day, then the Settlement Date will be the first succeeding day on which settlement can take place through the Clearance System unless a Settlement Disruption Event prevents settlement on each of the 10 Clearance System Business Days immediately following the original date that, but for the Settlement Disruption Event, would have been the Settlement Date. In that case, (a) if the Shares can be delivered in any other commercially reasonable manner, then the Settlement Date will be the first day on which settlement of a sale of Shares executed on that 10th Clearance System Business Day customarily would take place using such other commercially reasonable manner of delivery (which other manner of delivery will be deemed the Clearance System for the purposes of delivery of the relevant Shares), and (b) if the Shares cannot be delivered in any other commercially reasonable manner, then the Settlement Date will be postponed until delivery can be effected through the Clearance System or in any other commercially reasonable manner.

Section 8.3. Number of Shares to be Delivered. "Number of Shares to be Delivered" means, in respect of an Exercise Date under a Share Transaction, the number of Shares equal to the number of Options exercised on that Exercise Date multiplied by the Option Entitlement, rounded down to the nearest whole Share.

Section 8.4. Settlement Disruption Event. "Settlement Disruption Event" means, in respect of a Share Transaction, an event beyond the control of the parties as a result of which the Clearance System cannot clear the transfer of the Shares.

Section 8.5. Dividends and Expenses. Following exercise of an Option under a Share Transaction, all dividends on the relevant Shares to be delivered will be payable to and all expenses of transfer of the Shares on delivery (such as any stamp duty or stock exchange tax) will be payable by, the party that would receive such dividend or pay such expenses, as the case may be, according to market practice for a sale of the Shares executed on the Exercise Date to be settled through the Clearance System.

Section 8.6. Representation and Agreement. In respect of each exercise of Options under a Share Transaction, the party required to deliver the Shares agrees that it will convey, and, on each date that

it delivers Shares, represents that it has conveyed, good title to the Shares it is required to deliver, free and clear of any lien, charge, claim or encumbrance (other than a lien routinely imposed on all securities in the Clearance System).

Section 8.7. Failure to Deliver; Default Interest. (a) If "Failure to Deliver" is specified to be applicable to a Share Transaction entered into under an ISDA Master Agreement (1992 edition) between Buyer and Seller (as amended and supplemented from time to time, the "Master Agreement"), then in respect of each exercise of Options under that Share Transaction, failure by a party to deliver, when due, Shares under that Share Transaction will not constitute an Event of Default if the party is unable to deliver the requisite number of Shares due to illiquidity in the market for the Shares and if that party (1) notifies the other party within one Clearance System Business Day of the relevant Exercise Date to that effect and (2) delivers on the Settlement Date such number of Shares, if any, as it can deliver on that date. In such case,

(i) the party's failure to deliver will constitute an Additional Termination Event with that party the sole Affected Party and that Share Transaction (after consideration of any partial delivery) the sole Affected Transaction, or, in the case of an American style Option to which Multiple Exercise is applicable, if less than all Options have been exercised (or deemed exercised) on the relevant Exercise Date, the Termination Event will occur in respect of a Transaction (after consideration of any partial delivery) consisting of the exercised Options only, and

(ii) irrespective of the payment measure elected by the parties under the Master Agreement, Loss will be deemed to apply for the purpose of determining if any payment will be made in respect of the Transaction.

(b) If, in respect of each exercise of Options under a Share Transaction, prior to the occurrence or effective designation of an Early Termination Date in respect of that Share Transaction, a party defaults in the performance of any obligation required to be settled by delivery, it will indemnify the other party on demand for any costs, losses or expenses (including the costs of borrowing the Shares, if applicable) resulting from such default. A certificate signed by the deliverer setting out such costs, losses or expenses in reasonable detail will be conclusive evidence that they have been incurred.

(c) In this Section 8.7, the terms "Event of Default", "Additional Termination Event", "Affected Party", "Affected Transaction", "Termination Event", "Loss" and "Early Termination Date" will have the meanings given those terms in the Master Agreement.

ARTICLE 9

ADJUSTMENT TO INDEX

Section 9.1. Adjustment to Index. (a) If, in respect of an Index Transaction, the relevant Index is (i) not calculated and announced by the agreed sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of

calculation as used in the calculation of the Index, then the Index will be deemed to be the index so calculated and announced by that successor sponsor or that successor index, as the case may be.

(b) If (i) on or prior to any Valuation Date in respect of an Index Transaction the Index sponsor makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock and capitalization and other routine events) or (ii) on any Valuation Date in respect of an Index Transaction the sponsor fails to calculate and announce the Index, then the Calculation Agent shall calculate the relevant Cash Settlement Amount using, in lieu of a published level for the Index, the level for that Index as at that Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to that change or failure, but using only those securities that comprised the Index immediately prior to that change or failure (other than those securities that have since ceased to be listed on the Exchange).

Section 9.2. Correction of Index. If, in respect of an Index Transaction, the level of the Index published on a given day and used or to be used by the Calculation Agent to determine the Cash Settlement Amount is subsequently corrected and the correction published by the Index sponsor or a successor sponsor within 30 days of the original publication, either party may notify the other party of (i) that correction and (ii) the amount that is payable as a result of that correction. If not later than 30 days after publication of that correction a party gives notice that an amount is so payable, the party that originally either received or retained such amount shall, not later than three Currency Business Days after the effectiveness of that notice, pay to the other party that amount, together with interest on that amount at a rate per annum equal to the cost (without proof or evidence of any actual cost) to the other party (as certified by it) of funding that amount for the period from and including the day on which a payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.

ARTICLE 10

ADJUSTMENTS AND EXTRAORDINARY EVENTS AFFECTING SHARES

Section 10.1. Adjustments. (a) "Method of Adjustment" means a method for determining the appropriate adjustment to make to the terms of a Share Transaction upon the occurrence of an event having, in the determination of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

(b) If "Options Exchange Adjustment" is specified as the Method of Adjustment in the Confirmation of a Share Transaction, then following each adjustment to the settlement terms of options on the Shares traded on the Options Exchange, the Calculation Agent will make a corresponding adjustment to any one or more of the Strike Price, the Number of Options, the Option Entitlement and any other variable relevant to the settlement terms of that Share Transaction, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of the Strike Price, the Number of Options, the Option Entitlement and any other variable relevant to the settlement terms of this Transaction as the Calculation Agent determines appropriate, with reference to the rules of and precedents (if any) set by the

Options Exchange, to account for the diluting or concentrative effect of any event that, in the determination of the Calculation Agent, would have given rise to an adjustment by the Options Exchange if such options were so traded.

(c) If "Calculation Agent Adjustment" is specified as the Method of Adjustment in the Confirmation of a Share Transaction or if no Method of Adjustment is specified in the Confirmation of a Share Transaction, then following the declaration by the Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (i) calculate the corresponding adjustment, if any, to be made to any one or more of the Strike Price, the Number of Options, the Option Entitlement and any other variable relevant to the settlement terms of this Transaction as the Calculation Agent determines appropriate to account for that diluting or concentrative effect and (ii) determine the effective date of that adjustment. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

(d) "Options Exchange" means, in respect of a Share Transaction for which Options Exchange Adjustment is the applicable Method of Adjustment and/or the applicable consequence of one or more types of Merger Event under Section 10.3 below, the exchange or quotation system specified as such in the related Confirmation or any successor to such exchange or quotation system.

(e) "Potential Adjustment Event" means, in respect of a Share Transaction, any of the following:

(i) a subdivision, consolidation or reclassification of Shares (unless a Merger Event), or a free distribution or dividend of any Shares to existing holders by way of bonus, capitalization or similar issue;

(ii) a distribution or dividend to existing holders of the Shares of (i) Shares or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Issuer equally or proportionately with such payments to holders of Shares or (iii) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Calculation Agent;

(iii) an extraordinary dividend;

(iv) a call in respect of Shares that are not fully paid;

(v) a repurchase by it of Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or

(vi) any other similar event that may have a diluting or concentrative effect on the theoretical value of the Shares.

Section 10.2. Merger Event. (a) "Merger Event" means, in respect of a Share Transaction, any (i) reclassification or change of the Shares that results in a transfer of or an irrevocable

commitment to transfer all outstanding Shares, (ii) consolidation, amalgamation or merger of the Issuer with or into another entity (other than a consolidation, amalgamation or merger in which the Issuer is the continuing entity and which does not result in any such reclassification or change of all outstanding Shares) or (iii) other takeover offer for the Shares that results in a transfer of or an irrevocable commitment to transfer all the Shares (other than the Shares owned or controlled by the offeror), in each case if the Merger Date is on or before the relevant Expiration Date.

(b) "Merger Date" means, in respect of a Merger Event affecting a Share Transaction, the date upon which all holders of Shares (other than, in the case of a takeover offer, Shares owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their Shares.

Section 10.3. Consequences of Merger Events. (a) In respect of each Merger Event, the following terms have the meanings given below:

(i) "Share-for-Share" means, in respect of a Merger Event, that the consideration for the Shares consists (or, at the option of the holder of the Shares, may consist) solely of New Shares;

(ii) "Share-for-Other" means, in respect of a Merger Event, that the consideration for the Shares consists solely of Other Consideration;

(iii) "Share-for-Combined" means, in respect of a Merger Event, that the consideration for the Shares consists of Combined Consideration;

(iv) "New Shares" means shares (whether of the offeror or a third party);

(v) "Other Consideration" means cash and/or any securities (other than Net Shares) or assets (whether of the offeror or a third party) other than shares; and

(vi) "Combined Consideration" means New Shares in combination with Other Consideration.

(b) In respect of each Share-for-Share Merger Event, if, under "Consequences of Merger Events" opposite "Share-for-Share", the consequence specified is:

(i) "New Share Option", then on or after the relevant Merger Date upon exercise of an Option the deliveror will deliver such number of such New Shares to which a holder of the number of Shares equal to the Option Entitlement would be entitled upon consummation of the Merger Event (and such number of New Shares will be deemed the "Option Entitlement" and the New Shares and their issuer will be deemed the "Shares" and the "Issuer", respectively) and, if necessary, the Calculation Agent will adjust the Strike Price accordingly; or

(ii) "Options Exchange Adjustment", then the Calculation Agent will make one or more adjustments as provided in Section 10.1(b) (without regard to the words "diluting or concentrative" in the second sentence, if applicable).

(c) In respect of each Share-for-Other Merger Event if, under "Consequences of Merger Events" opposite "Share-for-Other", the consequence specified is:

(i) "Alternative Delivery", then on or after the relevant Merger Date upon exercise of an Option the deliveror will deliver the amount of Other Consideration (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable) to which a holder of the number of Shares equal to the Option Entitlement would be entitled upon consummation of the Merger Event;

(ii) "Cancellation and Payment", then the Options will be cancelled as of the Merger Date, and Seller will pay to Buyer the amount specified in Section 10.7 ("Payment upon Certain Extraordinary Events"); or

(iii) "Options Exchange Adjustment", then the Calculation Agent will make one or more adjustments as provided in Section 10.1(b) (without regard to the words "diluting or concentrative" in the second sentence).

(d) In respect of each Share-for-Combined if, under "Consequences of Merger Events" opposite "Share-for-Combined", the consequence specified is:

(i) "Alternative Delivery", then on or after the Merger Date upon exercise of an Option the deliveror will deliver the number of New Shares and the amount of Other Consideration (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable) to which a holder of the number of Shares equal to the Option Entitlement would be entitled upon consummation of the Merger Event (and such number of New Shares will be deemed the "Option Entitlement" and such New Shares and their issuer will be deemed the "Shares" and the "Issuer", respectively) and, if necessary, the Calculation Agent will adjust the Strike Price accordingly;

(ii) "Reinvestment", then on or after the Merger Date upon exercise of an Option the deliveror will deliver a number of New Shares per Option determined as soon as practicable after the Merger Date by the Calculation Agent on a formula basis as follows:

$$\frac{\text{Option Entitlement}}{\text{Option Entitlement}} \times \frac{\text{Reinvestment Ratio}}{\text{Reinvestment Ratio}} \times \frac{\text{Single Share Entitlement}}{\text{Single Share Entitlement}}$$

and such number of New Shares per Option (after such determination) will be deemed the "Option Entitlement" and such New Shares and their issuer will be deemed the "Shares" and the "Issuer", respectively, and for which purpose:

(A) "Reinvestment Ratio" means a fraction the numerator of which is the aggregate value of the number of New Shares (the "New Share Component") and the amount of Other Consideration (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable) to which a holder of the number of Shares equal to the Option Entitlement (before the determination referred to above) would be entitled upon consummation of the Merger Event and the denominator of

which is the aggregate value of the New Share Component (in each case after conversion by the Calculation Agent into a common currency, if necessary);

(B) "Single Share Entitlement" means the number (which may be a whole number or a fraction) of New Shares to which a holder of a single Share would be entitled upon consummation of the Merger Event;

(C) the Calculation Agent shall determine (net of any associated dealing costs to the extent the Other Consideration would be deemed under this clause (c) to be reinvested in New Shares) the aggregate value of the Merger Consideration, in the case of a New Share or a security comprised in the Other Consideration, by reference to the price of such Net Share or security on the principal exchange or quotation system on which it is traded or quoted and, in the case of any other asset comprised in the Other Consideration, in a commercially reasonable manner for any such asset; and

(D) the Calculation Agent will adjust the Strike Price accordingly; or

(iii) "Options Exchange Adjustment", then the Calculation Agent will make one or more adjustments as provided in Section 10.1(b) (without regard to the words "diluting or concentrative" in the second sentence);

provided that where the Calculation Agent determines that the New Share Component of the Combined Consideration (after giving effect to any permitted election) comprises less than 25% of the value of that consideration, the consequences of that Merger Event will, notwithstanding this clause (d), be as set forth in clause (c) above.

Section 10.4. Settlement following a Merger Event. (a) If Section 10.3(b)(i) or (d) applies in relation to a Merger Event, in respect of each Option exercised the deliveror will deliver the relevant New Shares in accordance with the Settlement Terms set out in the relevant Confirmation, provided that if on the relevant Settlement Date a holder of the Shares would not yet have received the New Shares to which it is entitled, the Settlement Date will be postponed to the first Clearance System Business Day falling on or after the first day on which a holder of the Shares, having received the New Shares, would be able to deliver such New Shares to the other party.

(b) If Section 10.3(c)(i) applies in relation to a Merger Event, then in respect of each Option exercised the deliveror will deliver the Other Consideration to the other party in a commercially reasonable manner in accordance with the reasonable directions of the other party as soon as reasonably practicable after the later of (i) the relevant Exercise Date and (ii) the first day on which a holder of the Shares, having received the Other Consideration, would be able to deliver such Other Consideration to the other party, and the other party will pay to the deliveror on such day an amount equal to the Strike Price multiplied by the Option Entitlement.

(c) If Section 10(d)(i) applies in relation to a Merger Event, then in respect of each Option exercised the deliveror will deliver the Other Consideration to the other party in a commercially reasonable manner in accordance with the reasonable directions of the other party as soon as reasonably practicable

after the later of (i) the relevant Exercise Date and (ii) the first day on which a holder of the Shares, having received the Other Consideration, would be able to deliver such Other Consideration to the other party.

Section 10.5. Election of Combined Consideration. In respect of any Share-for-Combined Merger Event affecting a Share Transaction, to the extent that a holder of Shares equal to the relevant Option Entitlement could elect the Combined Consideration then:

(a) if a holder could elect to receive New Shares as part or all of the Combined Consideration, then the party that would be the deliverer upon exercise of an Option shall be deemed to have elected New Shares to the maximum value permitted; and

(b) if a holder could make any other election, (i) the deliverer may so elect if notice of that election is given to the deliveror at least two Exchange Business Days before the last time when an election of the Combined Consideration by such holder could be timely made and (ii) otherwise the deliveror will, in its sole discretion, make such election.

Section 10.6. Nationalization or Insolvency. (a) In respect of each Share Transaction, the following terms have the meanings given below:

(i) "Nationalization" means that all the Shares or all the assets or substantially all the assets of the Issuer are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity; and

(ii) "Insolvency" means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting the Issuer (A) all the Shares are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares become legally prohibited from transferring them.

(b) If, in respect of a Share Transaction, a Nationalization or Insolvency occurs, then, in either case, Seller or Buyer will, upon becoming aware of such event, notify the other party of such event and if, under "Nationalization or Insolvency" in the relevant Confirmation, the consequence specified is:

(i) "Repurchase", then Seller will promptly quote a price, if any, at which it would be prepared to offer to repurchase the Options from Buyer; and

(ii) "Cancellation and Payment", then the Options will be cancelled, and Seller will pay to Buyer the amount specified in Section 10.7 ("Payment upon Certain Extraordinary Events").

Section 10.7. Payment upon Certain Extraordinary Events. (a) If, in respect of a Share Transaction, Section 10.3(c)(ii) applies in relation to a Merger Event or Section 10.6(b) applies, then Seller will pay to Buyer an amount determined as provided in clause (b) below, such payment to be made not later than three Currency Business Days following the determination by the Calculation Agent of such amount (denominated in the currency of the Strike Price).

(b) The amount to be paid by Seller to Buyer under clause (a) above will be the amount agreed promptly by the parties after the Merger Date or the occurrence of the Nationalization or Insolvency, as the

case may be, failing which it will be determined by the Calculation Agent and based on quotations sought by it from four leading market dealers. Each quotation will represent the quoting dealer's expert opinion as to the fair value to Buyer of an option with terms that would preserve for Buyer the economic equivalent of any payment or delivery (assuming satisfaction of each applicable condition precedent) by the parties in respect of the relevant Share Transaction that would have been required after that date but for the occurrence of the Option Value Event. Each quotation will be calculated on the basis of the following information provided by the Calculation Agent (and such other factors as the quoting dealer deems appropriate):

- (i) a volatility equal to the average of the Option Period Volatility of the Shares for each Exchange Business Day during the two-year historical period ending on the Announcement Date of the Option Value Event;
- (ii) dividends based on, and payable on the same dates as, amounts determined by the Calculation Agent to have been paid in respect of gross ordinary cash dividends on the Shares in the calendar year ending on the Announcement Date; and
- (iii) a value ascribed to the Shares equal to the consideration, if any, paid in respect of the Shares to holders of the Shares at the time of the Option Value Event.

If more than three quotations are provided, the amount will be the arithmetic mean of the quotations, without regard to the quotations have the highest and the lowest values. If exactly three quotations are provided, the amount will be the quotation remaining after disregarding the highest and the lowest quotations. For this purpose, if more than one quotation has the same highest or lowest value, then one of such quotations will be disregarded. If two quotations are provided, the amount will be the arithmetic mean of the quotations. If one quotation is provided, the amount will equal the quotation. If no quotation is provided, the amount will be determined by the Calculation Agent in its sole discretion.

(c) For purposes of clause (b):

- (i) "Option Value Event" means the Merger Event or the Nationalization or Insolvency, as the case may be;
- (ii) "Option Period Volatility" means, in respect of any Exchange Business Day, the volatility (calculated by referring to the closing price of the Shares on the Exchange) for a period equal to the number of days between the Announcement Date and the Expiration Date; and
- (iii) "Announcement Date" means, in respect of a Merger Event or a Nationalization, the date of the first public announcement of a firm intention, in the case of a Merger Event, to merge or to make an offer and, in the case of a Nationalization, to nationalize that (whether or not amended or on the terms originally announced) leads to the Merger Event or the Nationalization, as the case may be, and, in respect of an Insolvency, the date of the first public announcement of the institution of a proceeding or presentation of a petition or passing of a resolution (or other analogous procedure in any jurisdiction) that leads to the Insolvency, in each case as determined by the Calculation Agent.

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

*Heading for letter*¹

[Letterhead of Party A]

[Date]

Transaction

[Name and Address of Party B]

*Heading for Telex*¹

Date:
To: [Name and Telex Number of Party B]
From: [Party A]
Re: [Equity] Option Transaction

Dear _____ :

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

The definitions and provisions contained in the 1994 ISDA Equity Option Definitions (as published by the International Swaps and Derivatives Association, Inc.) (the "Equity Option Definitions") are incorporated into this Confirmation. In the event of any inconsistency between the Equity Option Definitions 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

1 Delete as applicable

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 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

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

3. Calculation Agent:³

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

[5.] Account Details:

Account for payments to Party A:

[Account for delivery of Shares to Party A:]

Account for payments to Party B:

[Account for delivery of Shares to Party B:]

[6. Offices:

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

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

[7. Broker/Arranger:]

[8. Governing law:⁴ [English law][the laws of the State of New York (without reference to choice of law doctrine)]⁵

*Closing for Letter*⁶

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

(notwithstanding anything to the contrary in a Confirmation), shall supplement, form a 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) 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 If the Calculation Agent is a third party, the parties will want to consider any documentation necessary to confirm its undertaking.

4 Include if the parties have not yet executed an ISDA Master Agreement (even if relying on inclusion of the paragraph set out in footnote 2 above).

5 Delete as appropriate.

6 Delete as applicable.

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 your 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 Telex*⁷

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:

"Re:

We acknowledge receipt of your telex dated [] with respect to the above-referenced Transaction between [Party A] and [Party B] with a Trade Date of [] and 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 authorized officer]."

Yours sincerely,

[PARTY A]

By: _____
Name:
Title:

⁷ Delete as applicable.

**Additional Provisions for a Confirmation
of an OTC Equity Index Option Transaction**

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

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

General Terms:

Trade Date: [], 199[]

Option Style: [American] [European]

Option Type: [Put] [Call]

Seller: [Party A] [Party B]

Buyer: [Party A] [Party B]

Index: []

Number of Options: []

[Multiplier: []]⁸

Multiple Exercise: [Applicable/Inapplicable]

[Minimum Number of Options:]⁹ []

[Maximum Number of Options:]¹⁰ []

[Integral Multiple:]¹¹ []

Strike Price: []¹²

8 Include a Multiplier if it is intended that the Cash Settlement Amount will be based on a percentage (e.g., 50% or 200%) of the performance of the Index.

9 Include if an American style option providing for Multiple Exercise.

10 Include if an American style option providing for Multiple Exercise.

11 Include if an American style option providing for Multiple Exercise.

12 The parties may insert an amount or a formula from which the Strike Price will be determined.

Premium: []
 [(Premium per Option [])]

Premium Payment Date: []

Seller Business Day: []¹³

Exchange: []¹⁴

Related Exchange(s): []¹⁵

Procedure for Exercise:

[Commencement Date : []]¹⁶

[Latest Exercise Time: [] (local time in)]¹⁷

Expiration Time: [] (local time in)]¹⁸

Expiration Date: []

Automatic Exercise: Applicable

Seller's Telephone Number and Telex and/or Facsimile Number and Contact Details for Purpose of Giving Notice: []

Valuation:

Valuation Time At [the close of trading on the Exchange] [] :00 a.m./p.m. (local time in)¹⁹.

13 Specify city in which Seller is located for the purpose of receiving notices.

14 Insert the name of the principal exchange or quotation system on which the securities comprising the Index are traded or quoted.

15 Insert relevant futures and options exchange(s).

16 Include if American style option.

17 Include if American style option. Specify city in which Seller is located for the purpose of receiving notices or, alternatively, specify city in which the Exchange is located.

18 Specify city in which Seller is located for purposes of receiving notices.

19 Specify city in which the Exchange is located, if applicable.

Settlement Terms:

Cash Settlement:	Applicable
[Settlement Price:	[]] ²⁰
Settlement Currency: ²¹	[]
Cash Settlement Payment Date :	[] Currency Business Days after [the] ²² [each] ²³ Valuation Date

20 It is not necessary to specify a means for determining the Settlement Price if the Settlement Price is the level of the Index at the Valuation Time on the relevant Valuation Date.

21 If a currency conversion is contemplated, parties may wish to provide for how, when and by whom the relevant exchange rate is to be determined.

22 Include if a European style option.

23 Include if an American style option.

**Additional Provisions for a Confirmation of
an OTC Single Share Option Transaction (Physical Settlement)**

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

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

General Terms:

Trade Date:	[], 199[]
Option Style:	[American] [European]
Option Type:	[Put] [Call]
Seller:	[Party A][Party B]
Buyer:	[Party A][Party B]
Shares:	[Insert full title, class and/or par value of the Shares and any other identification number or reference for the Shares] of [insert full legal name of the issuer of the Shares]
Number of Options:	[]
Option Entitlement:	[] Share(s) per Option
Multiple Exercise:	[Applicable/Inapplicable]
[Minimum Number of Options:] ²⁴	[]
[Maximum Number of Options:] ²⁵	[]
[Integral Multiple:] ²⁶	[]
Strike Price:	[] ²⁷

24 Include if an American style option providing for Multiple Exercise.

25 Include if an American style option providing for Multiple Exercise.

26 Include if an American style option providing for Multiple Exercise.

27 This should be expressed as a Strike Price per Share. The parties may insert an amount or a formula from which the Strike Price will be determined and the adjustments, if any, that dividend payments would occasion.

Premium: []
 [(Premium per Option [])]

Premium Payment Date: []

Seller Business Day: []²⁸

Exchange: []²⁹

Related Exchange(s): []³⁰

Clearance System: []

Procedure for Exercise

[Commencement Date: []]³¹

[Latest Exercise Time: [] [a.m./p.m.] (local time in)]³²

Expiration Time: [] [a.m./p.m.] (local time in)³³

Expiration Date: []

Automatic Exercise: Applicable

Seller's Telephone Number and Telex and/or Facsimile Number and Contact Details for Purpose of Giving Notice: []

Reference Price: [The official closing price per Share on the Exchange on the Expiration Date.]³⁴

28 Specify city in which Seller is located for the purpose of receiving notices.

29 Insert the name of the principal exchange or quotation system on which the Shares are traded or quoted.

30 Insert relevant futures and options exchange(s).

31 Include if American style option.

32 Include if American style option. Specify city in which Seller is located for the purpose of receiving notices or, alternatively, specify city in which the Exchange is located.

33 Specify city in which Seller is located for the purpose of reviewing notices or, alternatively, specify city in which the Exchange is located.

34 The parties may specify that the Reference Price will be determined by reference to another specified price (e.g., highest bid at 11.00 a.m.) or another stock exchange or quotation system if, for example, at the Expiration Time an official closing price on the Exchange would be unavailable or reference to another specified price is for another reason preferred.

Settlement Terms:

Physical Settlement: Applicable³⁵
Failure to Deliver: [Applicable/Inapplicable]

Adjustments:³⁶

Method of Adjustment: [Calculation Agent Adjustment][Options Exchange Adjustment]³⁷

[Options Exchange: []]³⁸

Extraordinary Events:

Consequences of Merger Events:

(a) Share-for-Share: [New Share Option][Options Exchange Adjustment]

(b) Share-for-Other: [Alternative Delivery] [Cancellation and Payment]
[Options Exchange Adjustment]

(c) Share-for-Combined: [Alternative Delivery] [Reinvestment]
[Options Exchange Adjustment]

[Options Exchange: []]³⁹

Nationalization or Insolvency: [Repurchase] [Cancellation and Payment]

35 If settlement cannot or will not be on the basis of delivery versus payment, specify the relevant details. Where the Shares do not settle (or the parties otherwise do not wish to settle the Shares) through a clearance system, the settlement procedures will need to be specified and relevant provisions of Article 8 of the Equity Option Definitions may have to be modified to take into account such settlement procedures.

36 The definition of "Potential Adjustment Event" includes the payment of an extraordinary dividend. The parties may wish to consider relevant corporate law and practice in determining whether a dividend payable in the ordinary course by the Issuer also may be a Potential Adjustment Event (e.g., if not limited to payment out of accumulated profits).

37 If no Method of Adjustment is specified, "Calculation Agent Adjustment" applies.

38 Include if using Options Exchange Adjustment for share adjustments.

39 Include if using Options Exchange Adjustment for extraordinary events.

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