
[17.02] **The previously recommended September 1992 Australian Addendum No. 10 -
Netting**

SEPTEMBER 1992
AUSTRALIAN ADDENDUM No. 10
(AS AMENDED IN MARCH 1994) -
NETTING

ADDENDUM TO SCHEDULE TO MASTER AGREEMENT OF
INTERNATIONAL SWAP DEALERS ASSOCIATION, INC.

- (1) Section 1(c) is replaced with:

“All Transactions are entered into in reliance on the fact that this Master Agreement and all Transactions (as evidenced by their Confirmations) form a single contract (collectively referred to as this “Agreement”) and the parties would not otherwise enter into any Transactions. The entering into of each Transaction takes effect as an amendment to this Agreement.”

- (2) In Section 3:

(1) after “Section 3(f)” in line 2 “3(g) and 3(h)” is added;

(2) new paragraphs are added as follows:

“(g) **Non assignment.** It has not assigned (whether absolutely, in equity, by way of security or otherwise), declared any trust over or given any charge over any of its rights under this Agreement or any Transaction.

(h) **Contracting as principal.** Each existing Transaction has been entered into by that party as principal and not otherwise.”

- (3) In Section 4 a new paragraph is added as follows:

“(f) **Contracting as principal.** It will enter into all Transactions as principal and not otherwise.”

- (4) In Section 5(a):

(1) Section 5(a)(ii) is renumbered as Section 5(a)(ii)(1);

(2) a new Section 5(a)(ii)(2) is inserted as follows:

“(2) A party in breach of Section 7 purports to assign, transfer, charge or create or allow to subsist a trust or other fiduciary obligation, in respect of interests or obligations under this Agreement or any Transaction;”

- (5) The following sentence is added at the end of the last paragraph of Section 6(b)(ii):

“However, consent may be withheld if the other party considers that its credit exposure to the transferor would be adversely affected by the transfer.”

- (6) For the purpose of Section 6(e) the Second Method will apply. This paragraph (6) overrides anything to the contrary in this Agreement or any Confirmation.

-
- (7) Section 7 is amended as follows:
- (a) line 2 of the opening paragraph is amended by adding “, charged or made the subject of a trust” after “otherwise)”;
 - (b) the last line is amended by adding “or other action” after “transfer”.
- (8) In Section 9(b) the first word “No” is replaced with “Except to the extent that the entering into of each Transaction takes effect as an amendment to this Agreement, no”.