

Interest Rate Transactions Supplement

**to the Master Agreement for Foreign
Currency and Interest Rate Derivative
Transactions**

Version 2024.1 – September 2024

Importance Notice

Transactions covered by this supplement are interest rate derivative transactions entered into under a Master Agreement for Foreign Currency and Interest Rate Derivative Transactions between you and Westpac. Derivative transactions involve the risk of loss from various events, including movements in exchange and interest rates. You should not enter these Transactions if you do not understand the risks. We recommend that you consider whether these Transactions are appropriate for your circumstances and seek independent financial and legal advice.

You should consider any applicable product information statement or other disclosure document (if applicable) in relation to a product before entering into any Transaction. You may obtain a copy of these documents by visiting our website or by contacting us.

Table of contents

| | | |
|----------------|---------------------------------|-----------|
| Part 1. | General Terms | 4 |
| Part 2. | Floating Rate Benchmarks | 7 |
| Part 3. | Interest Rate Swap | 10 |
| Part 4. | Interest Rate Floor | 12 |
| Part 5. | Interest Rate Cap | 14 |
| Part 6. | Interest Rate Collar | 16 |
| Part 7. | Swaption | 18 |
| Part 8. | Early Termination | 20 |

Part 1. General Terms

1.1 Scope

This “Interest Rate Transactions Supplement” sets out the terms applicable to interest rate derivative transactions that you enter into with Westpac where the Transaction is governed by a Master Agreement for Foreign Currency and Interest Rate Derivative Transactions. This document is a “Supplement” for the purposes of the Master Agreement and is deemed incorporated into each Confirmation, and the Agreement.

1.2 Applicability

This Supplement applies to, and sets out the supplementary terms for, each Transaction which is specified in a Confirmation as being a transactions of the following product types:

- (a) “Interest Rate Swap Transaction”;
- (b) “Interest Rate Floor”;
- (c) “Interest Rate Cap”;
- (d) “Interest Rate Collar”;
- (e) “Swaption”;
- (f) any other type of Transaction the Confirmation of which incorporates the terms of this Supplement.

Please refer to any applicable product information statement or other disclosure document (if applicable) for a description and further information, including the associated risks, of each product.

1.3 Amendments

This Supplement may be updated from time to time and published on our website at www.westpac.com.au (for Australian customers) or www.westpac.co.nz (for New Zealand customers). The version of this Supplement that will govern a specific Transaction will be the latest published version of the Supplement as at the Trade Date of the Transaction, unless agreed otherwise. The latest version of this Supplement is available on our website above or can be obtained by contacting us.

1.4 Definitions

The meaning of the terms used in this Supplement are set out below. Terms capitalised but not otherwise defined in this document have the meaning given to them in the Master Agreement.

| Term | Meaning |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business Day | has the meaning given to it in the Master Agreement. |
| Calculation Agent | Westpac Banking Corporation. |
| Calculation Period | the period from, and including, one Payment Date for the relevant party, to, but excluding, the next following Payment Date during the Term of the Transaction, provided however: <ol style="list-style-type: none"> (a) the initial Calculation Period will commence on, and include, the Effective Date; and (b) the final Calculation Period will end on, but exclude, the Termination Date. |

| | |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Effective Date | the date specified in the Confirmation (or otherwise determined by reference to a specific method), as being the first date of the Term of the Transaction. |
| Master Agreement | the Master Agreement for Foreign Currency and Interest Rate Derivative Transactions between you and Westpac. |
| Payment Date | the dates specified in the Confirmation (or otherwise determined by reference to a specific method), and subject to Part 1.6 (<i>Business Day Convention for Payment Dates</i>). |
| Term | the period commencing on and from the Effective Date and concluding on and including the Termination Date. |
| Termination Date | the date specified in the Confirmation (or otherwise determined by reference to a specific method), as being the last day of the Term of the Transaction. |
| Trade Date | the date specified in the Confirmation as being the date on which the parties enter into the Transaction. |

1.5 Business Days Conventions

If a date specified in a Confirmation is not a Business Day, then the date will be adjusted in accordance with the convention specified in the Confirmation as follows:

- (a) **Following Business Day Convention** means the relevant day will be the first following day that is a Business Day.
- (b) **Modified Following Business Day Convention** means the relevant day will be the first following day that is a Business Day unless the day falls in the next calendar month in which case it will be the first preceding day that is a Business Day.
- (c) **Preceding Business Day Convention** means the relevant day will be the first preceding day that is a Business Day.

1.6 Business Day Convention for Payment Dates

Unless otherwise specified in a Confirmation, the Modified Following Business Day Convention will apply to each Payment Date which is not a Business Day.

1.7 Relating Payments to Calculation Periods

The Fixed Amount or Floating Amount applicable to a given Payment Date will be such amount calculated with reference to the Calculation Period ending on (or is closest in time to) that Payment Date, or in the case of the final Calculation Period, ending on, but excluding the Termination Date.

1.8 Day Count Fractions

The Day Count Fraction specified in the Confirmation have the following meanings:

- (a) **“Actual/365 (Fixed)”** means the actual number of days in the relevant Calculation Period divided by 365.
- (b) **“Actual/360”** means the actual number of days in the relevant Calculation Period divided by 360.

1.9 Rounding

- (a) In respect of a percentage, all calculations will be rounded to the nearest one hundred-thousandth of a percentage point (e.g. 1.234561% being rounded down to 1.23456% and 1.234567% being rounded up to 1.23457%).

- (b) In respect of a currency amount, all calculations will be rounded to two decimal places (e.g. \$1.234 being rounded down to \$1.23 and \$1.235 being rounded up to \$1.24).

1.10 Calculation Agent

- (a) The Calculation Agent shall be responsible for making all determinations and calculations required for the parties to perform their obligations under the Transaction.
- (b) Before each Payment Date, the Calculation Agent shall deliver a notice to the Customer notifying them of (i) the date on which the payment is due, (ii) the party required to make the payment then due, and (iii) the amount of such payment.
- (c) Upon request, the Customer may request the Calculation Agent to provide a calculation statement setting out in reasonable detail any calculations made in determining any rates or amounts.
- (d) Whenever the Calculation Agent is required to make a determination or calculation, it will do so in good faith, with reference to standard market practices and commercially reasonable procedures to produce a commercially reasonable result.
- (e) If the Customer wishes to dispute a calculation or determination made by the Calculation Agent, it may do so by notifying the Calculation Agent in writing of the error.

1.11 Currencies

- (a) The following definitions shall apply in respect of a currency amount:
 - (i) “**AUD**”, “**A\$**” and “**Australian Dollars**” means the lawful currency of the Commonwealth of Australia; and
 - (ii) “**NZD**”, “**NZ\$**” and “**New Zealand Dollars**” means the lawful currency of New Zealand.
- (b) Unless specified otherwise, all currency amounts shall be denominated:
 - (i) in the case of a Transaction relating to an “AUD” Floating Rate Option, in Australian Dollars; or
 - (ii) in the case of a Transaction relating to a “NZD” Floating Rate Option, in New Zealand Dollars.

1.12 Terms not used in this Supplement

For the purposes of this Supplement and each Confirmation, the terms “Cash Settlement Method”, “Cash Settlement Reference Banks”, “Compounding”, “Discounting” and “Quotation Rate” shall be not applicable when referenced in any Confirmation.

Part 2. Floating Rate Benchmarks

2.1 Scope

The floating rate benchmark applicable to a Transaction shall be determined in accordance with this Part 2. The term “Floating Rate Option” refers to the particular interest rate benchmark to which the interest rate derivative product relates.

2.2 Definitions

The following definitions apply in this Part 2 and when used elsewhere in this Supplement and each Confirmation.

| Term | Meaning |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BBSW | the Australian Dollar mid rate for prime bank eligible securities (known as the Bank Bill Swap Rate) administered by ASX Benchmarks Pty Limited. |
| BBSY Bid | the Australian Dollar rate bid rate for prime bank eligible securities (known as the Bank Bill Swap Bid Rate) administered by ASX Benchmarks Pty Limited. |
| Benchmark Level | the value of the applicable Floating Rate Option, expressed as a decimal and determined in accordance with this Part 2. |
| BKBM-Bid | the bid rate for prime bank eligible securities that are traded in the local New Zealand market known as the Bank Bill Benchmark Rate administered by the New Zealand Financial Benchmark Facility Limited. |
| BKBM-FRA | the forward rate agreement rate for prime bank eligible securities that are traded in the local New Zealand market known as the Bank Bill Benchmark Rate administered by the New Zealand Financial Benchmark Facility Limited. |
| Designated Maturity | the time period specified as such in the Confirmation. |
| Reset Date | the date specified in the Confirmation or determined pursuant to a method specified for that purpose. |

2.3 AUD-BBSW

- (a) If “**AUD-BBSW**” is specified as the applicable Floating Rate Option, then the Floating Rate shall be the Benchmark Level of “**BBSW**” for a period of the Designated Maturity at 12:00pm (Sydney time) on the relevant Reset Date as determined by the Calculation Agent by reference to commercially reasonable sources.
- (b) If **BBSW** cannot be determined by the Calculation Agent on the relevant Reset Date at the required time, the rate shall be determined in accordance with Part 2.7 (*Floating Rate Disruption*).

2.4 AUD-BBSY Bid

- (a) If “**AUD-BBSY Bid**” is specified as the applicable Floating Rate Option, then the Floating Rate shall be the Benchmark Level of “**BBSY Bid**” for a period of the Designated Maturity at 12:00pm (Sydney time) on the relevant Reset Date as determined by the Calculation Agent by reference to commercially reasonable sources.

- (b) If BBSY Bid cannot be determined by the Calculation Agent on the relevant Reset Date at the required time, the rate shall be determined in accordance with Part 2.7 (*Floating Rate Disruption*).

2.5 NZD-BKBM Bid

- (a) If “**NZD-BKBM Bid**” is specified as the applicable Floating Rate Option, then the Floating Rate shall be the Benchmark Level of “BKBM-Bid” for a period of the Designed Maturity at 10:41am (Wellington time) on the relevant Reset Date as determined by the Calculation Agent by reference to commercially reasonable sources.
- (b) If BKBM-Bid cannot be determined by the Calculation Agent on the relevant Reset Date at the required time, the rate shall be determined in accordance with Part 2.7 (*Floating Rate Disruption*).

2.6 NZD-BKBM-FRA

- (a) If “**NZD-BKBM FRA**” is specified as the applicable Floating Rate Option, then the Floating Rate shall be the Benchmark Level of “BKBM-FRA” for a period of the Designated Maturity at 10:41am (Wellington time) on the relevant Reset Date as determined by the Calculation Agent by reference to commercially reasonable sources.
- (b) If BKBM-FRA cannot be determined by the Calculation Agent on the relevant Reset Date at the required time, the rate shall be determined in accordance with Part 2.7 (*Floating Rate Disruption*).

2.7 Floating Rate Disruption

- (a) If, on the relevant Reset Date and at the required time, the Calculation Agent is unable to determine the Benchmark Level of the applicable Floating Rate Option (a “**Disruption Event**”), the Floating Rate shall be determined in accordance with this Part 2.7.
- (b) Factors which may result in a Disruption Event include:
 - (i) market disruption (technical or otherwise);
 - (ii) temporary non-publication of the Floating Rate Option by the benchmark administrator; or
 - (iii) permanent discontinuation of the Floating Rate Option by the benchmark administrator,
- (c) If a Disruption Event occurs and is subsisting, the Calculation Agent shall determine the Floating Rate for the relevant Reset Date by reference to standard market practices and commercially reasonable procedures for selecting and determining a fallback Floating Rate or substitute or replacement Floating Rate Option.
- (d) If the administrator of a Floating Rate Option announces that a given benchmark will be permanently discontinued, the Calculation Agent may, in its discretion and acting reasonably, elect to permanently transition the Transaction to a replacement Floating Rate Option for all future Calculation Periods at any time after the announcement and before the effective date of the discontinuation. Any replacement Floating Rate Option, including the timing of the transition, shall be determined in accordance with paragraph (c) above.
- (e) A replacement Floating Rate Option may require the addition of an “adjustment spread” to the Benchmark Level, which shall be determined by reference to standard market practices and form part of the Floating Rate for the purposes of calculating the Floating Amount.

2.8 Corrections

If the administrator of a Floating Rate Option subsequently publishes a correction to the Benchmark Level after the time at which the Floating Rate Option is required to be determined

in accordance with this Part 2, such corrected Benchmark Level shall be binding upon the parties.

2.9 Linear Interpolation

- (a) Where “Linear Interpolation” is specified in the relevant Confirmation as being “Applicable”, and notwithstanding the specified Designated Maturity in the relevant Confirmation, the Floating Rate for the applicable Reset Date shall be the rate determined in accordance paragraph (b) below (the “**Interpolated Rate**”).
- (b) The Interpolated Rate shall be calculated as follows:

$$\text{Interpolated Rate} = \text{Rate}_{\text{Shorter}} + \frac{\text{Rate}_{\text{Longer}} - \text{Rate}_{\text{Shorter}}}{\text{Days}_2 - \text{Days}_1} \times (\text{Days}_{\text{CP}} - \text{Days}_1)$$

where:

$\text{Rate}_{\text{Shorter}}$ means the Benchmark Level of the applicable Floating Rate Option with a Designated Maturity that is the next shorter time period than the time period of the applicable Calculation Period (the “**Shorter Designated Maturity**”).

$\text{Rate}_{\text{Longer}}$ means the Benchmark Level of the applicable Floating Rate Option with a Designated Maturity that is the next longer time period than the time period of the applicable Calculation Period (the “**Longer Designated Maturity**”).

Days_{CP} means the number of days in the applicable Calculation Period.

Days_1 means the number of calendar days from (and including) the first day of the applicable Calculation Period to (but excluding) the date that is the length of time of the Shorter Designated Maturity, subject to adjustment in accordance with the applicable Business Day Convention.

Days_2 means the number of calendar days from (and including) the first day of the applicable Calculation Period to (but excluding) the date that is the length of time of the Longer Designated Maturity, subject to adjustment in accordance with the applicable Business Day Convention.

Part 3. Interest Rate Swap

3.1 Scope

If the type of Transaction is specified as being an “Interest Rate Swap Transaction” in the relevant Confirmation, this Part 3 (*Interest Rate Swap*) will apply.

3.2 Definitions

The additional definitions specified below apply to this Part 3 only. In the event of an inconsistency between a term defined below and a term defined elsewhere, the meaning given to that term below shall prevail.

| Term | Meaning |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Fixed Amount | the amount specified in the Confirmation or if an amount is not specified, the amount as determined in accordance with Part 3.4. |
| Fixed Amount Payer | the party specified as such in the Confirmation. |
| Fixed Rate | the rate specified in the Confirmation or determined pursuant to a method specified for that purpose, expressed as a decimal. |
| Fixed Rate Day Count Fraction | the method specified in the Confirmation and determined in accordance with Part 1.8. |
| Floating Amount | the amount as calculated in accordance with Part 3.5. |
| Floating Amount Payer | the party specified as such in the Confirmation. |
| Floating Rate Day Count Fraction | the method specified in the Confirmation and determined in accordance with Part 1.8. |
| Floating Rate Option | the Floating Rate Option specified as such in the Confirmation and determined in accordance with Part 2 (<i>Floating Rate Benchmarks</i>). |
| Notional Amount | the amount specified as such in the Confirmation. |
| Spread | the per annum rate specified in the Confirmation expressed as a decimal. |

3.3 Terms

- (a) **Payment of Fixed Amount.** The Fixed Amount Payer agrees to pay the Fixed Amount to the Floating Amount Payer on each applicable Payment Date for the Term of the Transaction.
- (b) **Payment of Floating Amount.** The Floating Amount Payer agrees to pay the Floating Amount to the Fixed Amount Payer on each applicable Payment Date for the Term of the Transaction.
- (c) **Payment Netting.** Notwithstanding paragraphs (a) and (b) above, and unless agreed otherwise, where the obligation of the Fixed Amount Payer to pay the Fixed Amount and the Floating Amount Payer to pay the Floating Amount falls on the same day, such obligations shall be set-off and replaced by a single obligation on the party owing the greater of the two amounts to pay the difference between the two amounts to the other party.

3.4 Calculation of Fixed Amount

If the Fixed Amount is not specified in the Confirmation, the Fixed Amount for a given Calculation Period will be calculated as follows:

$$\text{Fixed Amount} = \text{Notional Amount} \times \text{Fixed Rate} \times \text{Fixed Rate Day Count Fraction}$$

3.5 Calculation of Floating Amount

The Floating Amount for a given Calculation Period will be calculated as follows:

$$\text{Floating Amount} = \text{Notional Amount} \times (\text{Floating Rate} + \text{Spread}) \times \text{Floating Rate Day Count Fraction}$$

3.6 Determination of Floating Rate

The Floating Rate for a given Calculation Period shall be the Benchmark Level of the applicable Floating Rate Option for a period of the Designated Maturity on the relevant Reset Date and otherwise determined in accordance with Part 2.

3.7 Negative Floating Amount

If “Zero Interest Rate Method” is specified as applying in the Confirmation, and the Floating Amount on a given Payment Date has a negative value, then:

- (a) such Floating Amount payable by the Floating Amount Payer will be deemed to be zero; and
- (b) the Fixed Amount Payer will not, in addition, be required to pay the absolute value of the negative Floating Amount.

3.8 Swap Extension Option

If “Swap Extension Option” is specified in the Confirmation as applying to the Transaction, the terms of Part 7 (“Swaption”) shall, in addition to this Part 3, apply to the Transaction.

Part 4. Interest Rate Floor

4.1 Scope

If the type of Transaction is specified as being an “Interest Rate Floor” in the relevant Confirmation, this Part 4 (*Interest Rate Floor*) will apply.

4.2 Definitions

The additional definitions specified below apply to this Part 4 only. In the event of an inconsistency between a term defined below and a term defined elsewhere, the meaning given to that term below shall prevail.

| Term | Meaning |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Fixed Amount | the amount specified in the Confirmation or if an amount is not specified, the amount as determined in accordance with Part 4.4. |
| Fixed Amount Payer | the party specified as such in the Confirmation. |
| Fixed Rate | the rate specified in the Confirmation and expressed as a decimal. |
| Fixed Rate Day Count Fraction | the method specified in the Confirmation and determined in accordance with Part 1.8. |
| Floating Amount | the amount as calculated in accordance with Part 4.5 |
| Floating Amount Payer | the party specified as such in the Confirmation. |
| Floating Rate Day Count Fraction | the method specified in the Confirmation and determined in accordance with Part 1.8. |
| Floating Rate Option | the Floating Rate Option specified as such in the Confirmation and determined in accordance with Part 2 (<i>Floating Rate Benchmarks</i>). |
| Floor Rate | the rate, expressed as a decimal, equal to the per annum rate specified as such in the Confirmation. |
| Notional Amount | the amount specified as such in the Confirmation. |
| Spread | the per annum rate specified in the Confirmation expressed as a decimal. |

4.3 Terms

- (a) **Payment of Fixed Amount.** The Fixed Amount Payer agrees to pay the Fixed Amount to the Floating Amount Payer on each applicable Payment Date for the term of the Transaction.
- (b) **Payment of Floating Amount.** The Floating Amount Payer agrees to pay the Floating Amount to the Fixed Amount Payer on each applicable Payment Date for the Term of the Transaction.
- (c) **Payment Netting.** Notwithstanding paragraphs (a) and (b) above, and unless agreed otherwise, where the obligation of the Fixed Amount Payer to pay the Fixed Amount and the Floating Amount Payer to pay the Floating Amount falls on the same day, such

obligations shall be set-off and replaced by a single obligation on the party owing the greater of the two amounts to pay the difference between the two amounts to the other party.

4.4 Calculation of Fixed Amount

If the Fixed Amount is not specified in the Confirmation, the Fixed Amount for a given Calculation Period will be calculated as follows:

$$\text{Fixed Amount} = \text{Notional Amount} \times \text{Fixed Rate} \times \text{Fixed Rate Day Count Fraction}$$

4.5 Calculation of Floating Amount

The Floating Amount for a given Calculation Period will be calculated as follows:

$$\text{Floating Amount} = \text{Notional Amount} \times (\text{Floating Rate} + \text{Spread}) \times \text{Floating Rate Day Count Fraction}$$

4.6 Determination of Floating Rate

The Floating Rate in respect of an Interest Rate Floor, for a given Calculation Period shall be the excess (if any) of the:

- (a) Floor Rate, over
- (b) the Benchmark Level of the applicable Floating Rate Option for a period of the Designated Maturity on the relevant Reset Date and otherwise determined in accordance with Part 2.

Part 5. Interest Rate Cap

5.1 Scope

If the type of Transaction is specified as being an “Interest Rate Cap” in the relevant Confirmation, this Part 5 (*Interest Rate Cap*) will apply.

5.2 Definitions

The additional definitions specified below apply to this Part 5 only. In the event of an inconsistency between a term defined below and a term defined elsewhere, the meaning given to that term below shall prevail.

| Term | Meaning |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Cap Rate | the rate, expressed as a decimal, equal to the per annum rate specified as such in the Confirmation. |
| Fixed Amount | the amount specified in the Confirmation or if an amount is not specified, the amount as determined in accordance with Part 5.4. |
| Fixed Amount Payer | the party specified as such in the Confirmation. |
| Fixed Rate | the rate specified in the Confirmation and expressed as a decimal. |
| Fixed Rate Day Count Fraction | the method specified in the Confirmation and determined in accordance with Part 1.8. |
| Floating Amount | the amount as calculated in accordance with Part 5.5. |
| Floating Amount Payer | the party specified as such in the Confirmation. |
| Floating Rate Day Count Fraction | the method specified in the Confirmation and determined in accordance with Part 1.8. |
| Floating Rate Option | the Floating Rate Option specified as such in the Confirmation and determined in accordance with Part 2 (<i>Floating Rate Benchmarks</i>). |
| Notional Amount | the amount specified as such in the Confirmation. |
| Spread | the per annum rate specified in the Confirmation expressed as a decimal. |

5.3 Terms

- (a) **Payment of Fixed Amount.** The Fixed Amount Payer agrees to pay the Fixed Amount to the Floating Amount Payer on each applicable Payment Date for the Term of the Transaction.
- (b) **Payment of Floating Amount.** The Floating Amount Payer agrees to pay the Floating Amount to the Fixed Amount Payer on each applicable Payment Date for the Term of the Transaction.
- (c) **Payment Netting.** Notwithstanding paragraphs (a) and (b) above, and unless agreed otherwise, where the obligation of the Fixed Amount Payer to pay the Fixed Amount, and the Floating Amount Payer to pay the Floating Amount falls on the same day, such

obligations shall be set-off and replaced by a single obligation on the party owing the greater of the two amounts to pay the difference between the two amounts to the other party.

5.4 Calculation of Fixed Amount

If the Fixed Amount is not specified in the Confirmation, the Fixed Amount for a given Calculation Period will be calculated as follows:

$$\text{Fixed Amount} = \text{Notional Amount} \times \text{Fixed Rate} \times \text{Fixed Rate Day Count Fraction}$$

5.5 Calculation of Floating Amount

The Floating Amount for a given Calculation Period will be calculated as follows:

$$\text{Floating Amount} = \text{Notional Amount} \times (\text{Floating Rate} + \text{Spread}) \times \text{Floating Rate Day Count Fraction}$$

5.6 Determination of Floating Rate

The Floating Rate in respect of an Interest Rate Cap Transaction, for a given Calculation Period shall be the excess (if any) of the:

- (a) Benchmark Level of the applicable Floating Rate Option for a period of the Designated Maturity on the relevant Reset Date and otherwise determined in accordance with Part 2, over
- (b) the Cap Rate.

Part 6. Interest Rate Collar

6.1 Scope

If the type of Transaction is specified as being an “Interest Rate Collar” or “Zero Cost Collar” in the relevant Confirmation, this Part 6 (*Interest Rate Collar*) will apply.

6.2 Definitions

The additional definitions specified below apply to this Part 6 only. In the event of an inconsistency between a term defined below and a term defined elsewhere, the meaning given to that term below shall prevail.

| Term | Meaning |
|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Cap Rate | the rate, expressed as a decimal, equal to the per annum rate specified as such in the Confirmation. |
| Fixed Amount | the amount specified in the Confirmation or if an amount is not specified, the amount as determined in accordance with Part 6.4. |
| Fixed Amount Payer | the party specified as such in the Confirmation. |
| Fixed Rate | the rate specified in the Confirmation and expressed as a decimal. |
| Fixed Rate Day Count Fraction | the method specified in the Confirmation and determined in accordance with Part 1.8. |
| Floating Amount | the amount as calculated in accordance with Part 6.5. |
| Floating Amount Payer A and Floating Amount Payer B | the parties specified as such in the Confirmation. |
| Floating Rate Day Count Fraction | the method specified in the Confirmation and determined in accordance with Part 1.8. |
| Floating Rate Option | the Floating Rate Option specified as such in the Confirmation and determined in accordance with Part 2 (<i>Floating Rate Benchmarks</i>). |
| Floor Rate | the rate, expressed as a decimal, equal to the per annum rate specified as such in the Confirmation. |
| Notional Amount | the amount specified as such in the Confirmation. |
| Spread | the per annum rate specified in the Confirmation expressed as a decimal. |

6.3 Terms

- (a) **Payment of Fixed Amount.** If applicable, the Fixed Amount Payer (or Fixed Amount Payer A and Fixed Amount Payer B) agrees to pay each respective Fixed Amount to the other party on each applicable Payment Date for the Term of the Transaction.

- (b) **Payment of Floating Amount.** The Floating Amount Payer A and Floating Amount Payer B agree to pay each respective Floating Amounts to the other party on each applicable Payment Date for the Term of the Transaction.
- (c) **Payment Netting.** Notwithstanding paragraphs (a) and (b) above, and unless agreed otherwise, where the obligations of each party to pay the respective amounts under paragraphs (a) and (b) above fall on the same day, such obligations shall be set-off and replaced by a single obligation on the party owing the greater of the two total amounts to pay the difference between the two total amounts to the other party.

6.4 Calculation of Fixed Amount

If the Fixed Amount is not specified in the Confirmation, the Fixed Amount for a given Calculation Period will be calculated as follows:

$$\text{Fixed Amount} = \text{Notional Amount} \times \text{Fixed Rate} \times \text{Fixed Rate Day Count Fraction}$$

6.5 Calculation of Floating Amount

The Floating Amount, in respect of the Floating Amount Payer A and Floating Amount Payer B, for a given Calculation Period will be calculated as follows:

$$\text{Floating Amount} = \text{Notional Amount} \times (\text{Floating Rate} + \text{Spread}) \times \text{Floating Rate Day Count Fraction}$$

6.6 Determination of Floating Rate (Cap leg)

The Floating Rate in respect of the Cap leg of an Interest Rate Collar Transaction, for a given Calculation Period, shall be the excess (if any) of the:

- (a) Benchmark Level of the applicable Floating Rate Option for a period of the Designated Maturity on the relevant Reset Date and otherwise determined in accordance with Part 2, over
- (b) the Cap Rate.

6.7 Determination of Floating Rate (Floor leg)

The Floating Rate in respect of the Floor leg of an Interest Rate Collar Transaction, for a given Calculation Period, shall be the excess (if any) of the:

- (a) Floor Rate, over
- (b) the Benchmark Level of the applicable Floating Rate Option for a period of the Designated Maturity on the relevant Reset Date and otherwise determined in accordance with Part 2.

Part 7. Swaption

7.1 Scope

If the type of Transaction is specified as being an “Swaption” in the relevant Confirmation, this Part 7 (*Swaption*) will apply.

7.2 Definitions

The additional definitions specified below apply to this Part 7 only. In the event of an inconsistency between a term defined below and a term defined elsewhere, the meaning given to that term below shall prevail.

| Term | Meaning |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| Bermuda Option Exercise Dates | the dates specified as such in the Confirmation. |
| Buyer | the party specified as such in the Confirmation. |
| Cash Settlement Amount | the amount determined in accordance with Part 7.7 (<i>Calculation of Cash Settlement Amount</i>). |
| Day Count Fraction | the method specified in the Confirmation and determined in accordance with Part 1.8. |
| Earliest Exercise Time | the time specified as such in the Confirmation. |
| Exercise Business Day | each day which is a Business Day in the places(s) specified in the Confirmation. |
| Exercise Period | the period determined in accordance with Part 7.6. |
| Expiration Date | the date specified as such in the Confirmation. |
| Expiration Time | the time specified as such in the Confirmation. |
| Premium | the amount(s) specified as such in the Confirmation, or determined pursuant to a method specified for that purpose. |
| Premium Payment Date(s) | the date(s) specified as such in the Confirmation. |
| Option Style | the option style specified as such in the Confirmation. |
| Seller | the party specified as such in the Confirmation. |
| Underlying Transaction | the underlying interest rate swap transaction to which the Swaption relates, as specified in the Confirmation. |

7.3 Terms

- (a) The Seller grants to the Buyer, upon the exercise or deemed exercise of the Swaption pursuant to Part 7.4 (*Procedure for Exercise*):
- (i) if “Physical Settlement” applies, the right to cause the Underlying Transaction to become effective; or

- (ii) if “Cash Settlement” applies, the right to require the Seller to pay to the Buyer, the Cash Settlement Amount, if any, on the Cash Settlement Payment Date.
- (b) The Buyer, on each Premium Payment Date, shall pay to the Seller the Premium due on that Premium Payment Date.

7.4 Procedure for Exercise

- (a) If the Buyer wishes to exercise its rights under Part 7.3(a), it must notify the Seller during the Exercise Period that it is exercising the Swaption.
- (b) The Buyer may notify the Seller via telephone, email or other electronic messaging system (as agreed between the parties) and any such notice will be irrevocable and effective in accordance with the terms of the Transaction.
- (c) If the Buyer does not notify the Seller during the Exercise Period, and in the prescribed manner, such notice will be ineffective.

7.5 Exercise Period

The Exercise Period for a Swaption shall be the period from, and including, the Earliest Exercise Time, to, and including, the Expiration Time, on each of the days as determined in accordance with the following:

- (a) in respect of an “**American**” Option Style, all Exercise Business Days from the first Premium Payment Date, to and including, the Expiration Date;
- (b) in respect of a “**Bermuda**” Option Style, all Bermuda Option Exercise Dates specified in the Confirmation and the Expiration Date; or
- (c) in respect of a “**European**” Option Style, the Expiration Date only.

If the Expiration Date, or in the case of a Bermuda Option Style, the dates specified in the Confirmation, are not an Exercise Business Day, then such date(s) will be taken to be the next following Exercise Business Day.

7.6 Automatic Exercise

If:

- (a) “Automatic Exercise” is specified as applying in the Confirmation; and
- (b) the Cash Settlement Amount of the Transaction, if calculated at the Expiration Time on the Expiration Date and otherwise in accordance with Part 7.7] (*Calculation of Cash Settlement Amount*), would result in a payment owing to the Buyer,

then the Swaption shall be deemed to be automatically exercised, without notice from either party, at the Expiration Time on the Expiration Date.

7.7 Calculation of Cash Settlement Amount

The Cash Settlement Amount shall be the mark-to-market value of the Underlying Transaction calculated using market quotations or prevailing markets rates as determined by the Calculation Agent, provided that, if the Cash Settlement Amount would result in a payment owing from the Buyer to the Seller, then in such situation, the Cash Settlement Amount shall be zero.

Part 8. Early Termination

8.1 Scope

If “**Optional Early Termination**” is specified as applying in the Confirmation, the provisions of this Part 8 (*Early Termination Provisions*) will apply.

8.2 Definitions

The additional definitions specified below apply to this Part 8 only. In the event of an inconsistency between a term defined below and a term defined elsewhere, the meaning given to that term below shall prevail.

| Term | Meaning |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bermuda Option Exercise Dates | the dates specified as such in the Confirmation. |
| Buyer | the party specified as such in the Confirmation, or if neither party is specified, each party. |
| Cash Settlement Amount | the amount determined in accordance with Part 8.6 (<i>Calculation of Cash Settlement Amount</i>). |
| Cash Settlement Currency | the currency as specified in the Confirmation, or if no currency is specified, the currency as determined in accordance with Part 1.11 (<i>Currencies</i>) |
| Cash Settlement Payment Date | the date specified as such in the Confirmation or determined pursuant to a method specified for that purpose. |
| Cash Settlement Valuation Date | the dates specified as such in the Confirmation. |
| Cash Settlement Valuation Time | the time specified as such in the Confirmation. |
| Earliest Exercise Time | the time specified as such in the Confirmation. |
| Exercise Business Day | each Business Day in the location(s) as specified in the Confirmation. |
| Exercise Date | the day during the Exercise Period on which the exercise or deemed exercise occurs. |
| Exercise Period | the period determined in accordance with Part 8.5 (<i>Exercise Period</i>). |
| Expiration Date | the date specified as such in the Confirmation. |
| Expiration Time | the time specified as such in the Confirmation. |
| Option Style | the style specified as such in the Confirmation. |

| | |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Optional Early Termination Date | the date specified as such in the Confirmation, determined pursuant to a method specified for that purpose, or if no date or method is specified, the Cash Settlement Payment Date in respect of that Exercise Date. |
| Seller | the party specified as such in the Confirmation, or if neither party is specified, each party. |
| Valuation Business Days | any day which is a Business Day in the place(s) specified in the Confirmation, or if no place is specified, each day on which the applicable Floating Rate Option is published. |

8.3 Terms

- (a) The Seller grants to the Buyer, upon the exercise or deemed exercise pursuant to Part 8.4 (*Procedure for Exercise*), the right to terminate the Transaction, in whole or in part.
- (b) Following the exercise of the right to terminate the Transaction by the Buyer, the Calculation Agent shall determine the Cash Settlement Amount in accordance with Part 8.6 (*Calculation of Cash Settlement Amount*) and the party which owes the resulting obligation shall pay to the other party the Cash Settlement Amount on the Cash Settlement Payment Date.
- (c) With effect from the Optional Early Termination Date, all future obligations in respect of the Transaction of each party, excluding for the avoidance of doubt, the obligation to pay unpaid amounts and the Cash Settlement Amount, shall be discharged.

8.4 Procedure for Exercise

- (a) If the Buyer wishes to exercise its rights under Part 8.3(a), it must notify the other party during the Exercise Period that it is exercising its right to Terminate the Transaction.
- (b) The Buyer may notify the other party via telephone, email or other electronic messaging system (as agreed between the parties) and any such notice will be irrevocable and effective in accordance with the terms of the Transaction.
- (c) If the Buyer does not notify the other party during the Exercise Period, and in the prescribed manner, such notice will be ineffective.

8.5 Exercise Period

The Exercise Period shall be the period from, and including, the Earliest Exercise Time, to, and including, the Expiration Time, on each of the days as determined in accordance with the following:

- (a) in respect of an “**American**” Option Style, all Exercise Business Days from the Trade Date, to and including, the Expiration Date;
- (b) in respect of a “**Bermuda**” Option Style, all Bermuda Option Exercise Dates and the Expiration Date; or
- (c) in respect of a “**European**” Option Style, the Expiration Date only.

If the Expiration Date, or in the case of a Bermuda Option Style, the Bermuda Option Exercise Dates, are not an Exercise Business Day, then such dates will be adjusted to be the next following Exercise Business Day.

8.6 Calculation of Cash Settlement Amount

If “Cash Settlement” is specified in the Confirmation as being applicable, the Cash Settlement Amount shall be the amount as calculated by the Calculation Agent in accordance with Part 9 (*Termination Amount*) of the Master Agreement as if:

- (a) the Transaction to which the Optional Early Termination relates is the only terminated transaction;

- (b) the Cash Settlement Amount is calculated on, or by reference to, the Cash Settlement Valuation Date and at the Cash Settlement Valuation Time; and
- (c) the Cash Settlement Amount is expressed in the Cash Settlement Currency.