

# Foreign Exchange Transactions Module

This Module supplements and forms part of the Customer Agreement entered into between you and Morgan Stanley from time to time. If you require a further copy of the General Terms, please contact your MSWM financial adviser.

## 1. Entering into Foreign Exchange Contracts

### 1.1 APPLICATION

MSIP may, from time to time, enter into contracts with you for the forward purchases or sales of one currency for another (including non-deliverable forwards) in accordance with the terms of the Customer Agreement and this Module (each such contract, an “**FX Transaction**”) provided that you have entered into the Credit Module and applied for, and been granted, a Credit Facility thereunder. MSIP will not enter into currency options with you under this Module.

### 1.2 PLACING OF INSTRUCTIONS

Any Instructions relating to any FX Transaction shall be given in accordance with Clause 5.9 (*Placing of Instructions*) of the General Terms.

### 1.3 CONFIRMATION

Each FX Transaction will be confirmed by a written confirmation issued by Morgan Stanley to you. Each confirmation will be conclusive proof (absent manifest error) of the terms of the FX Transaction referred to therein, unless objected to in writing by you or unless a corrected confirmation is sent to you, in either case within five Local Business Days of executing the FX Transaction in question. Any defined term used in the confirmation and not defined therein or in this Module will have the meaning given to it in the 1998 FX and Currency Option Definitions published by the International Swaps and Derivatives Association Inc., the Emerging Markets Traders Association and The Foreign Exchange Committee (as amended or supplemented from time to time). Each FX Transaction will be governed by the Customer Agreement (including this Module and the Credit Module) and the written confirmation. In the event of inconsistency between

this Module, other provisions of the Customer Agreement, and any confirmation, the terms of this Module shall prevail over the other provisions of the Customer Agreement, and the terms of this Module and the Customer Agreement shall prevail over the terms of that confirmation.

## 2. Settlement

### 2.1 DATE

All payments to be made under an FX Transaction will be made on the date(s) specified in the confirmation of that FX Transaction or, if any such date is not a business day (being a day on which Morgan Stanley and commercial banks in New York, London, Hong Kong, Sydney and the country of origin of any relevant currency are open for business), on the next business day after taking into account the provisions relating to netting set out below and in the Customer Agreement.

### 2.2 NETTING AND NET CASH SETTLEMENT

**2.2.1** All FX Transactions under which one party (the first party) is due on a particular date to pay to the other party (the second party) an amount in a specified currency, and all FX Transactions under which the first party is due to receive on that date an amount in the same currency will (unless otherwise agreed by the parties in writing in relation to specific FX Transactions) be aggregated and shall constitute a single FX Transaction (a “**Netted Contract**”), under which MSIP and/or you, as the case may be, will be obliged to pay in each of the relevant currencies only the net amounts (if any) that result from netting each of the amounts due to be paid and received in the same currency under those FX Transactions, provided that the above will not affect the obligations of you and/or MSIP to pay any other amount due under that Netted Contract which is not to be netted in the above manner.

**2.2.2** All amounts in a particular currency that are due, in the aggregate, on any day from one party to the other, as the case may be, after taking into account paragraph 2.2.1 above, will be netted against each other, and only the net amount of that currency resulting from that netting will be payable by either you or MSIP, as the case may be.

### 2.3 CURRENCY AND MANNER OF PAYMENT

All payments will be made in the agreed currency of payment by wire transfer of immediately available funds to the bank account designated by the party receiving payment. If you do not designate a bank account for this purpose, all payments payable to you shall be credited to your Account at our discretion, and all payments payable by you shall be debited from your Account at Morgan Stanley's discretion. If an FX Transaction is a non-deliverable forward (a "**Non-Deliverable FX Transaction**"), no amounts will be paid in the non-deliverable currency; all amounts payable to you will be paid in the settlement currency of the FX Transaction agreed between you and Morgan Stanley.

### 2.4 DISRUPTION EVENT

If MSIP determines that a Disruption Event (as defined in paragraph 2.4.2 below) occurs or has occurred and is continuing in respect of an FX Transaction on any day that is a determination date for that FX Transaction, the fallback determination mechanism described below (applied in accordance with its terms) shall apply as an alternative basis for the settlement of that FX Transaction.

**2.4.1 FALLBACK DETERMINATION MECHANISM - ALTERNATIVE CURRENCY SUBSTITUTE:** In the case of:

(a) a deliverable FX Transaction, the payment obligations under such Transaction will be replaced by an obligation to pay an amount that would be due as if such Transaction were a Non-Deliverable FX Transaction, together with interest on such amount at a rate per annum equal to the cost to the relevant party (as certified by it) of funding that amount for the period from and including the original date that, had the Disruption Event not occurred, would have been the settlement date for the Spot FX Transaction up to, but excluding, the actual date of payment of that amount. The party obliged to pay (after giving effect to such conversion) the settlement amount will instead pay to an account designated by the other party an amount of an alternative currency agreed between you and MSIP (or failing that an amount in any of USD or AUD as determined by MSIP in our sole discretion), equal to the quantity of Affected Currency (as defined in paragraph 2.4.2 below) owed on the settlement date; and

(b) Non-Deliverable FX Transaction, the party obliged to pay the settlement amount will instead pay to an account designated by the other party an amount of an alternative currency agreed between you and MSIP (or failing that an amount in any of USD or AUD as determined by MSIP in its sole discretion) equal to the quantity of Affected Currency (as defined in paragraph 2.4.2 below) owed on the settlement date. The valuation date will be the original date that would have been the settlement date for the FX Transaction, if the Disruption Event had not occurred.

**2.4.2 MEANING OF DISRUPTION EVENT:** A "**Disruption Event**" is an event that either (i) generally makes it impossible, or (ii) makes it impossible for a party to the FX Transaction, to:

(a) convert one currency (the "**Affected Currency**") into the other currency in the country of origin of that Affected Currency through customary channels, except where such impossibility is due solely to the failure by that party to comply with any Applicable Regulation (unless such Applicable Regulation is enacted after the trade date of the FX Transaction and it is impossible for such party, due to an event beyond the control of that party, to comply with such law, rule or regulation); or

(b) deliver (i) the Affected Currency from accounts inside the country of origin of the Affected Currency to accounts outside such

country; or (ii) the Affected Currency between accounts inside the country of origin of the Affected Currency or to a party that is a non-resident of such country, except where such impossibility is due solely to the failure by that party to comply with any Application Regulation (unless such Applicable Regulation is enacted after the trade date of the FX Transaction and it is impossible for such party, due to an event beyond the control of that party, to comply with such Applicable Regulation); or

(c) obtain a sufficient amount of the Affected Currency in the country of origin of the Affected Currency in order for a party to fully perform its obligations under the FX Transaction, as a result of the general interbank exchange market in the jurisdiction of origin of the Affected Currency becoming illiquid.

Where one of the currencies in an FX Transaction is offshore CNY, "country of origin", as used in paragraphs 2.4.2(a) and 2.4.2(c), refers to Hong Kong or elsewhere outside the People's Republic of China, and as used in paragraph 2.4.2(b), refers to Hong Kong.

### 2.5 PRE-ADVICE

The party making any such payment will advise the party receiving that payment of the bank from which that payment will be made.

### 2.6 FIXING

The applicable exchange rate for determining the amount(s) payable under each FX Transaction shall be agreed with you (either as a specified exchange rate, or an exchange rate published on a standard foreign exchange rate fixing source such as Bloomberg or Reuters, or an exchange rate published by one or more specified banks) or, if no such rate has been agreed, it shall be determined by MSIP in its sole discretion acting in good faith. If the applicable exchange rate is not published by the agreed fixing source or the specified bank(s) at the relevant time and date, or if the applicable exchange rate published is zero or negative, MSIP will determine the applicable exchange rate in its sole discretion acting in good faith. If the agreed fixing source is not available, MSIP shall determine the applicable rate in its sole discretion acting in good faith.

## 3. Foreign Exchange Trading Limits and Margin

Morgan Stanley may apply such trading limits on FX Transactions with you as Morgan Stanley may notify to you from time to time. The provisions of Clause 21.3 (*Undertaking to Pay Margin*) of the General Terms concerning, among other things, your obligation to provide margin to MSIP, the manner by which MSIP holds margin and the consequences of a failure to meet a margin call apply equally to any FX Transactions and any margin provided in respect of any FX Transaction (as applicable).

## 4. Termination

If an Event of Default occurs, one or more FX Transactions may be terminated in accordance with the provisions of Clause 23 (*Partial Close-Out and Netting*) or Clause 24 (*Total Close-Out and Netting*) of the General Terms.

## 5. Risk Disclosure

By entering into an FX Transaction, you will be exposed to the following risks:

### **5.1 NO PRINCIPAL PROTECTION**

FX Transactions are not principal protected. You could suffer significant losses on the amount invested if currency exchange rates do not move in the manner anticipated.

### **5.2 CREDIT RISK**

You are exposed to Morgan Stanley's credit risk.

### **5.3 MARKET RISK**

The value of a FX Transaction will be affected by, among other things, the movement and direction of the relevant currency exchange rates, market volatility, interest rates and time remaining to the maturity date of the FX Transaction.

### **5.4 LIQUIDITY/EXIT RISK**

Each FX Transaction is an over-the-counter foreign exchange bilateral derivative transaction between you and MSIP. FX Transactions cannot be transferred to a third party without MSIP's consent.

### **5.5 RISK OF TRADING IN LEVERAGED FOREIGN EXCHANGE CONTRACTS**

The risk of loss in leveraged foreign exchange trading can be substantial. You may sustain losses in excess of your initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit losses to the intended amounts. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore carefully consider whether such trading is suitable in light of your own financial position and investment objectives.

## **6. Relationship with ISDA Master Agreement**

If you have entered into an ISDA with Morgan Stanley, in the absence of any written agreement to the contrary, forward purchases or sales of one currency for another (including non-deliverable forwards) will be governed by the terms of the Customer Agreement and this Module rather than by the ISDA.

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I/we have read, understood and agree to this Foreign Exchange Transactions Module.

### For Individuals in all Jurisdictions

[Signature Line]			
NAME			
[Signature Line]			
ADDRESS			
[Signature Line]	[Signature Line]	[Signature Line]	[Signature Line]
SUBURB	STATE	POSTCODE	COUNTRY
[Signature Line]		[Signature Line]	
SIGNATURE		DATE	

### For Joint Accounts in all Jurisdictions

#### First joint account holder

[Signature Line]			
NAME			
[Signature Line]			
ADDRESS			
[Signature Line]	[Signature Line]	[Signature Line]	[Signature Line]
SUBURB	STATE	POSTCODE	COUNTRY
[Signature Line]		[Signature Line]	
SIGNATURE*		DATE	

and

#### Second joint account holder

[Signature Line]			
NAME			
[Signature Line]			
ADDRESS			
[Signature Line]	[Signature Line]	[Signature Line]	[Signature Line]
SUBURB	STATE	POSTCODE	COUNTRY
[Signature Line]		[Signature Line]	
SIGNATURE*		DATE	

\* All joint account holders to sign, unless signatories have express authority by deed to sign on behalf of all other parties. Please request additional signature pages from your MSWM financial adviser if more than two joint account holders need to sign.

### Office Use Only

ACCOUNT NUMBER	ACCOUNT NAME	RR CODE
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I/we have read, understood and agree to this Foreign Exchange Transactions Module.

### For Partnerships in all Jurisdictions

Signed for and behalf of

[Signature Line]			
NAME OF CUSTOMER			
[Signature Line]			
ADDRESS OF CUSTOMER			
[Signature Line]	[Signature Line]	[Signature Line]	[Signature Line]
SUBURB	STATE	POSTCODE	COUNTRY
[Signature Line]	[Signature Line]	[Signature Line]	[Signature Line]
SIGNATURE OF PARTNER(S)*	SIGNATURE OF PARTNER(S)*		
[Signature Line]	[Signature Line]		
NAME OF PARTNER	NAME OF PARTNER		
[Signature Line]	[Signature Line]		
DATE	DATE		

\* All partners to sign, unless signatories have express authority by deed to sign on behalf of all other parties. Please request additional signature pages from your MSWM financial adviser if more than two partners need to sign.

### For Companies, Foundations and Other Legal Persons

Signed for and behalf of

[Signature Line]			
NAME OF CUSTOMER			
[Signature Line]			
ADDRESS OF CUSTOMER			
[Signature Line]	[Signature Line]	[Signature Line]	[Signature Line]
SUBURB	STATE	POSTCODE	COUNTRY
[Signature Line]	[Signature Line]	[Signature Line]	[Signature Line]
SIGNATURE OF DIRECTOR/ COMPANY SECRETARY/ ALTERNATE DIRECTOR /CHAIRMAN / AUTHORISED SIGNATORY*	SIGNATURE OF DIRECTOR/ COMPANY SECRETARY/ ALTERNATE DIRECTOR /CHAIRMAN / AUTHORISED SIGNATORY*		
[Signature Line]	[Signature Line]		
NAME	NAME		
[Signature Line]	[Signature Line]		
DATE	DATE		

\* For Australian incorporated companies, execution must be effected pursuant to section 127 of the Corporations Act 2001 (Cth) which requires execution by two directors, a director and a company secretary, or for a proprietary company that has a sole director who is also the sole company secretary, that director. Please request additional signature pages from your MSWM financial adviser if more than two persons need to sign.

### Office Use Only

ACCOUNT NUMBER	ACCOUNT NAME	RR CODE
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I/we have read, understood and agree to this Foreign Exchange Transactions Module.

### For Trustees in all Jurisdictions

NAME OF TRUST			
ADDRESS OF TRUST			
SUBURB	STATE	POSTCODE	COUNTRY
NAME OF TRUSTEE (IF A COMPANY)			
SIGNATURE OF TRUSTEE/DIRECTOR/ COMPANY SECRETARY*		SIGNATURE OF TRUSTEE/DIRECTOR/ COMPANY SECRETARY*	
NAME		NAME	
DATE		DATE	

\* All individual trustees must sign. In the case of a corporate trustee that is an Australian incorporated company, execution must be effected pursuant to section 127 of the Corporations Act 2001 (Cth) which requires execution by two directors, a director and a company secretary, or for a proprietary company that has a sole director who is also the sole company secretary, that director. Please request additional signature pages from your MSWM financial adviser if more than two trustees need to sign.

#### Office Use Only

ACCOUNT NUMBER

ACCOUNT NAME

RR CODE

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