

Financial Markets Lawyers Group

The British Bankers Association

EMU AMENDMENT (Greece)

dated as of _____

_____ and _____
(each, a "Party") have entered into this EMU Amendment (Greece) (the "Amendment") to confirm their intentions in respect of certain matters arising in connection with Greece's participation in European Economic and Monetary Union. The Parties agree to amend the International Foreign Exchange Master Agreement ("IFEMA"), International Currency Options Market Master Agreement ("ICOM"), and/or Foreign Exchange and Options Master Agreement ("FEOMA") to which they are parties, as set forth in Section 6 of this Amendment (each a "Master Agreement"), in each case on the terms and subject to the conditions set forth in this Amendment.

1. Amendments

- (a) The amendments provided for in this Amendment are set forth in Annexes 1 to 6.
- (b) This Amendment is without prejudice to any amendment, modification or waiver in respect of a Master Agreement that the Parties may otherwise effect in accordance with the terms of that Master Agreement.

2. Representations

Each Party represents to the other Party, as of the date of this Amendment and with respect to each Master Agreement between them, that:

- (a) **Status.** It (i) is, if relevant, duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing or (ii) if it has otherwise represented its status in or pursuant to the Master Agreement, confirms that representation;
- (b) **Powers.** It has the power to execute and deliver this Amendment and to perform its obligations under this Amendment and the Master Agreement, as amended by this Amendment, and has taken all necessary action to authorize such execution, delivery and performance;
- (c) **No Violation or Conflict.** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;
- (d) **Consents.** All governmental and other consents that are required to have been obtained by it with respect to this Amendment and the Master Agreement, as amended by this Amendment, have been obtained and are in full force and effect and all conditions of any such consents have been complied with;

(e) **Obligations Binding.** Its obligations under this Amendment and the Master Agreement, as amended by this Amendment, constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)); and

(f) **Credit Support.** Its adherence to this Amendment will not, in and of itself, adversely affect any obligations owed, whether by it or by any third party, under any Credit Support Document which it is required to deliver under the Master Agreement.

Each Party agrees with the other Party that each of the foregoing representations will be deemed to be a representation for purposes of each Master Agreement between them.

3. Miscellaneous

(a) Entire Agreement; Restatement.

(i) This Amendment constitutes the entire agreement and understanding of the Parties with respect to its subject matter and supersedes all oral communications and prior writings (except as otherwise contemplated or provided in an Annex or elsewhere in this Amendment) with respect thereto.

(ii) Except for any amendment to a Master Agreement made pursuant to this Amendment, all terms and conditions of that Master Agreement will continue in full force and effect in accordance with its provisions on the effective date of that amendment. As used in that Master Agreement, the terms "Agreement", "this Agreement" and words of similar import will, unless the context otherwise requires, mean the Master Agreement as amended pursuant to this Amendment.

(b) **Amendments.** No amendment, modification or waiver in respect of the matters contemplated by this Amendment (including, but not limited to, any Transaction) will be effective unless it is in writing and expressly refers to this Amendment or to the European monetary union or to an event associated with economic and monetary union in the European Community and would otherwise be effective in accordance with the terms of the Master Agreement governing amendments.

(c) **Headings.** The headings used in this Amendment are for purposes of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Amendment.

(d) **Governing Law.** This Amendment will, as between the Parties and in respect of each Master Agreement between them, be governed by and construed in accordance with the law specified to govern that Master Agreement.

4. Definitions

As used in the Annexes:

References to the "1998 FX Definitions" mean the 1998 FX and Currency Option Definitions as published by The International Swaps and Derivatives Association, Inc., the Emerging Markets Traders Association and the Foreign Exchange Committee ("FX Committee ");

"Confirmation", with respect to a Transaction, has the meaning given that term in the related Master Agreement;

"Transaction" means an FX Transaction or a Currency Option Transaction (which terms shall include the analogous terms in any Master Agreement) entered into under a Master Agreement between the Parties; and

The terms "euro unit", "national currency unit", "participating member state" and "transitional period" have the meanings given to those terms in the European Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, except that the term "national currency unit" shall include the units of the currency of Greece, as those units are defined on the day before the euro is introduced as the currency of Greece.

"Conversion Rate " shall mean the conversion rate of the Greek Drachma for the euro, adopted in accordance with the Treaty establishing the European Community, as amended.

5. Intent

Nothing herein shall be deemed to affect or have any implications with respect to the ongoing legal obligations of any Party or any other party under any transaction to which this Amendment does not apply; the purpose hereof being to provide greater certainty as to the precise application of otherwise generally applicable principles.

6. Master Agreement(s)

- (a) International Foreign Exchange Master Agreement ("IFEMA") dated as of _____.
- (b) International Currency Options Market Master Agreement ("ICOM") dated as of _____.
- (c) Foreign Exchange and Options Master Agreement ("FEOMA") dated as of _____.

IN WITNESS WHEREOF the Parties have executed this Amendment on the respective dates specified below with effect from the date specified on the first page of this Amendment.

(Name of Party)

(Name of Party)

By: _____
Name:
Title:
Date:

By: _____
Name:
Title:
Date:

ANNEX 1

EMU CONTINUITY PROVISION (GREECE)

The terms of each Master Agreement (including terms relating to force majeure, acts of State, illegality and impossibility) are amended by the addition of the following clause as a new section of the "Miscellaneous " provisions:

"EMU. The Parties confirm that the occurrence or non-occurrence of an event associated with economic and monetary union in the European Community will not have the effect of altering any term of, or discharging or excusing performance under, the Agreement or any Transaction, give a party the right unilaterally to alter or terminate the Agreement or any Transaction or, in and of itself, give rise to an Event of Default or otherwise be the basis for close-out and liquidation of any Transaction.

An event associated with economic and monetary union in the European Community includes, without limitation, each (and any combination) of the following:

- (i) the introduction of, changeover to or operation of a single or unified European currency (whether known as the euro or otherwise);
- (ii) the fixing of conversion rates between the Greek Drachma and the euro;
- (iii) the introduction of the euro as lawful currency in Greece;
- (iv) the withdrawal from legal tender of the Greek Drachma; or
- (v) the disappearance or replacement of a relevant rate option or other price source for the Greek Drachma, or the failure of the agreed sponsor (or a successor sponsor) to publish or display a relevant rate, index, price, page or screen."

ANNEX 2

PRICE SOURCES

In respect of each Master Agreement entered into before the introduction of the euro as the currency of Greece and pursuant to which amounts are payable by reference to rates for deposits in Greek Drachmas:

(a) **Disappearance of Price Sources.** The Parties recognize that the introduction of the euro as the currency of Greece may result in (i) the disappearance of certain published or displayed rates for deposits in Greek Drachmas used to determine LIBOR or a Base Currency Rate or (ii) changes in the way those rates are quoted and published or displayed.

(b) **Replacement Sources.** All references to LIBOR or a Base Currency Rate with respect to any Master Agreement pursuant to which amounts are payable by reference to rates for deposits in Greek Drachmas shall be replaced with references to EURIBOR as it appears on or in any successor page or publication officially designated by the sponsor of the dedicated page or publication.

ANNEX 3

PAYMENT AND NOVATION NETTING

In respect of each Transaction entered into pursuant to a Master Agreement:

(a) the Parties recognize that the euro is expected to be introduced as the currency of Greece on 1st January, 2001 and that from that date and during the remainder of the transitional period payments may be made in Greek Drachmas or other national currency units;

(b) for the purpose of each Master Agreement, the Parties agree that, from the date on which the euro is introduced as the currency of Greece and during the remainder of the transitional period, amounts stipulated to be payable in Greek Drachmas should be treated as being payable in a different currency from amounts stipulated to be payable in the euro unit or in other national currency units; and

(c) accordingly, in the case of an amount of euros denominated in Greek Drachmas payable on any day falling on or after the date on which the euro is introduced as the currency of Greece and during the remainder of the transitional period, amounts denominated in the euro unit or in other national currency units will not be considered to be amounts payable in the same currency as the Greek Drachma for purposes of the Payment Netting Provisions or Novation Netting Provisions of a Master Agreement.

(d) For the purposes of this Annex 3, "Payment Netting Provisions " means the provisions of a Master Agreement relating to net settlement of Transactions and netting of Premiums and/or other payments and "Novation Netting Provisions " means the provisions of a Master Agreement relating to novation netting of FX Transactions and discharge and termination of offsetting Currency Option Transactions.

ANNEX 4

EMU DEFINITIONS

(a) **Euro.** The following definition is included in Section 1 of the Master Agreement and replaces Section 4.3(s) of the 1998 FX Definitions in respect of each Transaction for which it may be relevant:

"(s) **Euro.** "Euro", "euro" and "EUR" each means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on March 25, 1957), as amended by the Treaty on European Union (signed in Maastricht on February 7, 1992) and as amended by the Treaty of Amsterdam on October 2, 1997)."

(b) **Business Day.** In respect of each Transaction, including any evidenced by a Confirmation incorporating the 1998 FX Definitions:

(i) the Parties recognize that payments in euros may be settled by commercial banks and in foreign exchange markets in a place on a day on which commercial banks in that place would otherwise be closed for business;

(ii) the Parties also recognize that, after the introduction of the euro as the currency of Greece, all payments expressed to be payable in Greek Drachmas will technically be payable in euros and that there may be no readily identifiable principal financial center for the euro;

(iii) to preserve the existing position where a payment obligation is payable in or calculated by reference to Greek Drachmas, the Parties agree that, for the purposes of the definition of Business Day, days on which commercial banks and foreign exchange markets are open in a place solely for the purpose of settling payments in euros should not be considered days on which payments in Greek Drachmas can be settled by commercial banks and in foreign exchange markets in that place and that references to the principal financial center of the Greek Drachma should continue to bear the same meaning throughout the term of the Transaction;

(iv) accordingly, the Parties confirm for the avoidance of doubt that, notwithstanding the introduction of the euro as the currency of Greece, in relation to the Greek Drachma, references in Section 1.18 of the 1998 FX Definitions to the "financial center" of the Greek Drachma will be to the city there specified until the Value Date of the related Transaction, whether that occurs during or after the transitional period; and

(v) furthermore, the Parties agree that with respect to any obligation payable in euro and falling due on or after the introduction of the euro as the currency of Greece, where such obligation is denominated in Greek Drachma, the term "Local Banking Day" in a Master Agreement is modified to mean any day which is a Business Day in accordance with the 1998 FX Definitions as amended by this Annex 4.

(c) **Local Banking Day.** With respect to any obligation payable in euro and entered into before or on or after the introduction of the euro as the currency of Greece that is originally denominated in euro or is at any time redenominated in euro, clause (i) of the term "Local Banking Day" in a Master Agreement is modified to mean any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) system is open.

ANNEX 5

AVERAGE RATE OPTIONS

For any Currency Option Transaction whose terms provide for the calculation of an average rate based upon the rate of the Greek Drachma in exchange for another currency (for the avoidance of doubt, a currency other than the euro or any national currency unit) (the "non-euro currency"), part (iii) of the definition of "Business Day" in Annex 4 shall apply for the purpose of determining whether a day is a Calculation Date (as defined in the 1998 FX Definitions). Unless otherwise agreed by the Parties, the average rate under any such Currency Option Transaction shall be calculated by (i) observing the rate of exchange of the euro for the non-euro currency on the relevant date, (ii) converting the observed rate from euro to the Greek Drachma at the Conversion Rate in order to obtain a rate expressed in terms of the number of units of the non-euro currency per Greek Drachma, (iii) if the Currency Option Transaction requires the use of a rate of exchange quoted in terms of Greek Drachmas per unit of non-euro currency, taking the reciprocal of the preceding rate, (iv) rounding the resulting rate to no less than 6 significant figures (or such other rounding convention as may be specified under the terms of the Currency Option Transaction), and (v) in all other respects, making such calculations under the terms of the Currency Option Transaction.

ANNEX 6

BARRIER OPTIONS

For any Currency Option Transaction which is a Barrier Option and for which the In-Strike Price or Out-Strike Price, as applicable, is the rate of exchange of the Greek Drachma for a non-euro currency (as defined in Annex 5):

1. The Barrier Determination Agent shall make its determination under the Barrier Option based upon the prevailing Spot Exchange Rate of the specified non-euro currency for the euro.

2. In order to make these determinations; the Barrier Determination Agent shall use one of the following methods:

(a) If the In-Strike Price or Out-Strike Price is expressed in terms of Greek Drachmas per one non-euro currency unit, then the Barrier Determination Agent shall either:

(i) re-calculate the In-Strike Price or Out-Strike Price, as applicable, as a rate expressed in terms of the number of units of non-euro currency per one euro. In this case the re-calculated rate shall be equal to: (x) the Conversion Rate divided by (y) the Original Barrier Rate (where the "Original Barrier Rate" is the In-Strike Price or Out-Strike Price of the Currency Option Transaction); or

(ii) re-calculate its observations of the rate of non-euro currency units per one euro in order to obtain a rate expressed in terms of Greek Drachmas per one non-euro currency unit (which rate shall then be compared with the original In-Strike Price or Out-Strike Price, as the case may be). In this case, the rate of Greek Drachmas per one non-euro currency unit shall be equal to: (x) the Conversion Rate, divided by (y) the market rate of exchange observed by the Barrier Determination Agent as the number of non-euro currency units per one euro (the "Euro Market Rate").

In each case, the final rate obtained using method (i) or method (ii) shall be rounded to a number with at least 6 significant figures.

(b) If the In-Strike Price or Out-Strike Price is expressed in terms of non-euro currency units per one Greek Drachma, the Barrier Determination Agent shall either:

(i) re-calculate the In-Strike Price or Out-Strike Price, as applicable, as a rate expressed in terms of the number of units of non-euro currency per one euro. In this case the re-calculated rate shall be equal to: (x) the Original Barrier Rate multiplied by (y) the Conversion Rate; or

(ii) re-calculate its observations of the rate of non-euro currency units per one euro in order to obtain a rate expressed in terms of non-euro currency units per one Greek Drachma (which rate shall then be compared with the original In-Strike Price or Out-Strike Price, as the case may be). In this case, the rate of non-euro currency units per one Greek Drachma shall be equal to: (x) the Euro Market Rate, divided by (y) the Conversion Rate.

In each case, the final rate obtained using method (i) or method (ii) shall be rounded to a number with at least 6 significant figures.

Terms used in this Barrier Option Addendum have the meanings given in the Barrier Option Addendum published by the FX Committee in association with the BBA, the Canadian Foreign Exchange Committee and the Tokyo Foreign Committee; provided that for the purpose of this Annex 6 such terms shall be deemed to include any analogous terms under the 1998 FX Definitions or under any confirmation exchanged by the Parties.