

1. Add the following in the appropriate place on the cover page of the Base Contract:

Section 10.3
Termination Currency

- U.S. Dollars (default)
- Canadian Dollar
- _____

[Query whether each party should be permitted to select its own Termination Currency, as is the case under the ISDA Master Agreement and as might be desirable in a case where a U.S. firm was trading with a Canadian firm under a GISB Agreement? Such an approach would require additional changes in these proposed amendments.]

2. Add the following new definition to Section 2:

2.__. “Termination Currency Equivalent” shall mean, in respect of any amount denominated in a currency other than the Termination Currency (the “Other Currency”), the amount in the Termination Currency that the Non-Defaulting Party would be required to pay, on the Early Termination Date or such other date as may be applicable, to purchase such amount of Other Currency for spot delivery, as determined by the Non-Defaulting Party in a commercially reasonable manner.

3. Add the following as a new Section 10.3.4:

10.3.4. The Non-Defaulting Party shall use the Termination Currency Equivalent of any amount denominated in a currency other than the Termination Currency in performing any netting, aggregation or setoff required or permitted by Section 10.3.1 or 10.3.2.

4. We also need to amend Section 7.5 to make clear that the Section only contemplates the netting of amounts that are due in the same currency. This could be done by adding the words “in the same currency” immediately before “arising under the Contract” in the second line of the Section.

5. If the foregoing changes are made, I don’t think we will need your proposed new Section 14.11.