

(Multicurrency — Cross Border)



International Swap Dealers Association, Inc.

MASTER AGREEMENT

dated as of June 22, 2004.....

Societe Generale ("Party A") and Pasala Industries (Party B)

have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this Master Agreement, which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows: —

1. Interpretation

- (a) **Definitions.** The terms defined in Section 14 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.
- (b) **Inconsistency.** In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.
- (c) **Single Agreement.** All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

2. Obligations

(a) General Conditions.

- (i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.
- (ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.
- (iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.

value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the Termination Currency Equivalents of the fair market values reasonably determined by both parties.

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

Societe Generale.....
(Name of Party)

Pasala Industries.....
(Name of Party)

EXECUTION COPY

ISDA®
International Swaps and Derivatives Association, Inc.

**SCHEDELE
to the
Master Agreement
dated as of
June 22, 2004**

Between : **SOCIETE GENERALE ("Party A")**
(whose Head Office is located at 29, boulevard Haussmann - 75009 Paris, France)

and : Pasala Industries ("Party B")
whose Head Office is located at 27, Hyderabad, 50087, Telangana, India

Part 1

Termination Provisions

In this Agreement:

- (a) “Specified Entity” does not apply.
- (b) “Specified Transaction” has the meaning specified in Section 14 of this Agreement, *provided*, that such term shall not include any commodities futures contracts or any other contracts traded over a futures exchange.
- (c) The “Cross Default” provisions of Section 5(a)(vi) as amended below will apply to Party A and Party B.
 - (i) The word “or” is substituted for the comma after the word “default” in the second line and the words “or other similar condition or event (however described)” in the second and third lines of the provision are deleted; and the words “or becoming capable at such time of being declared” in the seventh line is deleted.
 - (ii) The following proviso is added at the end of this Section:

provided, however, that notwithstanding anything in Section 5(a)(vi) to the contrary, no Event of Default shall be deemed to have occurred under (x) the event or condition referred to in Section 5(a)(vi)(1) or (y) the default in making payment

as set out in Section 5(a)(vi)(2) if the relevant failure is caused solely by an error or omission of an administrative or operational nature; provided in addition that, in the case of (y) funds were available to such party, any Credit Support Provider of such party or any applicable Specified Entity of such party, as the case may be, to make the relevant payment when due and such payment is made within three Local Business Days after notice of such failure is given to such party, any Credit Support Provider of such party or any applicable Specified Entity of such party, as the case may be.

“Specified Indebtedness” means any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money (other than indebtedness in respect of deposits received in the ordinary course of business).

“Threshold Amount” means USD 50,000,000 for Party A and for Party B, or its equivalent in any other currency.

- (d) The “**Credit Event Upon Merger**” provisions of Section 5(b)(iv) will apply to Party A and Party B; provided, however, that the phrase “materially weaker” means (i) the senior, unsecured, unsubordinated, long-term debt of the resulting, surviving or transferee entity is or are, as the case may be, rated less than “BBB-” by Standard & Poor’s Corporation or “Baa3” by Moody’s Investors Service, Inc., or (ii) there are no such Standard & Poor’s Corporation or Moody’s Investors Service, Inc. ratings published in respect of such entity.
- (e) The “**Automatic Early Termination**” provision of Section 6(a) will not apply to Party A or Party B; *provided, however,* that where there is an Event of Default under Section 5(a)(vii)(1), (3), (4), (5), (6), or, to the extent analogous thereto, (8), and the Defaulting Party is governed by a system of law that does not permit termination to take place after the occurrence of such Event of Default, then the Automatic Early Termination provisions of Section 6(a) will apply.

- (f) **Payments on Early Termination.** For the purpose of Section 6(e) of this Agreement:

- (i) Market Quotation will apply;
- (ii) The Second Method will apply.

- (g) **“Termination Currency”** means the currency selected by the Non-defaulting Party or the party which is not the Affected Party, or, in circumstances where there are two Affected Parties, agreed by Party A and Party B, and failing such agreement the Termination Currency shall be United States Dollars. However, the Termination Currency selected by the Non-defaulting Party or the party which is not the Affected Party (i) shall be one of the currencies in which payments in respect of the Terminated Transactions are required to be made, and (ii) shall be freely transferable into all other currencies in which payments are to be made in respect of any Terminated Transaction.

- (h) **“Additional Termination Event”**

The long-term unsecured, unsubordinated debt of Party A is rated lower than “Baa3” by Moody’s Investor Services, Inc. (“Moody’s”) or ceases to be rated by Moody’s, is rated lower than “BBB” by Standard and Poor’s Ratings Services, a division of The McGraw Hill Companies, Inc. (“S&P”), or ceases to be rated by S&P, and is rated lower than “BBB+” by Fitch Ratings Ltd. (“Fitch”), or ceases to be rated by Fitch.

Part 2

Tax Representations

- (a) **Payer Representation.** For the purpose of Section 3(e) of this Agreement, Party A and Party B will make the following representation:

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction, to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Section 2(e), 6(d)(ii) or 6(e) of this Agreement) to be made by it to the other party under this Agreement. In making this representation, it may rely on:

- (i) the accuracy of any representations made by the other party pursuant to Section 3(f) of this Agreement;
- (ii) the satisfaction of the agreement contained in Section 4(a)(i) or 4(a)(iii) of this Agreement and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(iii) of this Agreement; and
- (iii) the satisfaction of the agreement of the other party contained in Section 4(d) of this Agreement,

provided that it shall not be a breach of this representation where reliance is placed on clause (ii) and the other party does not deliver a form or document under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.

- (b) **Payee Representations.** Party A and Party B make no representations for the purpose of Section 3(f) of this Agreement unless otherwise provided in the relevant Confirmation.

Part 3

Agreement to Deliver Documents

For the purpose of Section 4(a)(i) and (ii) of this Agreement, each party agrees to deliver the following documents, as applicable:

- (a) **Tax forms, documents or certificates to be delivered are:** None.

- (b) **Other documents to be delivered are:**

| Party required to Deliver document | Form/Document/ Certificate | Date by which to be delivered | Covered by Section 3(d) Representation |
|---|--|--|---|
| Party A | The current authorized signature book of Party A specifying the names and authority, and containing the specimen signatures of the persons authorized to execute this Agreement and each Confirmation on its behalf. | Upon execution of this Agreement and thereafter upon the reasonable request of Party B. | Yes |
| Party B | A certificate of incumbency and a certified copy of the resolutions adopted by the Board of Directors of Party B, authorizing the execution and delivery of this Agreement and each Confirmation and the performance by Party B of its obligations hereunder and thereunder. | Upon execution of this Agreement and thereafter upon the reasonable request of Party A. | Yes |
| Party B | Certified Certificate of Incorporation, Memorandum and Articles Incorporation, By-laws and other constitutional documents. | Upon execution of this Agreement and thereafter upon the reasonable request of Party A. | Yes |
| Party A And Party B | A copy of its most recent annual report containing audited financial statements. | Upon execution of this Agreement and thereafter upon the reasonable request of the other party; provided, that all documents filed by Party B with the Securities and Exchange Commission and available through the EDGAR system shall be deemed to have been provided hereunder to the other party when they are available on the EDGAR system. | Yes |

Part 4

Miscellaneous

(a) Addresses for Notices.

Section 12(a) is hereby amended to delete subsection 12(a)(ii), relating to notice by telex.

For the purpose of Section 12(a) of this Agreement:

Addresses for notices or communications to Party A (unless otherwise specified in the relevant Confirmation):

(ii) With respect to all other notices or communications:

(b) **Process Agent.** For the purpose of Section 13(c) of this Agreement:

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- (c) **Offices.** The provisions of Section 10(a) will apply to this Agreement.
- (d) **Multibranch Party.** For the purpose of Section 10(c) of this Agreement:
- Party A is a Multibranch Party and may act through its Head Office and any of its branch offices worldwide.
 - Party B is not a Multibranch Party.
- (e) **Calculation Agent.** The Calculation Agent is Party A, unless otherwise specified in a Confirmation in relation to the relevant Transaction.
- (f) **Credit Support Document.** Details of any Credit Support Document: None.
- (g) **Credit Support Provider.**
- Credit Support Provider means in relation to Party A: None.
- Credit Support Provider means in relation to Party B: None.
- (h) **GOVERNING LAW.** THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REFERENCE TO CHOICE OF LAW DOCTRINE.
- WAIVER OF JURY TRIAL.** THE PARTIES HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY JUDICIAL PROCEEDINGS TO WHICH THEY ARE BOTH PARTIES INVOLVING ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT.
- (i) **“Net Payments”.** Section 2(c)(ii) of the Agreement will apply except that subparagraph (ii) of Section 2(c) will not apply with respect to the groups of Transactions as specified below:
- (i) FX Transactions entered into between Party A’s New York Branch and Party B;
 - (ii) Energy-related Transactions entered into between Party A’s Head Office and Party B;
 - (iii) Base metal-related Transactions entered into between Party A’s Head Office and Party B,

and a net amount will be determined in respect of all amounts payable on the same date in the same currency in respect of each separate group of transactions as specified above.

- (j) “Affiliate” will have the meaning specified in Section 14 of this Agreement.

Part 5

Other Provisions

(a) **Modifications to the Agreement**

- (i) **Definitions.** This Agreement, each Confirmation and each Transaction are subject to the 2000 ISDA Definitions, the 1998 ISDA FX and Currency Option Definitions and the 1993 Commodity Derivatives Definitions as amended and supplemented by the 2000 Supplement to the 1993 ISDA Commodity Derivatives Definitions ("Commodities Definitions"), each as published by the International Swaps and Derivatives Association, Inc. ("ISDA") (collectively, the "ISDA Definitions") and the 1998 FX and Currency Option Definitions as published by ISDA, the Emerging Markets Traders Association and the Foreign Exchange Committee (the "1998 FX and Currency Option Definitions" and, collectively with the ISDA Definitions, the "Definitions"), and will be governed in all respects by the Definitions (except that references to "Swap Transactions" in the Definitions will be deemed to be references to "Transactions"). The Definitions, as so modified, are incorporated by reference in, and made part of, this Agreement and each Confirmation as if set forth in full in this Agreement and such Confirmations. Subject to Section 1(b) of this Agreement, in the event of any inconsistency between the provisions of this Agreement and the Definitions, this Agreement will prevail. Subject to Section 1(b) of this Agreement, in the event of any inconsistency between the provisions of any Confirmation, this Agreement and the Definitions, such Confirmation will prevail for the purpose of the relevant Transaction. In the event of any inconsistency between the 2000 ISDA Definitions and the 1998 FX and Currency Option Definitions with respect to any FX Transaction, the 1998 FX and Currency Option Definitions will govern. Any Confirmation between the parties relating to an FX Transaction or Currency Option Transaction, whether or not it is expressed to be, shall constitute a "Confirmation" as referred to in this Agreement and shall incorporate the 1998 FX and Currency Option Definitions. In the event of any inconsistency between the 2000 ISDA Definitions and the Commodities Definitions with respect to any Commodities Transaction, the Commodities Definitions will govern.
- (ii) **Section 2(a) Obligations (General Conditions).** Subsection (iii) is amended in its entirety as follows:

(iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) with respect to all Affected Transactions, and subject to Section 2(a)(iv), the condition precedent that no Illegality or Additional Termination Event has occurred and is continuing with respect to which the other party is an Affected Party, (3) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (4) each other applicable condition precedent specified in this Agreement.

A new Subsection (iv) is added, as follows:

(iv) If an Illegality has occurred and is continuing, the due date for any payment or delivery scheduled to be made by the party which is not the Affected Party in connection with the Affected Transaction(s) shall be deferred until the earliest to occur of (i) the date for payment of the amount due in respect of these Transactions pursuant to Section 6(e), (ii) the full and final payment or delivery by the Affected Party on the final Scheduled Payment Date for the Affected Transaction(s); and (iii) the date on which transfer of the Affected Transactions under Section 6(b)(ii) is effected.

Interest at the Non-default Rate shall accrue on any payment so deferred from and including the original due date to but excluding the deferred due date (or, if an Early Termination Date is designated, to but excluding the day designated as such). Any deliveries so deferred shall be made on the deferred delivery date together with such compensation as the parties may reasonably agree.

(iii) **Section 3(a) - Basic Representations** - is amended to add the following new subsections:

(vi) **Line of Business.** It is entering into that Transaction for the purpose of managing its borrowing or investments, hedging its underlying assets or liabilities or in connection with a line of business;

(vii) **Eligible Contract Participant.** It is an "eligible contract participant" as defined in the Commodity Exchange Act, as amended;

(viii) **Trade Option Exemption.** With respect to Party B only it is a producer, processor or commercial user of, or a merchant handling, each "commodity" (as such term is defined in Section 1a(3) of the Commodity Exchange Act, as amended) which may be the subject of any option entered into between the parties, and any such option is entered into solely for purposes related to its business as such;

(ix) **No Reliance.** It has, in connection with the negotiation, execution and delivery of this Agreement and any Transaction (i) the knowledge and

sophistication independently to appraise and understand the financial and legal terms and conditions of each Transaction and to assume the economic consequences and risks thereof and has, in fact, done so as a result of arm's-length dealings with the other party; (ii) to the extent necessary, consulted with its own independent financial, legal or other advisors and has made its own investment, hedging and trading decisions in connection with any Transaction based upon its own judgment and the advice of such advisors and not upon any view expressed by the other party; (iii) not been in any fiduciary relationship with the other party; (iv) not relied on any advice, counsel or assurances as to the expected or projected success, profitability, performance, results or benefits of any Transaction, which advice, counsel or assurances were obtained from the other party (directly or indirectly through any other person); and (v) determined to its satisfaction whether or not the rates, prices or amounts and other economic terms of any Transaction and the indicative quotations (if any) provided by the other party reflect those in the relevant market for similar transactions; and

(xi) **No Representations.** It is not relying upon any representations (whether written or oral) of the other party other than the representations expressly set forth herein and in any Credit Support Document and/or in any Confirmation.

(iv) **Section 3(c) – Absence of Litigation – is hereby modified by inserting the following at the end thereof:** “except that, with respect to Party B, the matters disclosed by Party B in filings with the United States Securities and Exchange Commission prior to the date of this Agreement or prior to the date of entering into a Transaction are hereby excluded for purposes of this representation.”

(v) **Section 5(b)(ii) - Tax Event** - is amended to delete the words from and including "Due to (x)" up to and including "or (y) a Change in Tax Law".

(vi) **Credit Support Default.** Subparagraph (3) of Section 5(a)(iii) of this Agreement is hereby amended by adding the phrase “(or such action is taken by any person or entity appointed or empowered to operate or act on its behalf)” after the word “Document” in the second line thereof.

(vii) **Section 6 - Early Termination** - is amended as follows:

- **Section 6(e)(iii) - Adjustment for Bankruptcy-** is completed to include the following sentence after the existing sentence:

In addition to, and notwithstanding anything to the contrary in the preceding sentence of this Section 6(e)(iii), if an Early Termination Date has occurred under Section 6(a) as a result of Automatic Early Termination, and if the Non-defaulting Party determines that it either sustained or incurred a loss or damage or benefited from a gain in respect of any Transaction, as a result of movement in interest rates, currency exchange rates or market quotations between the Early Termination Date

and the date (the "Determination Date") upon which the Non-defaulting Party first becomes aware that the Early Termination Date has occurred under Section 6(a), THEN

the amount of such loss or damage shall be added to the amount due by the Defaulting Party or deducted from the amount due by the Non-defaulting Party, as the case may be (in both cases pursuant to Section 6(e)(i)(3)); or

the amount of such gain shall be deducted from the amount due by the Defaulting Party or added to the amount due by the Non-defaulting Party, as the case may be (in both cases pursuant to Section 6(e)(i)(3)).

- The following is added as paragraph (f) at the end of the provision:

Set Off: Any amount (the "Early Termination Amount") payable to one party (the "Payee") by the other party (the "Payer") under Section 6(e), in circumstances where there is a Defaulting Party or one Affected Party in the case where a Termination Event under Section 5(b)(iv), or an Additional Termination Event which leads to the termination of all outstanding Transactions, has occurred, will, at the option of the party ("X") other than the Defaulting Party or the Affected Party (and without prior notice to the Defaulting Party or the Affected Party), be reduced by its set-off against any amount(s) (the "Other Agreement Amount") payable by the Payee to the Payer (irrespective of the currency, place of payment or booking office of the obligation) under any other agreement(s) between the Payee and the Payer or instrument(s) or undertaking(s) issued or executed by one party to, or in favor of, the other party (and the Other Agreement Amount will be discharged promptly and in all respects to the extent it is so set-off). X will give notice to the other party of any set-off effected under this Section 6(f).

For this purpose, either the Early Termination Amount or the Other Agreement Amount (or the relevant portion of such amounts) may be converted by X into the currency in which the other is denominated at the rate of exchange at which such party would be able, acting in a reasonable manner and in good faith, to purchase the relevant amount of such currency.

Nothing in this Section 6(f) shall be effective to create a charge or other security interest. This Section 6(f) shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

(b) **Other Provisions**

- (i) **Telephone Recording.** Each party (i) consents to the recording of the telephone conversations of trading and marketing personnel of the parties and their Affiliates in connection with this Agreement or any potential Transaction and (ii) agrees to

obtain any necessary consent of and to give any necessary notice of such recording to such personnel of it and its Affiliates.

- (ii) **Payments in escrow.** On any particular date on which both parties are required to make payments hereunder, either party may at its option and in its sole discretion notify the other party that payments on that date are to be made in escrow. In this case, deposit of the payment due earlier on that date shall be made by 2:00 p.m. (local time at the place for the earlier payment) on that date with an escrow agent selected by the party giving the notice, accompanied by irrevocable payment instructions (i) to release the deposited payment to the intended recipient upon receipt by the escrow agent of the required deposit of the corresponding payment from the other party on the same date accompanied by irrevocable payment instructions to the same effect or (ii) if the required deposit of the corresponding payment is not made on the same date, to return the payment deposited to the party that paid it in escrow. The party that elects to have payments made in escrow shall pay the costs of the escrow arrangements and shall make arrangements to provide that the intended recipient of the amount due to be deposited first shall be entitled to interest on the deposited payment for each day in the period of its deposit at the rate offered by the escrow agent for that day for overnight deposits in the relevant currency in the office where it holds that deposited payment (at 11:00 a.m. local time on that day) if that payment is not released by 5:00 p.m. local time on the date it is deposited for any reason other than the intended recipient's failure to make the escrow deposit it is required to make hereunder in a timely fashion.
- (iii) **Severability.** If any term, provision, covenant, or condition of this Agreement, or the application thereof to any party or circumstance, shall be held to be illegal, invalid or unenforceable (in whole or in part) for any reason, the remaining terms, provisions, covenants, and conditions hereof shall continue in full force and effect as if the Agreement had been executed with the illegal, invalid or unenforceable portion eliminated, so long as the Agreement as so modified continues to express, without material change, the original intentions of the parties as to the subject matter of this Agreement and the deletion of such portion of this Agreement will not substantially impair the respective benefits or expectations of the parties of this Agreement. It shall in particular be understood that this Severability clause shall not affect the "single agreement" concept of Section 1 (c) of this Agreement.
- (iv) **Confirmations.** Any Specified Transaction into which the parties have entered or may enter and in respect of which confirming evidence does not expressly exclude the application of this Agreement shall be governed by this Agreement. Any such confirmation shall be a "Confirmation", and any such Specified Transaction shall be deemed to constitute a Transaction for the purpose of this Agreement. In particular, it is agreed that where in terms of standard industry practice confirmation is by electronic messaging system or SWIFT, such confirmation shall serve as a Confirmation irrespective of whether reference is made to this Agreement in such Confirmation.

- (v) **Incorporation of the 2001 Euro Protocol Terms.** The parties agree that the definitions and provisions contained in Annexes 1 to 4 of the Euro Protocol published by the International Swaps and Derivatives Association, Inc. on 24 September 2001 are incorporated into and apply to this Agreement.
- (vi) **Pari Passu.** Party B agrees that at all times its obligations under any unsecured Transaction shall rank at least pari passu in right of payment and security with all of Party B's unsecured and unsubordinated Specified Indebtedness other than Specified Indebtedness preferred by law.
- (vii) **Additional Covenants of Party B.** Party B hereby covenants and agrees that it will, and that each Transaction entered into hereunder will, at all times, comply with its resolutions and/or derivatives policy.

Part 6 **FX and Currency Options Transactions**

Notwithstanding anything to the contrary in this Master Agreement, for the purposes of any Transaction hereunder which by its terms incorporates (or is deemed to incorporate) the 1998 FX and Currency Option Definitions (the "1998 Definitions"), the following provisions shall apply:

- (1) **Section 3.6.(b)(i) - Effectiveness of Notice of Exercise-** of the 1998 Definitions is amended to read as follows:
 - (i) In the case of an American Style Option, a Notice of Exercise with respect to a Currency Option Transaction becomes effective (unless otherwise agreed): if received prior to 10:00 a.m. New York time on a Banking Day upon receipt thereof by Seller, and if received at any other time, only as of the opening of business of Seller on the first such Banking Day subsequent to receipt, and in any event during the Exercise Period. Notwithstanding the foregoing, when the Seller is located in the Pacific rim, 3:00 p.m. Tokyo time shall apply.
- (2) **Section 3.4. (b) - Premium Payment Date -** of the 1998 Definitions is amended by adding the following at the end thereof:

If any Premium is not received on the Premium Payment Date, the Seller may elect to give written notice of such non-payment and, if such payment shall not be received within two (2) Local Business Days of such notice, treat the related Currency Option Transaction as void. The Buyer shall pay all out-of-pocket costs and actual damages incurred in connection with such unpaid Premium or void Currency Option Transaction

(including, without limitation, a delta hedge and interest on such Premium at the Default Rate).

- (3) The following provision shall be added as Section 3.9. to the 1998 Definitions:

Termination and Discharge of Currency Option Transactions. Unless otherwise agreed, any Currency Option Transaction written by a party will automatically be terminated and discharged, in whole or in part, as applicable, against a Currency Option Transaction written by the other party, such termination and discharge to occur automatically upon the payment in full of the last Premium payable in respect of such Currency Option Transactions; *provided that* such termination and discharge may only occur in respect of Currency Option Transactions:

- (a) each being with respect to the same Put Currency and the same Call Currency;
- (b) each having the same Expiration Date and Expiration Time;
- (c) each being of the same style, i.e., either both being American, Bermuda, or European;
- (d) each having the same Strike Price;
- (e) neither of which shall have been exercised by delivery of a Notice of Exercise; and
- (f) which have been booked into by the Head Office of SOCIETE GENERALE and by any Offices of Party B.

**SOCIETE GENERALE
(Party A)**

**PASALA INDUSTRIES
(Party B)**